



TSX Headed Over 17,000 in 2018? These Stocks Could Soar With it

Description

The Montreal-based asset management company **Fiera Capital Corp.** recently projected that the S&P/TSX Composite Index would hit 17,300 by the end of 2018, buoyed by improved global growth. The company estimated that the TSX would finish 2018 at 16,900 in the beginning of this year. The S&P/TSX Index rose 176 points on April 18, closing at 15,529. However, the index is still down 4.2% this year so far.

There is certainly reason for increased optimism lately. As Fiera asset manager Candice Bangsund pointed out, the value of the [TSX is enticing](#). “The TSX has not been this cheap versus the S&P 500 since the depths of the financial crisis,” Bangsund said. A NAFTA deal in the coming weeks could also be a potential catalyst, as economic growth and jobs numbers have remained strong in Canada. An oil rally has also boosted the Canadian energy sector.

Let’s take a look at four stocks that could surge with the broader stock market in the latter half of 2018.

Magna International Inc. ([TSX:MG](#))([NYSE:MGA](#))

Magna is the largest automotive parts producer in Canada. Shares of Magna have increased 6.1% in 2018 as of close on April 18. The company reported an impressive 2017 which saw record sales of \$38.9 billion — up 7% from the prior year. Magna stands to gain from NAFTA progress, as all three sides appear to be moving closer, and the U.S. reportedly abandoned its tough auto content demands when negotiations began.

Magna raised its quarterly cash dividend by 20% to \$0.33 per share in the fourth quarter of 2017, representing a 1.9% dividend yield. It remains one of the strongest options for a balanced portfolio going forward.

Cervus Equipment Corp. ([TSX:CERV](#))

Cervus is a Calgary-based equipment dealer with dealerships in Canada, Australia, and New Zealand. Shares of Cervus have climbed 6.2% in 2018 so far and are up 12.8% year over year. The company released its 2017 fourth-quarter and full-year results on March 14.

For the full year, Cervus saw adjusted income increase to \$19 million compared to \$12.1 million in 2016. Revenue also climbed 10% to \$1.2 billion, and Cervus reported record new equipment sales in its Agricultural segment. The company approved a cash dividend of \$0.10 per share, representing a 2.2% dividend yield.

Magellan Aerospace Corp. ([TSX:MAL](#))

Magellan Aerospace is a Mississauga-based aerospace and defence company. Shares of Magellan have dropped 8.6% in 2018. In 2017, Magellan saw net income climb 25.6% to \$111.2 million, and EBITDA rose 4.1% to \$181.4 million. Magellan will be reliant on continued trends, and [increased military spending](#) pledged by Canada over the next decade should be a boon for its defence segment. The stock also offers a quarterly dividend of \$0.085 per share, representing a 1.5% dividend yield.

WSP Global Inc. ([TSX:WSP](#))

WSP Global is a Montreal-based professional services firm that works with the public and private sector. Its stock has climbed 6.4% in 2018 and 32.2% year over year. In 2017, revenues climbed to \$6.94 billion from \$6.37 billion in 2016, and net earnings increased to \$213.3 million from \$198.7 million. WSP Global also declared a dividend of \$0.375 per share, representing a 2.3% dividend yield.

CATEGORY

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2. TSX:MG (Magna International Inc.)
3. TSX:WSP (WSP Global)

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