



Forget Cannabis and Bitcoin! Buy These 3 TSX-Traded Emerging Market Stocks Instead

Description

Everybody's in FOMO (fear of missing out) mode right now, but while the herd's piling into speculative securities, the real opportunity lies in the emerging markets, which I believe will boom over the next few years. While obtaining exposure to emerging markets may be a hassle, there are Canadian stocks that can provide you with instant exposure to red-hot markets such as India, Africa and Latin America, which are some of the fastest-growing markets on the planet.

Here are three emerging market stocks that you'll want to own over the next five years. Best of all, you won't need to venture into a foreign exchange.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

As Canada's most international bank, Bank of Nova Scotia is a terrific way to obtain instant exposure to red-hot emerging markets like Latin America. The bank has spent billions of dollars on its expansion into Chile, Mexico, Colombia, and Peru.

More recently, Bank of Nova Scotia entered a deal to buy Banco Bilbao Vizcaya Argentaria (BBVA) Chile for US\$2.2 billion, which doubles Bank of Nova Scotia's Chilean market share to ~14%.

If you're looking for a less volatile way to [capitalize on growth from the Latin American markets](#), Bank of Nova Scotia is a solid bet that investors should feel comfortable holding at the core of their portfolios.

Fairfax India Holdings Corp. ([TSX:FIH.U](#))

India is one of the hottest emerging markets out there, and who better to guide you through one of the [largest global opportunities](#) in the world than Prem Watsa and Canadian Warren Buffett and his team.

The International Monetary Fund (IMF) downgraded its growth estimates for India last October, which caused shares of Fairfax India to plunge. However, shares have since rebounded, as Indian growth is still red-hot and Prem Watsa's team knows how to find winners in a market that's already expected to enjoy hot growth numbers. Given that the IMF lowered its 2018 projection by just 0.3% to 7.4%, the

impulse reaction was overblown, resulting in a huge opportunity for investors seeking an international outlet.

Fairfax Africa Holdings Corp. (TSX:FAH.U)

Africa is another rapidly emerging market that's poised to enjoy superior growth over the long term. Fairfax Africa went public just under a year ago, but trading volumes are still absurdly low given that this hidden gem offers Canadians the ability to invest in one of the hottest emerging plays out there.

Last summer, Fairfax Africa acquired over 70 million ordinary shares in **Atlas Mara** Limited, a financial services holding company that aims to acquire banks throughout Africa. Atlas Mara is traded on the London Stock Exchange and is down ~80% from its all-time high. Clearly, this is a deep-value play with the potential to rebound in a big way with Watsa and company.

"Banks are at the forefront of economic development in sub-Saharan Africa, and Atlas Mara represents a unique opportunity to invest in many profitable banks in the region at a very attractive valuation," said Watsa.

Bottom line

If you're feeling adventurous, then get smart and invest in securities that can offer you next-level gains over the long term. While riskier, the potential rewards that can be realized from emerging markets are huge, with the potential to offer superior results to investors vs. those who are domestically overexposed.

Regardless of your appetite for risk, you stand to benefit from obtaining exposure to international markets. If you're risk-averse, buy Bank of Nova Scotia. If you've got a high risk tolerance, go for Fairfax Africa or Fairfax India, which are far better bets than Bitcoin or cannabis stocks if you consider yourself a fearless investor.

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2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
4. TSX:HFPC.U (Fairfax Africa Holdings Corporation)

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Date

2025/08/19

Date Created

2018/01/23

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