

5 Can't-Miss Investing Stories From Last Week

Description

Billionaire Prem Watsa is betting big on newspapers. The oil sands are making a comeback. And the loonie flies south. The past few days have been busy for investors. Here are the top five can't-miss stories this week.

1. Billionaire Prem Watsa is buying more of this deep-value stock

On Thursday, **Fairfax Financial Holdings** ([TSX:FFH](#)) announced that it has purchased an additional 3.4% of **Torstar** ([TSX:TS.B](#)), pushing its total stake in the Canadian newspaper company to 22.7%.

Fairfax Chief Executive Prem Watsa is use to being alone in his views. The man has built a reputation as a shrewd contrarian investor, earning him the title of 'Canada's Warren Buffett'. But he has probably never been more alone than he is right now with his bullish stance on the newspaper industry.

So what could Watsa possibly see in Torstar? The newspaper industry may be on the verge of a comeback. The company is starting to have success applying paywalls to its online content and cost-cutting efforts are helping the bottom line. Given that the industry has been left for dead by the investment community, the stock could have significant upside if Torstar can survive at all.

2. Deal activity in the oil patch is heating up

On Monday, **Whitecap Resources** ([TSX:WCP](#)) announced that it will buy oil and gas assets in Western Canada from **Imperial Oil** ([TSX:IMO](#)) in a transaction valued at \$855 million.

Whitecap unveiled the deal for the properties, which produce about 15,000 oil equivalent barrels a day. At the same time, the company raised its earnings guidance and hiked its dividend. In order to fund all of this activity, Whitecap also announced the sale of some of its natural gas properties to **Keyera** ([TSX:KEY](#)) for about \$693 million.

As Fool contributor Benjamin Sinclair [discussed earlier this week](#), the transaction signals a resurgence in the Canadian energy industry. So far this year, total merger and acquisition activity for the sector reached \$7 billion in 2014, nearly 10 times the total for the first quarter of 2013. Thanks to a combination of higher energy prices and a weaker Canadian dollar, the oil patch is once again in Bay Street's good books.

3. Jim Flaherty is out

The churn in Ottawa's top ranks continued this week.

In a press release on Tuesday, Federal Finance Minister Jim Flaherty announced his resignation from the Cabinet to prepare for work in the private sector. Flaherty's absence will leave a big hole in Canada's political landscape. Along with the departure Bank of Canada governor Mark Carney, the two officials who guided Canada through the financial crisis are no longer at the helm.

To replace the finance minister, Prime Minister Stephen Harper selected Natural Resource minister Joe Oliver. In tapping the former investment banker, Mr. Harper has made a clear gesture to Bay Street that the economy is being passed from one seasoned hand to another and that he is opting for public confidence over personal charisma.

4. The loonie flies south

It appears Stephen Poloz and Janet Yellen have created a tag team to take down the Canadian dollar.

In a speech to the Halifax Chamber of Commerce, Bank of Canada Governor Stephen Poloz opened his talk with, "Happy belated St. Patrick's Day. I hope everyone's feeling fine. I want to speak today about a different kind of headache: the prolonged lacklustre economic growth we are experiencing, here in Canada, but also globally." Poloz's dour tone sent the loonie tumbling.

Then the loonie took another leg lower after new Federal Reserve chair Janet Yellen, announced that the bank's quantitative easing policy may be coming to an end. According to Yellen, QE is likely to end in the fall and the first interest rate hike is likely to be six months later.

How are we taking this at Fool HQ? Frankly, we hardly noticed. We have found that it's far more lucrative to spend our time searching for wonderful businesses than worrying about macroeconomic indicators. Yes, the plunging loonie will certainly have an impact on business. But over the long run, these fluctuations tend to wash out.

5. Bombardier's woes continue

The problems keep mounting at **Bombardier** ([TSX:BBD.B](#)).

As Fool contributor Cameron Conway [discussed today](#), authorities in Brazil have accused Bombardier, along with 18 other firms, of involvement in a price-fixing scheme. In a statement on Thursday, the country's antitrust agency said that it will investigate the bidding process for contracts on the subway and train systems in six cities, though the company has denied any wrongdoing by its employees.

Also, plans to establish an assembly line in Russia and sell 100 Q400 turboprop aircraft were put on hold. With the growing tensions between Russia and Ukraine, the talk of sanctions have put a halt to Bombardier's expansion plans in the region.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:FFH (Fairfax Financial Holdings Limited)

3. TSX:IMO (Imperial Oil Limited)
4. TSX:TS.B (Torstar)
5. TSX:WCP (Whitecap Resources Inc.)

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