



Why Maple Leaf Foods Popped

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of meat and baked goods producer **Maple Leaf Foods** ([TSX: MFI](#)) surged 10% today after announcing plans to sell its bakery business by early 2014.

So what: Maple Leaf's bakery business includes a 90% stake in **Canada Bread** (TSX: CBY) — owner of the popular brand Dempster's. This stake is worth about \$1.5 billion at current trading prices, so it's no surprise that investors are excited about the move. Additionally, the announcement sends a very clear signal to Bay Street that Maple Leaf isn't up for sale and that management intends to focus on packaging and selling meat.

Now what: While Maple Leaf didn't disclose details about potential buyers, sources close to the matter said that a few companies in China and the U.S. have already shown interest. "We are confident that our bakery business can deliver significantly higher levels of profitable growth; the only question is how best to realize the future value of this business," [said](#) Maple Leaf CEO Michael McCain. "This process gives us the opportunity to determine the best path forward for Maple Leaf, our shareholders and our bakery business." Of course, Maple Leaf shares are now up nearly 40% from its 52-week lows and trading at a P/E of 25. Fools might want to watch things unfold from the sidelines until some of the excitement fades.

Assembling an air-tight portfolio can be a tall order. But every seasoned investor knows this little secret: You can build your portfolio and protect it with high-yielding dividend stocks! Now, which dividend plays are the best, you ask? We found 13 of them ...

To help take the guesswork out of dividend investing, The Motley Fool assembled a Special **FREE** Report, "**13 High-Yielding Stocks to Buy Today.**" Just [click here now](#) to receive a copy at no charge!

The Motley Fool's purpose is to help the world invest, better. [Click here now](#) for your free subscription to **Take Stock**, The Motley Fool Canada's free investing newsletter. Packed with stock ideas and investing advice, it is essential reading for anyone looking to build and grow their wealth in the years ahead.

[Follow us on Twitter](#) and [Facebook](#) for the latest in Foolish investing.

Fool contributor Brian Pacampara does not own shares of any of the companies mentioned at this time. The Motley Fool has no positions in the stocks mentioned above at this time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MFI (Maple Leaf Foods Inc.)

Category

1. Investing

Date

2025/07/02

Date Created

2013/10/21

Author

bpacampara

default watermark

default watermark