



Buy These 3 Quebec-Based Stocks That Continue to Soar

Description

The unemployment rate in Quebec hit 5.8% in July, the lowest point since it began recording the statistic in 1976. Quebec has added over 120,000 full time jobs over the last year, while the provincial government boasted a budget surplus of \$2.9 billion for the fiscal year ending March 31.

In terms of growth, Quebec has established itself as one of the leaders in Canada. The province reported an annualized rate of growth of 2.5% in the second quarter of 2017, which is the sixth consecutive quarter of 2% or more growth. The economy is projected to grow at a rate of 3% in 2017 — the fastest rate since 2002.

As the Quebec economy continues to boom, let's look at three companies based in Quebec that investors can target.

CGI Group Inc. ([TSX:GIB.A](#))([NYSE:GIB](#)) is a Montreal-based global information technology company. Shares have increased 3.7% in 2017 as of close on October 20 and 7% year over year. The company provides IT services to a broad range of industries, including financial services. With increasing demand for improvements in information technology, the company is well positioned for big long-term growth.

CGI Group released its third-quarter results on August 2. Revenue climbed 6.4% to \$2.8 billion from \$2.6 billion in Q3 2016. Net earnings increased \$276.6 million compared to \$273.8 million the previous year. Its return on equity was up 30 basis points to 17.2%, and it reported bookings of \$2.7 billion. The company has also invested significantly in automation and cloud-based services to boost future growth.

National Bank of Canada ([TSX:NA](#)) is the sixth-largest major commercial bank in Canada, but it's the largest bank in Quebec. National Bank stock has climbed 12.9% in 2017 and 31% year over year. The oft-forgotten member of the big Canadian banks has posted impressive results in 2017, and management has made a commitment to becoming a top three investment bank in Canada.

National Bank released its third-quarter results on August 30. With its primary footprint in Quebec its personal and commercial banking segment posted net income of \$240 million — up 21% from the third quarter of 2016. Wealth management also experienced 31% growth in net income to \$106 million.

Total net income was up 8% to \$518 million in the third quarter. The stock also boasts an attractive dividend of \$0.58 per share, representing a 3.8% dividend yield.

Dollarama Inc. ([TSX:DOL](#)) is a Montreal-based dollar store retail chain. Shares have experienced impressive growth of 43.1% in 2017 and 37% year over year. Dollar store retail chains have seen huge success in the years following the 2007-2008 Financial Crisis and have broadened appeal across income groups. Dollarama posted its second-quarter results on September 7.

Sales climbed 11.5% to \$812.5 million, and EBITDA jumped 24.1% to \$209.2 million or 25.7% of sales. Its significant success was its initiative to begin accepting credit card payments at its tills. The stock also offers a modest dividend of \$0.11 per share, representing a dividend yield of 0.3%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:GIB.A (CGI)
4. TSX:NA (National Bank of Canada)

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