



Time to Invest? Labour Market Recovers 100% of COVID Losses

Description

Canada's employment numbers in November 2021 augur well for the economy. The 153,700 new jobs exceeded consensus estimates of 38,000. Also, the figure indicates the labour market has recovered nearly 100% of COVID losses, or close to full employment.

The gains in November showed that people in the unemployment ranks are dwindling following the end of federal support programs in the prior month. Moreover, the 37% job-finding rate was the [highest since March 2020](#). The majority of new positions were in the service sector, followed by healthcare, retail trade, and professional services. Manufacturing had the most number in the goods-producing sector.

However, **CIBC** economist Royce Mendes said the tightening supply in the labour market positions the Bank of Canada to raise interest rates earlier than expected. Nonetheless, barring a return to lockdowns due to Omicron, the investment landscape is conducive to income, value, and growth investors.

X marks the spot

Last year, the TSX didn't beat its [best performance](#) in 2009 (+30.69%), although the total return of 21.74% was far more impressive than the 2.17% gain in 2020. It was also in 2021 (November 12) that Canada's primary stock market benchmark posted an all-time high of 21,768.50.

TMX Group ([TSX:X](#)) deserves investors' attention this year. The \$6.98 billion financial services company operates equities, fixed income, derivatives, and energy markets exchanges, including the TSX. In Q3 2021 (quarter ended September 30, 2021), revenue and net income rose 11% and 10% versus Q3 2020.

John McKenzie, the CEO of TMX Group, said, "We are extremely pleased with TMX's strong performance in the quarter, as we achieved double-digit top- and bottom-line growth with contributions from across the enterprise." On a year-to-date basis (first three quarters of 2021), revenue and net income growths versus the same period in 2020 were 13% and 21%.

Aside from the TSX, other operations that facilitate funding growth and business success for companies are the TSX Venture Exchange, TSX Alpha Exchange, and Montreal Exchange. TMX trades at \$128.08 per share and pays a decent 2.4% dividend. The payouts should be safe, given the low 51.67% payout ratio.

Essential service

Mississauga-based **Maple Leaf Foods** ([TSX:MFI](#)) should be among the top prospects of both income and [growth investors](#) in 2022. The \$3.57 billion carbon-neutral company envisions to be the most sustainable protein firm on earth. Canadians are familiar with brands like Maple Leaf, Maple Leaf Prime, and Schneiders, among others.

Maple Leaf's business performance amid the challenging environment was stable. In the nine months ended September 30, 2021, total sales increased 7.1% versus the same period in 2020. Its net earnings climbed 14.8% to \$100.9 million. Its president and CEO Michael H. McCain noted the strong meat protein business and a slowdown in the plant-based protein category in Q3 2021.

Although the stock's total return last year was only 6.55%, market analysts recommend strong to strong buy ratings for Maple Leaf. They forecast the current share price of \$29.25 to appreciate by 36.27% to \$39.86 in 12 months. The overall return should be higher if you factor the consumer-defensive stock's 2.46% dividend.

Valuable additions

TMX Group and Maple Leaf are valuable additions to stock portfolios. Both companies could provide steady income streams regardless of the market environment.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:X (TMX Group)

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Date

2025/08/12

Date Created

2022/01/07

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