



Concerned About the Canadian Economy? Buy These 3 Stocks

Description

The Canadian economy is still going strong, but there are concerns that tougher times may be ahead for the country. If you're an investor that's worried about that, the good news is there are ways you can diversify your holdings by investing into other parts of the world. Below are three stocks that can add some important geographical diversification to your portfolio.

Fairfax India Holdings ([TSX:FIH.U](#)) gives investors on the TSX a unique opportunity to invest in a growing Indian economy. Fairfax is based out of Toronto, but it invests in various different businesses in India, giving investors the ability to benefit from a strong economy in another part of the world.

One of the challenges, however, is that, as investors likely know all too well, there can be a lot of volatility when it comes to making investments. From a profit of \$453 million back in 2017, Fairfax generated just \$96 million in 2018, as investment gains and losses have had a big impact on the company's financials.

The stock has struggled over the past couple of years, dropping around 30% in value. However, trading below its book value, Fairfax could prove to be a cheap buy that adds some important diversification for Canadian investors that are looking for ways to reduce their exposure to the domestic market.

Spin Master ([TSX:TOY](#)) is a Canadian company, but it's also one that has been growing around the world with offices in Asia, Europe and Australia. Its popular brands have transcended geographical boundaries, as children from all over the world have come to grow and love Spin Master's products.

That makes the stock a [very appealing buy](#) given how global the company has become. Even if the Canadian economy may not be doing particularly well, Spin Master could see growth in other parts of the world that can help its top line grow.

While it has recently struggled with the U.S. market seeing some challenges with the closure of Toys “R” Us locations, the more that Spin Master grows in other parts of the world, the less it will be reliant on one individual market. And that can be invaluable to investors looking for geographical diversification.

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is another stock that has a strong presence around the world and that could see a lot of growth from emerging markets. While it has operations in many countries, a key area of growth potential for the company is in Asia, where pollution is a big problem and a need for cleaner, electric vehicles is evident.

In [China](#), Magna has nearly 19,000 employees staffed and more than 3,500 in India as well. A focus on these markets could prove to be pivotal for the company’s long-term potential. Although North America is a key consumer of electric vehicles in the short term, we could see even more demand in Asia in the years to come.

Magna has become a global brand and its diversification can give investors the ability to benefit from the excitement surrounding electric vehicles while also enjoying a lot of stability as well.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
3. TSX:MG (Magna International Inc.)
4. TSX:TOY (Spin Master)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/07/03

Date Created

2019/08/25

Author

djagielski

default watermark