



3 Stocks to Ride a Toronto Raptors Rally

Description

The Toronto Raptors just secured their first trip to the NBA finals, and investors are wondering how they might be able to cash in on the success of the team.

Let's take a look at three companies that could be interesting picks today.

BCE ([TSX:BCE](#))([NYSE:BCE](#))

BCE is part owner of Maple Leaf Sports and Entertainment (MLSE), which is the company that owns the Toronto Raptors, the Toronto Maple Leafs, the Toronto Argonauts, and Toronto FC.

With the Leafs failing to make it past the first round of the playoffs, all eyes have focused on the Raptors.

Aside from the added revenue the Raptors get for each extra game and the related boost from merchandise sales, BCE's other media businesses are seeing benefits. Bell Media owns The Sports Network as well as the CTV television network and a number of radio stations. Viewership gains on both the TV and digital platforms should drive higher ad revenue as a result of the Raptors's success.

The team's value is expected to increase as well, although it is unlikely BCE is considering the sale of its stake in the franchise.

BCE pays a growing [dividend](#) with a yield of 5.2%.

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#))

Rogers is also part owner of MLSE along with BCE and Kilmer Sports, which is owned by Larry Tanenbaum. BCE and Rogers each control 37.5% and Kilmer holds the remaining 25%.

Rogers has its own sports channel, Sportsnet. As with BCE, the TV channel and the online site should benefit as the Raptors embark on their quest for the NBA title. Rogers also owns radio stations.

One downside risk for Rogers could be a drop in interest in the Toronto Blue Jays while the Raptors are still playing. On the flip side, the global attention Toronto is now receiving could boost the profile of the city's other professional sports teams. Rogers owns 100% of the Blue Jays, so it gets all the benefits when the team has a good season. So far, 2019 is not going well for the Jays.

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

In 2017, Bank of Nova Scotia won the bidding process to put its brand on the facility where the Raptors and the Leafs play. The name change took effect last summer. When news came out that the bank had agreed to pay \$800 million to secure the signage rights for 20 years, some people thought they paid too much.

Now the deal looks like a steal, as Scotiabank Arena is on the world stage. Given the bank's large international operations, the branding value of the sponsorship should be significant.

Bank of Nova Scotia's dividend currently provides a [yield](#) of 4.9%.

Is one a better buy?

The media operations of BCE and Rogers get a lot of attention, but they represent very small parts of the overall revenue mix, so the direct impact on the bottom line won't likely be as large as one might expect.

Interestingly, the biggest winner might be Bank of Nova Scotia.

While measuring the benefits of the global exposure is difficult, it definitely should boost Bank of Nova Scotia's image in Canada as well as in the international markets where it is investing billions of dollars to grow its global operations.

All three stocks should be solid buy-and-hold picks. If you want to own a piece of the Raptors, go with BCE or Rogers. Otherwise, I would probably make Bank of Nova Scotia the first pick today.

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1. Bank Stocks
2. Dividend Stocks
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3. NYSE:RCI (Rogers Communications Inc.)

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