



2 Canadian Stocks That Could See Explosive Growth Soon

Description

The Bank of Canada's decision to taper bond purchases helped the loonie post its best performance in nearly five weeks. It's the first among all global central banks to take such action on account of a more robust economic rebound. The move is sooner than everyone expected.

In the recent World Economic Outlook published by the International Monetary Fund (IMF), Canada's recovery from the worst of the global pandemic is the most among all advanced economies. The IMF expects the country's economy to grow 5% over the course of this year, while the Bank of Canada projects only a 4% economic growth.

In the stock market, investors should watch for two companies that are well positioned for [explosive growth](#). A household name will fortify its stop-loss and health business, while a dominant industry player's expansion plans are ongoing.

New growth catalyst

Sun Life Financial ([TSX:SLF](#))([NYSE:SLF](#)) has a new growth catalyst following its announcement to acquire Pinnacle Care International Inc. The \$38.45 billion renowned insurer from Canada signed a deal to buy the medical intelligence and healthcare navigation provider from Baltimore, United States. The deal is worth \$108 million and should close by mid-2021.

The acquisition is significant and strategic. PinnacleCare has two decades of experience in helping people access an initial or second medical opinion to make critical, informed treatment decisions for complicated diagnoses. More importantly, PinnacleCare fills a largely unmet need in U.S. health care.

Dr. Dan Fishbein, president of Sun Life U.S., said that Sun Life and PinnacleCare would create a new dynamic that will improve care, outcomes, and costs in the process. The services of the U.S. firm are available to more than two million people. The number should grow through Sun Life's distribution network and employer relationships.

Sun Life sells insurance, wealth and asset management solutions, and customized health programs to

millions of consumers worldwide. The insurance stock is a [Dividend Aristocrat](#) owing to its record of raising dividends (7.8% CAGR rate) for five consecutive years. At the current share price of \$66.27, the dividend yield is a respectable 3.32%.

More aggressive growth strategy

The impact of the COVID-19 pandemic on the potash fertilizer industry was minimal, with transportation barriers as the hindrances. At the global level, only five companies dominate the market, and **Nutrien** (TSX:NTR([NYSE:NTR](#))) is among the top players.

About 16 billion metric tons are recoverable from the total global potash deposits estimated to be 210 billion metric tons of potassium oxide through existing technologies. Of the 16 billion metric tons, Canada's deposits in the province of Saskatchewan are about 10 billion metric tons.

Potash is as key nutrient for corn and sugarcane crops, and the demand is rising gradually. In November 2019, Nutrien announced its expansion plans. The \$38.54 billion company will increase its annual production capacity by five million tons after 2023. Prospective investors must know that Nutrien is the world's biggest fertilizer producer by capacity.

The recent promotion of its Chairman Mayo Schmidt to CEO is the latest development. Expect the new CEO to adopt a more aggressive growth strategy. The TSX's top agriculture stock trades at \$67.13 per share and pays a 3.43% dividend.

Brighter outlook

Canada's economy has expanded for nine straight months through January 2021. Its output is only 3% below pre-pandemic levels. For Sun Life Financial and Nutrien, the business outlook is brighter.

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1. Dividend Stocks
2. Investing

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2. TSX:NTR (Nutrien)
3. TSX:SLF (Sun Life Financial Inc.)

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