



Alert: The Smart Money Is Buying These 3 Stocks: Should You Buy, Too?

Description

I'm a big fan of following Canada's smartest investors into the stocks they like the most.

Here's the way I see it: There are a million reasons for selling a stock. You might want to increase diversification. Cash could be needed for any number of upcoming purchases. Perhaps a nice profit was already achieved, and an investor wants to lock it in. Or maybe an internal timeline has lapsed and an investor uses it as a reason to sell.

There's just one reason for buying, however. We all buy stocks because they represent an opportunity to make profit. This is why following the money is such a powerful investment strategy. It tells you everything you need to know.

With that in mind, let's take a closer look at the stocks some of Canada's best investors are buying today.

Cominar REIT

Cominar REIT (TSX:CUF.UN) has been a major disappointment over the last few years. The largest owner of commercial property in Quebec struggled with tepid economic numbers, a stretched balance sheet from a big acquisition, and two separate dividend cuts. No wonder shares are down 36% over the last five years.

But things are starting to improve. The balance sheet is now in much better shape after the company sold off some non-core properties. Quebec's economy has improved, which has increased occupancy. The payout ratio has decreased substantially as well, which means that for the first time in years Cominar shareholders have a sustainable dividend. Shares currently yield a hair over 6%.

This turnaround situation has attracted Zachary George, the portfolio manager and co-founder of Frontfour Capital Group. George has been aggressively buying shares in January after being named to Cominar's board of directors. He currently owns more than six million shares, an investment worth close to \$70 million.

Artis REIT

Astute investors will immediately notice the many similarities between Cominar and **Artis REIT** ([TSX:AX.UN](#)). Both companies have struggled over the last few years — issues that ultimately led to a dividend cut. And now Artis has a number of insiders loading up on shares while the stock is temporarily cheap.

Ron Joyce — who you might remember as the man who built Tim Hortons into a powerhouse — has recently been adding to his holdings, picking up 900,000 shares in November for approximately the same price as today's trading level. Joyce owns more than 16 million shares in total, and his son Steven represents him on the board of directors.

Artis's management agrees it's a good time to buy. The company is taking the capital saved from cutting its dividend and putting it back to work buying back shares. It repurchased more than one million shares in December and should buy back a similar amount in January.

Hudbay Minerals

Two large investors have been busily acquiring **Hudbay Minerals** ([TSX:HBM](#))([NYSE:HBM](#)) shares with the intention of shaking up the miner's operations.

Waterton Global Resource Management, which owns about 10% of Hudbay shares, has nominated its own slate of directors for Hudbay's next annual meeting. Waterton is also looking to transform Hudbay's top management team as well — a group that Waterton believes have disappointed investors for far too long.

Another big investor has also been recently buying. GMT Capital, a hedge fund with some US\$4 billion under management, added to its position in Hudbay in December, buying more than a million shares slowly throughout the month. GMT now owns more than 30 million Hudbay shares.

Although GMT Capital is staying silent while Waterton draws all the attention, I doubt the fund's managers are very opposed to the proposed shakeup. If GMT Capital really had a problem with Waterton's approach, it would have issued a statement that supported management and the current board.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:HBM (Hudbay Minerals Inc.)
2. TSX:AX.UN (Artis Real Estate Investment Trust)
3. TSX:HBM (Hudbay Minerals Inc.)

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Date

2025/08/23

Date Created

2019/01/26

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