



3 Canadian Stocks With Russian Exposure

Description

One of the biggest news stories this year has been the situation in Crimea. It may seem far away, but here in Canada, we aren't totally immune to these events. Our government has condemned the Russian actions, joining in international sanctions against the country. Russia responded by banning 13 Canadian lawmakers from entering the country, all with Ukrainian ties.

But that's not the only way Canada has been affected. In this age of worldwide finance, there are Canadian companies with substantial operations in Russia. Here are three large caps with Russian exposure that may be in your portfolio.

Kinross Gold

Shares in **Kinross Gold** ([TSX: K](#))([NYSE: KGC](#)) are down close to 20% since the crisis started, and the company has recently started to encourage Steven Harper's government to ensure Canadian companies operating in Russia won't be hurt by the sanctions. Harper's response was essentially "too bad."

Kinross is the Canadian company most exposed to Russia, as approximately 27% of the company's production is located within the country. While the company hasn't seen any changes so far in operations, it is obviously encouraging both governments to tone down the rhetoric. Kinross is somewhat being helped by a lower Russian Ruble, which decreases costs in the country.

Kinross's biggest fear is that the Russian government could seize mines if relations between the two nations get too strained. Operating in Russia during good times has obvious political risk, and it only gets worse during times of international tension. So far it has been business as usual for Kinross's operations in Russia, but it's still something investors should keep in the back of their minds.

Bombardier

Canadian aerospace giant **Bombardier** ([TSX: BBD.B](#)) has a joint project with Russian train maker that brings in about \$240 million per year in revenue, which continues to run smoothly. The company is also

in talks with a company near Moscow to partner with it on assembling C-Series aircraft. These talks have slowed since the onset of tensions, and likely won't happen unless things get better between the two nations.

Valeant Pharmaceuticals

Canadian biotech company **Valeant Pharmaceuticals** (TSX: VRX)(NYSE: VRX) does more than \$400 million per year in sales in Russia, and it hasn't really seen those sales affected materially. Company spokesperson Laurie Little said, "so far the only impact we feel in Russia is currency movement, which could continue to fluctuate. Currently it is business as usual for Valeant." Considering Valeant had \$5.8 billion worth of total sales in 2013, don't look for Russian currency fluctuations to have a huge impact on the bottom line.

Foolish bottom line

Shareholders in Kinross have reason to be nervous about Russian operations, especially if Russia decides to continue with its imperialistic ambitions in the region. At this point, there's little risk in any material changes in Canadian business in the region, but investors should keep one eye on the news coming out of the region.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:BBD.B (Bombardier)
4. TSX:BHC (Bausch Health Companies Inc.)
5. TSX:K (Kinross Gold Corporation)

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