3 Strong Canadian-Based Global Stocks for Your Portfolio

Description

If you're like me, then you're getting pretty tired of the Canadian stock market right now. Far too many of our companies are over-leveraged, extremely cyclical, and poorly managed. Put simply, they don't make for good long-term investments. And in today's environment, with declining oil prices and a shaky economy, these companies come with plenty of risks.

One alternative is to look only at international stocks, but those come with their own risks; for example, if you buy foreign-listed securities, you lose money if the Canadian dollar strengthens.

Luckily, there are some Canadian-listed firms that are very international in nature. These companies are also very well-managed, and don't come with the same risks as other Canadian companies.

1. Brookfield Asset Management Inc.

If you're looking for a well-managed company with plenty of international exposure, look no further than **Brookfield Asset Management Inc.** (TSX:BAM.A)(NYSE:BAM). The company has a presence in North America, South America, Europe, the Middle East, Asia, and Australasia. And the vast majority of its assets under management are located in the United States.

Few money managers have a better track record than Brookfield. Over the past 20 years, the company's shareholders have earned an annual return of roughly 20%. Over a time period that long, you can't chalk it up to luck.

The future looks just as bright for the company, with CEO Bruce Flatt saying the stock should be worth about three times today's value in 10 years. Maybe Mr. Flatt's outlook is a bit optimistic, and he's always going to make a strong case for his employer, but that doesn't mean you shouldn't buy the stock. And 10 years would be a very good holding period.

2. Magna International Inc.

In Canada, declining oil prices have dominated the headlines for months, causing plenty of stock prices to plummet. But auto parts manufacturer **Magna International Inc.** (TSX:MG)(NYSE:MGA) benefits greatly when oil prices go down. This should make sense, since lower oil prices makes it easier for consumers to buy new cars.

Furthermore, Magna has a much bigger presence in large cars, which of course, tend to have worse fuel economy. Thus, the company cheers especially loudly when oil prices fall. And like Brookfield, Magna has a very big global reach, with a significant presence in North America, Europe, China, and Brazil.

There are a couple of other things to like about the company. First, it is very well-run under CEO Donald Walker, who has helped turn around the European operations. Second, Magna has an incredibly strong balance sheet, with more cash than debt.

3. The Bank of Nova Scotia

I know what you're thinking: Why is a bank featured on this list? Aren't Canadian banks very exposed to the domestic economy?

Well, for the most part, you're right. But **The Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is an exception. In the past, the bank has earned nearly half its income from foreign countries, easily the highest percentage of any Canadian bank.

Better yet, The Bank of Nova Scotia is trading quite cheaply these days, at only 12 times earnings. And this is based off of a bad earnings number—the company had a pretty bad year last year. So, even if the Canadian economy falters, you've probably got a decent margin of safety with this stock. It's probably your best option among the banks.

CATEGORY

1. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:MGA (Magna International Inc.)
4. TSX:BN (Brookfield)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:MG (Magna International Inc.)

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