



## Where Investors Need to Look During the 2nd Half of the Year!

### Description

After a tumultuous first half of the year, investors have done relatively well, as many asset classes have offered positive returns and increased the profit sharing with investors along the way (dividend increases). To make things more interesting, the tweets of President Trump have kept almost everyone on their feet, as the potential for major market movements has never been greater.

For investors seeking to benefit during the second half of the year, the opportunities may be surprising. Through the first half of the year, the ETF following marijuana called **HORIZNS MARIJUNA LF CL A UNT ETF** ([TSX:HMMJ](#)) decreased by close to 14%, as the bulls finally stopped running to take a breather. The surprise, however, may just come in the second half of the year, as legalization moves forward and marijuana companies begin making positive cash flows. In comparison to what else is available, this could easily be the best bet for investors.

The wrong side of the coin has to go to Bitcoin, as the entire cryptocurrency market finally started to fall apart. The second half of the year will be no better. With hindsight, the high price, which was close to US\$25,000 per coin around Christmas 2017, was a clear bubble. Many who understood nothing about the currency made a purchase to offer a gift to a loved one. In this case, a lump of coal would have been better at maintaining its value! The expectation is for another major decline between now and the end of the year.

When it comes to value investments, higher interest rates have led many high-quality companies, such as **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), lower, as the risk-free rate of return has increased. In comparison terms, the yield no longer looked attractive enough for many investors. The good news for those who've waited on the sidelines is that principles do not go out of style, and a bird in the hand continues to be worth two or more birds in the bush. Translation: dividends are good!

In the financial sector, the higher rates have sent shares even higher (in most cases). At the present time, investors need to look beyond Canada's Big Five banks to find value in the sector. Shares of **Laurentian Bank of Canada** ([TSX:LB](#)) offer the best value, as they continue to trade at a discount to tangible book value and offer a dividend yield in excess of 5.6%. At current levels, investors can expect to outperform larger competitors in this space over [the next six months](#).

Last up is the oil sector, which seems to have the momentum of a title wave — but many investors have yet to realize it. Although there are a number of very high quality and very profitable names in this sector, it must not be forgotten: a rising tide lifts all boats. For the best opportunities in this sector, please [click here](#) to read about some great names.

All things considered, investors will need to be extremely diligent when deploying their capital over the next few months, since a few tweets could launch us into a global trade war!

## CATEGORY

1. Investing

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1. Editor's Choice

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1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:HMMJ (Horizons Marijuana Life Sciences Index ETF)
4. TSX:LB (Laurentian Bank of Canada)

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