



## 3 Things to Watch on the TSX Index on Tuesday

### Description

The ongoing trade war between the U.S. and China is expected to rattle markets on Tuesday. Making matters worse, a crash in Argentina's peso and stock market along with ongoing protests in Hong Kong have investors looking for U.S. bonds and gold.

The wall of worry continues to grow higher. As investors look for actionable news on Tuesday, here are three TSX stories to watch that could affect your portfolio.

### Genworth MI Canada gets a new owner

In July, **Genworth Canada MI's** (TSX:MIC) parent, **Genworth Financial**, announced that it would look at all strategic alternatives for its 57% stake in its Canadian subsidiary, so it could sell itself to a Chinese company that was having a hard time getting the Canadian government to grant regulatory approval of the sale.

On Monday, Genworth announced that it had found a buyer for its stake.

**Brookfield Business Partners** ([TSX:BBU.UN](#))([NYSE:BBU](#)) will acquire 48.9 million shares of Genworth Canada MI for \$48.86 a share for a total acquisition cost of \$2.4 billion.

Owners of Brookfield Business Partners ought to be happy with the company's latest private equity acquisition. Genworth Canada is a leading mortgage insurance company in Canada with high barriers to entry and healthy profits.

### Jim Pattison bets on forestry

The forestry industry got a leg up Monday when Jim Pattison, one of Canada's wealthiest people and owner of 51% of **Canfor** ([TSX:CFP](#)), offered to buy the remaining 49% for \$16 a share. As a result of the unsolicited bid, shares of forestry stocks jumped nicely on Monday.

Is it possible that the rally will carry into Tuesday?

“The bid shines a big light on Canadian lumber names, but how lasting that effect is will be interesting to see. I think the share prices will stay up this week and then probably drift lower unless something positive happens to lumber prices,” RBC Dominion Securities Inc. analyst Paul Quinn said in an interview.

Pattison, who also owns 12% of **West Frase Timber**, is confident that lumber prices will eventually recover, and when they do, Pattison will be a slightly wealthier billionaire as a result of his bold Canfor bid.

## Air Canada ups offer for Transat A.T.

Thanks to the competitive efforts of the Group Mach’s \$14 bid for **Transat A.T.** (TSX:TRZ) along with protests from some of **Air Canada’s** ([TSX:AC](#))(TSX:AC.B) shareholders, the airline has been forced to sweeten its offer for the tour operator to \$18 a share, adding \$200 million to the final cost of the takeover.

Without the increased offer, it’s unlikely that Letko Brosseau and Associates Inc., Air Transat’s largest shareholder with slightly more than 19% of its stock, would have voted for the sale.

Group Mach had been acquiring Class B Transat shares to stop the transaction from going ahead. Transat’s board called on Quebec securities regulators to halt what it felt was a “clear abuse” of the capital markets. Group Mach CEO Vincent Chiara believes the actions of Transat should be examined given the board’s initial support of a \$13 bid that was clearly inadequate.

Where will Air Canada stock go from here?

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. TSX:AC (Air Canada)
3. TSX:BBU.UN (Brookfield Business Partners)
4. TSX:CFP (Canfor Corporation)

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