



4 Stocks That Could Take Off as the Economy Continues to Grow

Description

When the economy does well, stock prices normally rise. This isn't a guarantee across all industries and sectors, but there are stocks that will certainly benefit from a strong economy more than others.

For this reason, I have listed four stocks below that could be great investments in the near future as we see the economy continue to grow.

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) and other bank stocks will benefit from rising interest rates and see consumers take out more loans in a growing economy, which will help increase sales and pad profits. I've singled out CIBC specifically since the bank has recently expanded south of the border and could present even greater growth opportunities for investors.

CIBC is creating more of a presence outside Canada that will minimize its risk to the domestic market while also maximizing growth opportunities for the bank and that could present investors with significant returns.

In addition to strong growth prospects, investors can also accumulate great dividend income over the years, as the stock currently pays investors 4.3% annually, and the bank has a strong history of increasing its payouts as well.

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#)) has seen its stock rise 14% this year, as a growing economy has resulted in more goods being transported by the railway operator.

Things have been so busy that the company has been on a [hiring spree](#) to meet demand. This is a good sign for not only the stock, but for the economy as well, since it indicates volumes are getting higher.

In the past five years, CN Rail has seen its share price increase 360%, and it could be a great long-term buy, especially if you expect the economy to continue to grow.

Pure Industrial Real Estate Trust (TSX:AAR.UN) has a portfolio of income-producing industrial properties that will be in high demand if the economy continues to expand.

The increase in demand could not only lead to higher occupancy rates, but higher prices as well. Depending on the location, industrial properties can be hard to secure and are not nearly as plentiful as office space and other types of properties.

Pure Industrial also pays its shareholders more than 4.6% in monthly installments and can be a great source of recurring monthly cash flow.

Air Canada ([TSX:AC](#))(TSX:AC.B) has seen its stock soar to record numbers this year as air travel has been through the roof. Although we've seen a bit more competition in the industry with discount airlines trying to take some market share away from the giants in the industry, we haven't seen it adversely impact the company's financials.

Declining oil prices over the past few years have also helped airline stocks bank more profit, and as long as we don't see a significant increase in the price of oil next year, then higher margins might be here to stay.

Air Canada's stock has declined since reaching a new all-time high, as investors have likely cashed in some of their gains. This could be a great opportunity to buy the stock on a bit of a dip.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:AC (Air Canada)
4. TSX:CM (Canadian Imperial Bank of Commerce)
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Author
djagielski

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