

3 Top Stocks in Nova Scotia

Description

Everyone likes to support a hometown hero, and Canada's provinces boast many success stories. Today, we check out exciting investment opportunities based in Nova Scotia.

Empire Company

Our first top pick from Nova Scotia is **Empire Company** ([TSX: EMP.A](#)) or as everyday shoppers know it as, Sobeys. With the launch of **Target** ([NYSE: TGT](#)) into Canada, Empire made the bold move to purchase rival Safeway to secure its market position. While the Canadian rollout of Target has fallen flat and sparked rumors of a possible 2016 exit, grocery gains over at **Walmart** ([NYSE: WMT](#)) will continue to keep Empire on its heels. In the company's Q3 report the addition of Safeway pushed up revenues by 40%. Take Safeway out of the equation and revenues only took a 2.7% bump.

These lower revenues, and lower than expected earnings per share past quarter, might actually give investors a discounted position to buy in. The average target price for the stock is still at \$75.00 and analysts are torn between a "buy" and "strong buy" rating. Empire's 52-week range is \$64.68-\$83.29 and it closed at \$67.65 on Thursday. Empire also offers an annual dividend of \$1.04

Emera

Next up is **Emera** ([TSX: EMA](#)) a home-grown energy company with operations in Canada, the U.S., and the Caribbean. This company has \$9.29 billion in assets and operates under its own brand name in most Maritime Provinces. It also operates Nova Scotia Power. Through recent U.S. acquisitions the company has grown into the major electricity provider east of Quebec, and is slowly expanding further south into New England.

Emera's first quarter was rather impressive posting revenues of \$1.05 billion, up dramatically from \$638 million last year. Net income also took a noticeable leap going from \$129 million (\$0.93 per share) in Q1 2013 to \$213 million (\$1.43 per share). The question is whether these numbers can continue to grow at this rate after the Maritime Link transmission line project is completed. The stock closed at \$33.98 on Thursday and has a 52 week range of \$28.77-\$36.95. Price targets are somewhat divided and range from \$36.00-\$40.00, Emera also offers an annual dividend of \$1.45.

Newfoundland Capital Corp.

No that isn't a typo, our final company in our look into who calls Nova Scotia home is **Newfoundland Capital Corp.** ([TSX: NCC.B](#)). NCC is the parent company of Newcap Inc and is the country's second largest radio network with 95 stations, just behind **BCE's** ([TSX: BCE](#))([NYSE: BCE](#)) radio network.

While the company's radio network is entrenched in Atlantic Canada, it also has a surprisingly large footprint in Alberta with 29 stations. Newcap also recently acquired three stations in Vancouver and two in Toronto from BCE's Astral Media division, at a price of \$111.9 million. The price to purchase

these lucrative stations pushed Q1 profits into a negative, but the additional advertising revenues and access to these metropolitan populations should turn those results around.

Revenues in its first quarter were \$28.4 million, down slightly from \$28.7 million, losses were attributed to a lower national advertising revenues. The stock closed at \$10.25 on Thursday and is trading in a 52 week range of \$8.75-\$10.50, NCC also offers an annual dividend of \$0.18.

Bust out the kilts and grab your portfolios; you're in New Scotland now

Savvy investors know that the next big thing isn't always in the headlines, but can be hiding just under the tides. As we continue to trek from coast to coast, we will search out the best and most promising stocks from each province.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TGT (Target Corporation)
2. NYSE:WMT (Wal-Mart Stores Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:EMA (Emera Incorporated)
5. TSX:EMP.A (Empire Company Limited)

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