



## 3 Stocks to Play Alberta's Blistering Growth

### Description

The growth party isn't even close to being over for Alberta.

On Wednesday, RBC Economic Outlook released a report outlining the growth prospects for each province in 2014 and 2015. Alberta came out on top, with forecasted growth rates of 3.7% and 3.5%, respectively. These numbers are a full 50% more than growth forecasted for Canada as a whole, and even come handily ahead of the second place finisher, Saskatchewan.

RBC credited Alberta's strong growth forecasts to investments in the energy sector, strong population growth, moderate housing supplies, and strength of sectors that aren't energy. All this despite a PC government so plagued with infighting that it led to Premier Allison Redford's resignation this week.

It would stand to reason that companies that do a majority of their business in Alberta would reap the benefits of Alberta's boom times. Here are three that merit another look for your portfolio.

### Liquor Stores N.A.

Shares in **Liquor Stores N.A.** (TSX:LIQ) have been under pressure over the last year, thanks to weakening same-store sales, the B.C. provincial government's announcement that it'll allow grocery stores to sell booze at some point, and weaker results from its American division. The stock has sold off to the point where the dividend exceeds 9%, a yield that ought to get most investors a little excited.

As the old adage goes, people drink when they're happy and people drink when they're sad. The company has the vast majority of its stores in Alberta, positioned to sell happy, prosperous Albertans all the wine and spirits they want.

One major downside to Liquor Stores is the competitive pressures it faces. Major grocery chains continue to provide stiff competition, as they view standalone liquor stores as an incentive to get customers, rather than a pure profit driver. Mom-and-pop liquor stores are also everywhere, especially in Alberta. It doesn't take much more than a store lease and a small loan for inventory, and you can compete. These factors are bad news for the company, but these pressures are already well priced in.

## Shaw Communications

One of the knocks against **Shaw Communications** ([TSX:SJR.B](#)) has always been its weak exposure to eastern Canada, only offering satellite television to folks east of Thunder Bay. Considering the strength of Alberta and Saskatchewan going forward, this doesn't seem like such a bad move.

While Shaw isn't going to give investors a whole lot of growth thanks to the pesky habit of customers cutting their home phone and cable packages, it's a consistently profitable business. Shaw has really bet the farm on wireless, establishing a network of more than 30,000 GoWifi locations where existing internet customers can access free wifi.

The stock yields 4.2%, and has pretty consistently grown that dividend. Investors can also look forward to Shaw selling wireless spectrum it acquired in the 2008 auction, which will help strengthen the company's financial position going forward.

## Suncor Energy

Even though **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is the largest oil producer in Canada and a huge oil sands player, it doesn't get the attention some of the other energy giants do.

The company sees steady growth ahead. It predicts 10-12% growth in its oil sands operations and 7-8% growth overall, all the way through 2020. The company also operates four refineries, Canada's largest ethanol plant, and a lubricants plant. Oh, and it has 1,500 retail locations across the country that happen to sell the company's gasoline. It's one of the only vertically integrated energy companies in Canada.

Suncor is a great long-term holding, since it's not about to go anywhere. The company has 6.9 billion barrels of reserves, and 23.5 billion barrels of contingent reserves. Not only will Alberta be thirsty for all that oil, but so will the rest of the world.

As a bonus, you get a growing dividend while you hold. The current yield is only 2.5%, but it's more than doubled since 2009. The payout ratio is less than 40%, giving the company plenty of breathing room to raise the dividend.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:SJR.B (Shaw Communications)
4. TSX:SU (Suncor Energy Inc.)

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