



## 3 Emerging Markets Stocks That Need to Be on Your Radar

### Description

The **iShares MSCI Emerging Markets Index ETF** has climbed 5% in 2018 as of close on February 16. In 2017, emerging markets had a banner year — the best since 2009. This was propelled by surging global growth and a historically weak year for the U.S. dollar, which dropped 6.6% against a bundle of world currencies.

With the S&P/TSX Index and the U.S. stock market off to a shaky start in 2018, it is a good time to take a look at some TSX-listed equities that are linked to emerging markets.

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

Bank of Nova Scotia stock has dropped 4.8% in 2018 thus far and is down 5.6% year over year. It has been one of the poorest year-over-year performers among the Canadian banks, but its emerging markets exposure should pique investor interest.

Bank of Nova Scotia has a sizable footprint in Latin America and the Caribbean. The bank has made a concerted effort to bet on Pacific Alliance countries such as Brazil, Mexico, Peru, Chile, and Columbia. In 2017, economic activity rose 1.07% in Brazil, representing the first increase in four years. Economists are projecting that the Brazilian economy will continue its bounce back in 2018. This recovery and strong commodity prices are expected to propel economies in Latin America this year.

In 2017, Bank of Nova Scotia posted net income of \$8.24 billion compared to \$7.36 billion in 2016. Its international banking segment rose 11% to \$605 million, as it reported strong loan and deposit growth in Latin America. The bank delivered a quarterly dividend of \$0.79 per share, representing a 4.1% dividend yield. Bank of Nova Scotia is set to release its first-quarter results on February 27.

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

Fairfax India Holdings is a Toronto-based investment holdings company that seeks long-term capital appreciation by investing in equity securities and debt instruments in India. Shares of Fairfax India Holdings have increased 19% in 2018 and 44% year over year. The delegation from India made a [big splash](#) at the World Economic Forum in Davos, Switzerland in January.

Indian prime minister Narendra Modi delivered the keynote speech in Davos — the first time a leader from India had been granted the stage. Modi laid out ambitions for India to grow its economy to \$5 trillion by 2025. The International Monetary Fund has maintained its growth forecast of 7.4% for India in 2018 and 7.8% in 2019.

In its 2017 fourth-quarter and full-year results, Fairfax India Holdings saw net earnings surge to \$452.5 million compared to \$107.8 million in 2016.

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

Fairfax Africa Holdings is a Toronto-based investment holding company that seeks to achieve long-term capital appreciation by investing in equity securities and debt instruments on the African continent. Fairfax Africa Holdings stock has dipped 0.78% in 2018 so far. It's more of a gamble compared to our previous two examples, but is still [worth a look](#) for investors seeking big growth potential.

The company achieved net earnings of \$23.5 million, or \$0.54 per basic and diluted share, in 2017. South Africa, which boasts the third-largest economy on the continent, has continued to pass through a period of political turmoil, as Jacob Zuma was forced to resign amid allegations of corruption and maladministration. He was replaced by Cyril Ramaphosa, who has vowed to revitalize the country's economy.

#### **CATEGORY**

1. Investing

#### **POST TAG**

1. Editor's Choice

#### **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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