



Open Text Corp. and 2 Other Stocks Positioned to Rise in 2018

Description

Canadian investors on the hunt for growth should be enamoured with domestic tech and cannabis industries. The latter should come without introduction, as legalization of recreational cannabis looms in July 2018, many have already jumped into the cannabis stock craze. The e-commerce darling **Shopify Inc.** has generated a massive amount of hype, not just in Canada but in the United States, too. In addition to a cannabis stock, we will be looking at two other stocks that are well positioned for big growth in the long term.

Open Text Corp.

Open Text Corp. ([TSX:OTEX](#))([NASDAQ:OTEX](#)) is a Waterloo-based software company, the largest software company in Canada. Open Text provides enterprise information management for private and public entities, including government agencies, large corporations, and other firms. Shares of Open Text have increased 3.2% in 2017 as of close on October 23 and have dropped 0.21% year over year.

The company released its fourth-quarter results on August 3. Open Text posted record revenues of \$2.29 billion, representing a year over year increase of 26%. It also improved its adjusted operating income to \$728 million; this was an 18% jump from Q4 2016. Open Text saw its annual recurring revenues grow 25% to \$1.69 billion.

The stock also offers a solid dividend of \$0.17 per share, representing a 1.5% dividend yield at offering.

Canopy Growth Corp.

Canopy Growth Corp. ([TSX:WEED](#)) boasts the largest market cap of any publicly listed cannabis company in Canada. The stock has increased 41.4% in 2017 and 89% year over year. The company has garnered significant attention for its aggressive acquisitions in 2017, including an expansion into top European markets. It has stockpiled a substantial inventory in preparation for legalization in the summer of 2018, giving it a leg up on other producers, as demand is expected to stretch suppliers thin.

Cannabis stocks took a hit after the announcement that regulatory bodies would look into Canadian cannabis companies that had breached U.S. federal law by operating across the border. Though the

outcome of the review is murky, Canopy has not dipped into U.S. markets as of yet. With a big inventory ready to be dispatched, the company is in a great position to win big when legalization is finalized.

Pulse Seismic Inc.

Pulse Seismic Inc. ([TSX:PSD](#)) markets and licenses 2D and 3D seismic data to oil and gas companies in western Canada. Shares of Pulse Seismic have climbed 39.3% in 2017 and 41% year over year. The company released its second-quarter results on July 26. Revenue was up marginally — \$2.9 million compared to \$2.8 million in Q2 2016. It also posted a lower net loss in the first six months of 2017 — \$4.9 million compared to \$5.9 million in the previous year. Oil prices have risen and stabilized in the latter months of 2017, which should help the company heading into 2018. Leadership remains cautiously optimistic in the improvement of its sales business in the last two quarters of 2017.

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1. Investing

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2. TSX:OTEX (Open Text Corporation)
3. TSX:PSD (Pulse Seismic Inc.)
4. TSX:WEED (Canopy Growth)

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