



## Where to Invest When Looking Forward to 2018

### Description

As of the end of today, we will be 10 months through the year, which means that planning for 2018 is not far away. Although 2017 has not been too exciting for investors, the reality is, those who position themselves properly going into the New Year may just get the last laugh.

When looking back at the major events that have impacted the markets during the past 10 months, there are a few things that stick out. First, shares of **Valeant Pharmaceuticals Intl Inc.** (TSX:VRX)(NYSE:VRX) finally seemed to find a bottom, as the pharmaceutical company parted ways with famed hedge fund investor Bill Ackman and as the media found something else to report on.

Following that event, **Home Capital Group Inc.** ([TSX:HCG](#)) was in the news, and shares dropped to almost \$5, only to recover to a short-term peak of \$20 and to later find a range around \$13-14. Shares offer substantial value, but the value may take a lot of time to be realized, as the company seems to have fallen out of favour, and the housing market is enjoying the last leg of a long-term run.

In the next year, investors will need to be prepared for several different things, including consumers that are starting to get tired of spending money. After a number of companies hit 52-week highs, general expectations from investors have started to dwindle, as consumers may have finally consumed enough goods for the time being. Cutting prices will not spur demand. Given higher interest rates and now higher prices at the pump, the biggest risk to the market may just be a lack of disposable income.

As a result of higher interest rates, Canadian investors have a few significant opportunities ahead of them regarding potential investments for the next year. Shares of **First National Financial Corp.** ([TSX:FN](#)), a mortgage originator, trade at a price of \$27 per share and pay a dividend of approximately 7%. Although shares of the alternative lender trade at a price substantially above tangible book value, the company still has a significant amount of untapped potential.

As rates increase and new mortgage regulations become harder to obtain, First National will be in prime position to fund new mortgages to the most solvent of borrowers at a higher rate of interest than is currently available. Essentially, borrowers will pay more, and the company will increase profits as time moves forward.

For those seeking a different name in this space, shares of **Atrium Mortgage Investment Corp.** ([TSX:AI](#)) offer a monthly dividend yield of approximately 7%, while trading at an approximate 17% premium to tangible book value. Although the company is still smaller than the bigger names in the alternative mortgage network, potential shareholders (as always) have the opportunity to do additional due diligence on these names as they see fit.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:FN (First National Financial Corporation)
4. TSX:HCG (Home Capital Group)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/17

## Date Created

2017/10/31

## Author

ryangoldsman

default watermark