3 Stocks Poised to Outperform in 2015

Description

As 2014 draws to a close, it's time to take a fresh look at your portfolio. After all, if you have any losers, you might want to offload them for tax purposes. Or perhaps you have some nice winners that now seem overvalued. In any case, the time has come to load up on stocks for 2015 and beyond.

And while no one can predict with certainty what 2015 will bring, some stocks are set up particularly well for outsized returns. Below are three top examples.

1. The Bank of Nova Scotia

This past year has not been a particularly good one for **The Bank of Nova Scotia** (TSX: BNS)(NYSE: BNS). The year started off with a sell-off in emerging market stocks, and the bank got caught up in the mix – its shares were down 8% in January alone. Throughout the year, the earnings numbers haven't been great, either, held back by issues in the Caribbean. This has all been reflected in its share price; Bank of Nova Scotia shares are up 3.5% in 2014, while each of the other big banks are up at least 14%.

But now there are reasons to like the company. For one, its growth prospects remain very strong, thanks to its Latin American focus. Secondly, the shares now trade at only 11.7 times earnings, cheaper than any other major bank.

2. Manulife Financial Corp.

Manulife Financial Corp. (TSX: MFC)(NYSE: MFC) shares haven't performed much better than Bank of Nova Scotia's, up only 4% this year. This compares to a 10%+ return for chief rival **Sun Life Financial**. But once again, the odds are in Manulife's favour.

In fact, Manulife has a couple of other similarities with Bank of Nova Scotia. First of all, it has promising growth prospects, particularly in Asia – the continent accounts for over a quarter of Manulife's business, and is doing extremely well. Secondly, Manulife's shares are trading fairly cheaply, currently at just over 10 times earnings.

There are two reasons why Manulife may trade cheaply. One is its history; the company suffered more than any other Canadian financial institution during the 2008-2009 crisis, and many investors may still be scarred. Manulife also pays a fairly low dividend, currently yielding only 2.8%. But these concerns could easily fade in 2015, especially if the company continues growing in Asia and raising its payout.

3. Cameco

This was a fairly up-and-down year for **Cameco Corporation** (TSX: CCO)(NYSE: CCJ). The company had a promising start to the year, only for the stock price to slide as uranium prices languished. The past month has provided a respite, as Japan is moving forward on its nuclear restart.

So the company has momentum headed into 2015. Japan should continue with its restart (at least out of necessity), and demand fundamentals remain very strong, particularly in China. Meanwhile, supply continues to face constraints – many producers are losing money at current prices, and geopolitical instability is taking its toll, too.

Consequently, there is plenty of room for uranium prices to go up. And that would provide further relief to Cameco and its shareholders.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CCJ (Cameco Corporation)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CCO (Cameco Corporation)
6. TSX:MFC (Manulife Financial Corporation)

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