

4 Top Stocks in Newfoundland & Labrador

Description

Everyone likes to support a hometown hero, and Canada's provinces boast many success stories. Today, we will be looking into the exciting opportunities based in Newfoundland and Labrador

Fortis Inc.

The first company we will be looking into is the province's largest and most profitable publicly traded company, **Fortis** ([TSX: FTS](#)). The company operates under many faces, but its common thread is the production and distribution of natural gas and electricity. The FortisBC and Central Hudson divisions operate primarily as gas suppliers and distributors, and Fortis Alberta and Newfoundland Power supply electricity.

The company is continuing its growth spurt through purchasing Arizona gas distributor UNS Energy, and a New York based gas company. These U.S. acquisitions will add a million more customers to Fortis's already 2 million strong portfolio. Along with these additions, management at Fortis is projecting a 6% growth in both its earnings per share and in its dividend from 2014-2018. During the same time period, Fortis will be investing \$6.5 billion in Western Canada on capital investments, such as the Waneta Hydro-Dam.

Fortis just released its Q1 2014 report and posted net earnings of \$143 million (\$0.67 per share) down from \$151 million (\$0.79 per share). Investors shouldn't be overly concerned with the drop in earnings as this is the result of the \$4.3 billion price tag on Arizona-based UNS Energy. The stock closed Friday at \$32.54, and is trading in a 52-week range of \$29.31 to \$34.88. Being part of heavily regulated industries, Fortis offers investors a stable portfolio piece that also offers a \$0.32 quarterly dividend.

Altius Minerals Corp

A diversified mineral royalty company, **Altius** ([TSX: ALS](#)) is involved directly or through joint ventures in mining iron, copper, nickel, gold, and uranium. In many instances, Altius owns smaller portions of mines and refineries, between 5%-10%. Through subdivisions such as Cranberry Hill it acts as a venture capital firm focused on early stage mineral exploration services.

Altius is part of three exploration alliances with operations in Newfoundland, Alaska, and Chile. The company is also part of eight joint ventures all located in the provinces. The majority of the projects are iron mines, but there is also gold, copper, and uranium. There is also one project that is extracting the increasingly important palladium, which is used in catalytic converters, electrical contacts, aircraft spark plugs, and the diffusion/storage of hydrogen.

Altius has also just won a government contract along with a Chinese partner to develop the Julienne Lake iron ore deposit in western Labrador. The stock closed at \$14.00 on Friday and is trading in a 52 week range of \$16.32 and \$9.09.

Resource rich

In the wake of the closure of the fisheries many people wrote off the potential of “the rock” and expected Newfoundland to forever be a have-not province. However, with the discoveries of oil and gas within and offshore of the province changed those perceptions. For investors looking less at the companies based in the province and more at the companies operating in the province, there are over 250 energy and resource companies active in the region. So let’s take a quick look at two of the top picks currently active in the province.

Suncor ([TSX: SU](#))([NYSE: SU](#)) is one of the primary players in the region, with a stake in all offshore oil production along the province. The crown jewel of the company is the Terra Nova oil and gas field, in which it is the primary stakeholder with 37%. Suncor also has significant stakes in the White Rose oil field with 27.5% stake and the Hibernia oil platform with a 20% stake.

The other company is **Husky Energy** (TSX: HSE) the primary stake holder in the White Rose oil and gas field, with a controlling 72.5% stake. Husky also has an interests in the Terra Nova oil and gas field with a 13% stake. Husky has previously announced new exploration plans in the Flemish pass where it holds a 35% working interest in the Bay du Nord, Harpoon and Mizzen discoveries in the Flemish Pass.

So long and thanks for all the fish

Savvy investors know that the next big thing aren’t always in the headlines but can be hiding somewhere under a (or in) the Rock. As we continue to trek from coast to coast, we will search out the best and most promising stocks from each province, because portfolio gains are not exclusive to companies in Alberta and Ontario.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:SU (Suncor Energy Inc.)

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