Top Stocks for September

Description

We asked our top contributors for their favourite stock picks for September. Here are their choices.

Andrew Walker: Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is often hailed as the safest bet among the Big Five and that probably holds true right now as well. The company is best known for its formidable Canadian retail operations but TD also has 1,300 U.S. branches. The diversified business model offers investors a great way to benefit from a strong U.S. dollar and provides a nice hedge against a weakening Canadian economy. The stock isn't as cheap as it was a week ago, but still trades at a reasonable 11 times forward earnings. TD also pays a very safe dividend that yields 3.9%. *Fool contributor Andrew Walker has no position in Toronto-Dominion Bank.*

Doug Watt: Royal Bank of Canada (TSX:RY)(NYSE:RY)

Canada's big banks are showing signs of life again after a slump partially induced by worries about weaker crude oil prices. The big banks have minimal exposure to the oil sector, but that didn't stop some investors from bailing out. Things changed last week when the banks released their latest earnings reports, with most posting better-than-expected quarterly profits.

For instance, **Royal Bank of Canada** (TSX:RY)(NYSE:RY) posted adjusted earnings per share of $1.68, up 4% from the same period last year, and beating analyst predictions. So, take note, the big banks are back, and let's face it, they never really left. An institution that survived the financial crisis can easily ride out a technical recession.

Fool contributor Doug Watt does not own shares of Royal Bank of Canada.

Kay Ng: Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is my top idea for September. The pipeline leader offers one of the best value and dividend ideas on the market today. Just because its price has declined by 18% from its 52-week high, it doesn't mean the business is less valuable. In fact, the business forecasts available cash flow from operations to grow on average 18% per year from 2014 to 2018. This growth supports Enbridge's estimates of growing dividends on average 14-16% per year from 2014 to 2018.

Enbridge's price has declined along with the negative sentiment around the oil price plummet. However, Enbridge's business of transporting, distributing, and generating energy is more predictable than the oil price. For over 65 years, it has delivered energy reliably and safely in North America. And for 19 years, it has increased its payout to shareholders.

Enbridge's business model, past performance, and strong forecasts give confidence that it will continue increasing dividends, and deliver long-term returns to shareholders. Meanwhile, you get a decent 3.5% yield to wait.

Fool contributor Kay Ng owns shares of Enbridge Inc.

Neha Chamaria: Canadian National Railway Company (TSX:CNR)(NYSE:CNI)

Having lost nearly 10% value over the past month, **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) today presents an opportune time to investors looking for solid businesses with strong fundamentals and growth potential. The transportation company proved its mettle when it improved its operating ratio — a key measure of efficiency that compares operating expenses to net sales — three percentage points to 56.4% during Q2 on flat revenue. Meanwhile, a weaker loonie is acting as a boon: It added nearly 7% to Canadian National's net income in Q2. Shareholders continue to reap greater rewards as management strives to control costs and boost margins: Flush with cash, Canadian National boosted its dividend by 25% earlier this year. As a company that provides an essential service to the economy, Canadian National is the kind of business to buy and hold forever. And such stocks are best bought at dips. Considering that the company is targeting double-digit growth in EPS this year, I wouldn't be surprised to see its stock bounce back in near months to reflect the strong operational performance and growth.

Fool contributor Neha Chamaria has no position in any of the stocks mentioned. David Gardner owns shares of Canadian National Railway. The Motley Fool owns shares of Canadian National Railway. Canadian National is a recommendation of Stock Advisor Canada.

Matt Smith: Brookfield Infrastructure Partners L.P. (TSX:BIP.A)(NYSE:BIP)

Growing market volatility and macroeconomic uncertainty have highlighted the importance of investing in non-cyclical stocks with wide economic moats. One stock that has these defensive characteristics along with solid growth prospects is **Brookfield Infrastructure Partners L.P.** (TSX:BIP.A)(NYSE:BIP). It owns a globally diversified portfolio of ports, toll roads, railways, telecommunications and electricity transmission assets. These assets operate in oligopolistic markets that have steep barriers to entry, endowing Brookfield with a steep economic moat that minimizes competition and protects its earnings. Meanwhile, the global infrastructure shortage along with Brookfield's focus on making accretive acquisitions will act as long-term growth drivers. These acquisitions include the purchase of Australian stevedoring, logistics, and transportation company Asicano Ltd. for US$6.6 billion. While patient investors wait for earnings to grow and its share price to appreciate they will be rewarded by its sustainable and juicy 5% dividend yield.

Fool contributor Matt Smith has no position in any stocks mentioned.

Demetris Afxentiou: Barrick Gold Corp (TSX:ABX)(NYSE:ABX)

Barrick Gold Corp. (TSX:ABX)(NYSE:ABX) is starting to look like a real bargain. When gold prices shot up earlier this summer, Barrick and other gold manufacturers went for a ride. While the price of gold might still go higher, Barrick is slated to benefit even if the metal does not surge any further. Barrick has cut dividends and is in the process of selling some U.S. assets, aiming to meet $2 billion in expenditure cuts by 2016. Administrative cost savings within the company alone are slated to save upwards of $50 million this year, and nearly $90 million is targeted for next year. The company also set a target of reducing $3 billion in debt for 2015, of which 90% has already been met through a number of agreements that should provide revenues for the company for years to come. While the company has a ways to go before the golden days just before gold prices dropped in 2011, today's Barrick is a leaner, more efficient company that is better suited to the current gold price.

Fool contributor Demetris Afxentiou has no position in any stocks mentioned.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:CNI (Canadian National Railway Company)
4. NYSE:ENB (Enbridge Inc.)
5. NYSE:RY (Royal Bank of Canada)
6. NYSE:TD (The Toronto-Dominion Bank)
7. TSX:ABX (Barrick Mining)
8. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
9. TSX:CNR (Canadian National Railway Company)
10. TSX:ENB (Enbridge Inc.)
11. TSX:RY (Royal Bank of Canada)
12. TSX:TD (The Toronto-Dominion Bank)

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