



## 3 Stocks That Will Gain From Canadian and International Growth

### Description

On October 10, the International Monetary Fund (IMF) released its global growth forecast. The IMF raised its growth forecast for Canada in 2017 and 2018 at 3% and 2.2%, respectively, ranking it first among all G7 nations.

Canada was not the only country to receive good news. The IMF also raised growth forecasts for China and Japan, though it dipped expectations for India. In any case, emerging markets have regained strength in the latter half of 2017, which has boosted global trade.

Let's take a look at three Canadian companies that could benefit from domestic growth as well as gains in international markets.

#### **Power Financial Corp.**

**Power Financial Corp.** (TSX:PWF) is a diversified management and holding company with stakes in the financial services sector in Canada, the United States, and Europe. Shares have climbed 5.1% in 2017 as of close on October 10. Power Financial released its second-quarter results on August 4. Net earnings increased to \$545 million, or \$0.76 per share, compared to \$505 million, or \$0.71 per share, in Q2 2016. The company saw each of its three subsidiaries outperform the previous year.

The stock also offers a dividend of \$0.41 per share, representing a 4.7% dividend yield. Economies in North America and Europe will still be subject to central bank tightening, which will cap growth in 2018.

#### **Sun Life Financial Inc.**

**Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) is a Toronto-based financial services and life insurance company. The stock has declined 2.2% in 2017 and climbed 16.9% year over year. Sun Life has made a concerted effort to expand its investment and especially insurance business to consumers in Asia. Not only does Asia boast some of the largest and fastest-growing international markets, but it also has a burgeoning middle class that is positioned to become the largest in the world by the middle of this century.

Sun Life released its second-quarter results on August 9. It posted net income of \$574 million, or \$0.93 per share, compared to \$480 million, or \$0.78 per share, in Q2 2016. It reported wealth sales in Asia that were up 66% from the previous year to \$2.9 billion, with leadership boasting that earnings have tripled from this sector over the past five years.

### **Manulife Financial Corp.**

Toronto-based **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)) is a multinational insurance company and the largest provider in Canada. The stock has increased 8.4% in 2017 and 35% year over year. Manulife has also made a significant pivot to Asia to benefit from the rising middle class. The company released its second-quarter results on August 9. Manulife posted net income of \$1.2 billion compared to \$704 million in Q2 2016.

Insurance sales climbed 11% in Asia with significant growth in Japan, Vietnam, and China. Wealth sales were also strong in Asia, particularly in Hong Kong with a shift to investment-linked products. In wealth and asset management gross flows were up 17% from the second quarter of 2016.

Manulife stock boasts a dividend of \$0.20 per share, representing a dividend yield of 3.1%.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SLF (Sun Life Financial Inc.)

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