



2 Buy-and-Hold Canadian Stocks to Target Global Growth

Description

Canadian investors are searching for ways to get exposure to [global growth](#) opportunities without taking on some of the country-specific risks that come with buying foreign stocks.

One way to benefit from global growth without worrying about currency fluctuations or political unrest hammering your portfolio is to own top Canadian companies that have significant operations in emerging markets.

Let's take a look at **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) to see why they might be interesting picks.

Bank of Nova Scotia

Bank of Nova Scotia has invested heavily in its international business, with a specific focus on Mexico, Peru, Chile, and Colombia. The four countries represent the heart of the Pacific Alliance, which is a trade bloc set up to enable the free movement of capital and goods among the member states. The combined market is home to more than 200 million consumers.

As the middle class expands, demand for loans and investment products should increase, and Bank of Nova Scotia stands to benefit. In addition, companies are expanding their reach into the other partner countries, and that requires a wide array of cash management services. Bank of Nova Scotia's large presence in the four markets gives it an opportunity to help businesses of all sizes meet their objectives as they enter the other regions.

The international operations already account for close to 30% of Bank of Nova Scotia's net income, and that could increase in the coming years.

Bank of Nova Scotia has a strong track record of dividend growth. The current payout provides a yield of 4%.

Nutrien

Nutrien in the product of the recent merger of Agrium Inc. and Potash Corporation of Saskatchewan.

The two companies were already major players in the global fertilizer sector and marketed their potash products through Canpotex, a jointly owned business, which negotiates wholesale potash deals with global governments. **Mosaic** is the other Canpotex partner.

Nutrien is arguably a much more attractive company for investors that Agrium and Potash Corp. were separately. Agrium added an important global retail business to complement Potash Corp.'s strong wholesale operations. In addition, both companies had already completed major capital programs before the merger took place, so Nutrien is ready to compete in the global market and meet expected demand increases in the coming years.

Fertilizer prices appear to have stabilized or are moving higher after a multi-year rout. Some supply concerns remain in the market but the long-term outlook for the sector should be positive.

Global population growth is expected to continue at a steady pace until at least 2100, and available farmland is shrinking due to urban sprawl.

Is one more attractive?

Both stocks should be solid-buy-and-hold bets for investors looking to get global exposure through rock-solid Canadian companies. At this point, I would probably split a new investment between the two names.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:NTR (Nutrien)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:NTR (Nutrien)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/27

Date Created

2018/03/30

Author
aswalker

default watermark

default watermark