



3 Stocks to Profit on a Stronger Canadian Dollar

Description

Stock investors can capitalize on a stronger Canadian dollar by investing in companies that are making great strides or powered by an internationally traded commodity. Two companies are enjoying huge success on foreign shores while the revenue of a well-known company soars as a result of higher crude oil prices.

Ambitious but achievable growth

Boralex ([TSX:BLX](#)), the pride of Kingsey Falls, is gaining recognition as a global “developer and operator” of renewable energy power facilities. The \$1.8 billion independent power producer (IPP) is a major player in Canada and the United States but is more entrenched in France.

The company established an all-time-high record of installed capacity growth of 486 MW in less than a year from June 20, 2018, to January 1, 2019. By the end of 2020, the total installed capacity would reach 2,068 MW, as there are projects under construction or are development ready.

Boralex is also working to secure projects in France that are in different stages of development. If the company locks in these projects, 1,000 MW will be added to the total capacity.

As more long-term contracts in France and other European countries are sealed, Boralex will significantly benefit from a stronger Canadian dollar. The stock also pays an annual dividend of 3.3%. Investors should watch out for this name, as the company is positioned to be the next leader in renewable energy.

The future of power generation

Capital Power ([TSX:CPX](#)), the regulated electric company based in Edmonton, Canada, deserves serious consideration as a good investment prospect. The 3.23 billion IPP is celebrating an anniversary — a decade of successful operations in North America.

Management believes that Capital Power is the future of power generation in the region. The company's motto is "Responsible Energy for Tomorrow." Capital Power is working to reduce emissions through increased energy generation efficiency and transforming captured carbon emissions into leading-edge products.

With a majority of 26 operating facilities outside of the border covered by long-term regulated contracts, there will be foreign exchange gains if the Canadian dollar strengthens versus the U.S. currency. Capital Power is among the [dividend stocks of choice](#) today given the current 5.7% annual dividend yield.

Solid investment

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) from Calgary, Canada needs no introduction. The \$28.3 billion producer and seller of crude oil and natural gas is a quality investment because the company is a subsidiary of **Exxon Mobil**. ExxonMobil is the world's largest publicly traded international oil and gas company.

There is a certain a correlation between oil prices and the Canadian dollar. Whenever crude oil prices rise, the Canadian dollar usually appreciates relative to the U.S. dollar. Hence, when there is a heavy volume of sales, higher oil prices will result in higher total revenue.

On a standalone basis, Imperial Oil is [one of the premium energy stocks](#). The annual dividend yield of 2.45% is lower, but the dividend payments are safe and sustainable. The stock can be a "buy-and-hold" stock.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:BLX (Boralex Inc.)
3. TSX:CPX (Capital Power Corporation)
4. TSX:IMO (Imperial Oil Limited)

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Date

2025/08/19

Date Created

2019/07/15

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