



Billionaire George Soros's Top 3 Canadian Stock Picks

Description

George Soros is one of the best stock pickers on the planet.

In 1973, he founded the most profitable hedge fund ever. And over the next 40 years, he generated more than a 20% average annual return for clients.

Based on this type of performance, Soros has rightly earned a place as one of the world's most respected investors. That's why I always pay attention what stocks he's buying. And right now, Soros is making some big bets on Canada's resource sector.

1. Cameco Corporation

It may sound odd for anyone to be bullish on nuclear power. Uranium prices are so low, it's hard for miners to even keep the lights on. However, Soros sees a lot of upside in the business.

Here's the situation: Miners lose about US\$40 on average for every pound of uranium they haul out of the ground. It doesn't take a rocket scientist to see a problem here. Eventually, the laws of economics dictate that prices must rise to meet the cost of production.

Of course, not every uranium stock will be a winner. Small producers will go bust. However, large miners like **Cameco Corporation** ([TSX: CCO](#))([NYSE: CCJ](#)) have the size and scale to survive the industry's current doldrums. And because of the leverage inherent in its business, the company's profits could rise even faster than uranium prices.

2. Canadian Natural Resources Limited

There's no other large-cap energy business with a growth profile as good as **Canadian Natural Resources Limited** ([TSX: CNQ](#))([NYSE: CNQ](#)). The company's Horizon oil sands facility is nearing completion. With that behind it, management projects that cash flows could grow five-fold by 2018.

That should fund plenty of dividend hikes and share buybacks. The company has already increased its dividend 11-fold over the past decade. And in recent months those hikes have been getting even

bigger, a sure sign executives see more good times ahead.

3. Franco-Nevada Corporation

What is Soros's biggest fear? Inflation. Over the past couple of years, he has expressed a distinct preference for hard assets like precious metals.

Large, developed economies like the United States are in a no-way-out situation. They have taken on incredible debts and run up massive unfunded liabilities. The only way to pay for these expenses is by printing more money.

That's probably why Soros has built huge positions in streaming metal companies such as **Franco-Nevada Corporation** ([TSX: FNV](#))([NYSE: FNV](#)). His thesis is simple: gold is real money. During times of inflation, businesses like Franco-Nevada are leveraged bets on rising prices.

CATEGORY

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:FNV (Franco-Nevada)
4. TSX:CCO (Cameco Corporation)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:FNV (Franco-Nevada)

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