



Better Buy Right Now: Quebecor, Inc. or National Bank of Canada?

Description

On May 1, 2018, the province of Quebec will see the largest minimum wage increase in history come into effect. In Ontario, the debate over the pros and cons of a [minimum wage hike](#) has been fierce and has boiled up again after the release of a dismal jobs report in January. The 75% increase in Quebec will bring its minimum wage to \$12/hour, and the province has ambitions to bring the minimum wage to half of the average provincial wage by early next decade.

The [Quebec economy had an incredible 2017](#). Quebec joined British Columbia, Alberta, and Ontario as the best-performing provinces in terms of economic growth last year. According to **Royal Bank of Canada** Economic Research, the Quebec economy grew by 2.8% in 2017.

With Canadian growth projected to be ~2.3% in 2018, the second-fastest-growing G7 economy, Quebec should be well positioned to benefit. The province has also benefited from a uniquely stable housing market in comparison to the ballooning asset valuations seen in Ontario's metropolitan areas and in Vancouver.

As we reflect on Quebec's recent boom, let's take a look at two Quebec-based companies that could continue to perform well in 2018. Which one should you add today?

Quebecor, Inc. ([TSX:QBR.B](#))

Quebecor is a Montreal-based holding company that operates three business segments that include telecommunications, media, and sports and entertainment. Quebecor stock has dropped 2.2% in 2018 but has climbed 17.8% year over year. The company last released its 2017 third-quarter results on November 9, 2017.

Revenues rose 3.6% from Q3 2016 to \$1.03 billion. Its sports and entertainment media segment boasted the most significant growth — increasing 47.4% to \$3.7 million in the quarter. Total adjusted operating income increased by 8% to \$421.1 million, and it posted net income of \$171.9 million in comparison to an \$8.3 million loss in the prior year. The company also announced a modest dividend of \$0.03 per share, representing a 0.5% dividend yield.

National Bank of Canada ([TSX:NA](#))

National Bank is a Montreal-based bank, the sixth-largest of the so-called Big Six in Canada. National Bank stock has dipped with the broader S&P/TSX Index by 1.6% in 2018 as of close on February 14. The bank is expected to release its first-quarter results on February 28.

In its 2017 fourth-quarter and full-year report, National Bank capped off an impressive year. Net income soared 61% to \$2.02 billion, and diluted earnings per share grew 64% to \$5.38. This rise was powered by a 66% jump in net earnings for its personal and commercial banking segment, which reported \$925 million in net income for 2017. Its remaining segments — wealth management, financial markets, and U.S. specialty finance and international — all posted growth in net income of over 12% from 2016 to 2017.

National Bank hiked its quarterly dividend by 3% to \$0.60 per share, representing a 3.9% dividend yield.

Which should you add right now?

National Bank has fallen victim to the early swoon in 2018, but the bank is still an attractive buy ahead of its first-quarter results. Investors on the hunt for an unsung Canadian bank should take a hard look at National Bank as a viable long-term addition.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:NA (National Bank of Canada)
2. TSX:QBR.B (Quebecor Inc.)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/07/08

Date Created

2018/02/17

Author

aocallaghan

default watermark