



## 2 Stocks With Explosive Potential in the Current Political Environment

### Description

Companies such as **Stantec Inc.** ([TSX:STN](#))([NYSE:STN](#)) that provide consulting services to construction companies operating in both the public and private sector, and large Canada-based construction firms such as **Snc-Lavalin Group Inc.** ([TSX:SNC](#)) have a lot to gain from [infrastructure spending plans in both Canada and the U.S.](#) The move toward upgrading and replacing aging infrastructure in North America is a very interesting trend, which should continue to bolster the backlog that companies like Stantec and SNC rely upon for medium-term stability and growth.

As the global economy has continued to improve, increased public infrastructure spending should complement private industry spending in a boon for this sector — one cyclical play I think is likely to manifest itself in the medium to long term. The reality is that maintaining infrastructure will become a key focal point of governments in improving economic growth long term and will continue to increase in importance, as growth remains low for the foreseeable future.

### Stantec

Stantec is one company I have not covered in the past, but it's a relatively sizable player in this space with a market capitalization of more than \$4 billion, a [strong balance sheet](#), and a wide range of highly visible projects that should continue to provide growth to investors looking to benefit from this aforementioned cyclical trend.

The company's strength is in providing services related to architecture, engineering, surveying, environmental remediation, project management, and design solutions for clients, which include many domestic and U.S. municipal players requiring expertise in delivering projects on time and on budget. With political risk relating to projects going over budget and taking far too long to complete, I expect the consulting/service-related industry in this space to continue to perform very well in the long term.

Stantec has recently made a number of acquisitions in the U.S. market, primarily focused on environmental services. With an infrastructure spending bill in the U.S. expected to be signed off on some time this year, Stantec could be a key beneficiary of growth in the U.S. market, making this a unique TSX-traded company to consider.

## Snc-Lavalin

One of Canada's key players in the construction space, Snc-Lavalin has remained a [top pick](#) of mine for some time in this sector. The company recently acquired British-Multinational firm WS Atkins PLC, an acquisition which has propelled Snc-Lavalin on to the world stage to bid on larger and more complex projects, enhancing the company's allure when thinking about which Canadian firms may be able to benefit most from the potential boon this sector is expected to receive from an approved spending bill in the U.S. market.

Snc-Lavalin has a significant amount of exposure in North America and is one of the best plays investors can bank on to provide exposure to infrastructure spending in Canada and the U.S.

Stay Foolish, my friends.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:STN (Stantec Inc.)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:STN (Stantec Inc.)

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