



Wall Street Firm Says Buy These 2 Stocks Ahead of a Weak Loonie

Description

While there might be a lot of pessimism surrounding weak loonie, it turns out that pessimism might be unwarranted as of late. As our neighbours to the south continue to make rate cuts, many felt it was only a matter of time before Canada followed suit. However, on Sept. 4, the Bank of Canada announced it would be holding firm on Canadian rates. So, no cuts for Canada — yet, at least.

This has fuelled the opinions of many Wall Street firms, including **Goldman Sachs**. The firm believes there is a lot of worry over a country that, frankly, has been doing quite well economically speaking during all this turbulence. Of course, the America-China trade war will certainly continue to hamper Canada, along with really any economic decisions made in the United States. However, it looks like things might not be as bad as originally thought.

But if you're still thinking a low loonie might be around the corner — and you could be right, with a recession on the way — then it might be a good time to invest in some stocks that stand to benefit from a weak dollar. In fact, these two have been touted as winners on Wall Street. So, let's take a look.

Fortis

A great option for investors looking to diversify and find a stock that [doesn't completely depend](#) on a strong economy is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). This utilities company has remained strong, even during some of the weakest moments in our recent economic history. That's because no matter what, people need to keep the lights on and the house warm. That means that during times of economic downturn, Fortis will continue bringing in cash.

This cash has allowed the company to expand well into the United States, and that's where a weak Canadian loonie could really benefit this company. A weak Canadian dollar means its U.S. operations would be worth that much more. It also means it'll have more cash on hand to make even more acquisitions — a process Fortis has already begun. The stock is up 25% year to date as of writing.

CNR

Another great stock to consider is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), which also doesn't necessarily depend on a strong economy to prove its worth. As with utilities, the railway keeps going because people need things like food and oil no matter what's going on with the economy. In fact, CNR recently reported an increase in revenue due to the demand to ship oil across North America during this glut we've been experiencing.

And again we have the benefits of the U.S. dollar. As CNR continues to ship products across either side of the border, the company will benefit from its exporting services. This will help pay for the infrastructure reinvestment the company is currently going through and the [acquisitions](#) it keeps picking up. All great news for investors looking for a stock to buy and ride through a recession. The stock is already up 22% year to date as of writing.

CATEGORY

1. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)

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