



Top Stocks for December

Description

We asked our top investors for their favourite stocks for December. Here are their selections.

Nelson Smith: Dream Office Real Estate Investment Trust ([TSX:D.UN](#))

Many investors are concerned with the ability of **Dream Office Real Estate Investment Trust** ([TSX:D.UN](#)) to pay its dividend going forward. That's why this stock has an eye-popping 12.3% dividend yield.

The yield looks to be sustainable, at least for now. More importantly, shares are incredibly cheap on a number of metrics. It trades at approximately 55% of its book value, and is on pace to earn \$2.50 in adjusted funds from operations (AFFO) in 2015. At just 7.3 times AFFO, Dream is the cheapest REIT in Canada.

Investors are nervous about Western Canada. But Dream has less than 5% of its total revenue coming from energy companies, and it still has an occupancy rate in Calgary of nearly 90%. It should be strong enough to weather this storm.

Fool contributor Nelson Smith owns Dream Office REIT shares.

Jacob Donnelly: Silver Wheaton Corp. (TSX:SLW)(NYSE:SLW)

Silver Wheaton Corp. (TSX:SLW)(NYSE:SLW), the silver streaming firm based out of Vancouver, is my top stock of the month due to the fact that I believe it is undervalued. All the factors are primed for it to be a great stock going into 2016.

The first reason is because of its business model. It acts as the financier for mines where the byproduct is silver. This business model enables it to generate significant margins on the sale of silver.

Further, the demand for silver should increase as more electricity is generated from solar power since silver is one of the best conductive metals and 20 grams of silver is used in every panel.

These two reasons, plus the fact it is undervalued, lead me to believe that Silver Wheaton could be a top stock going forward.

Fool contributor Jacob Donnelly does not own shares in any of the companies mentioned. The Motley Fool owns shares of Silver Wheaton. Silver Wheaton is a recommendation of Stock Advisor Canada.

Matt DiLallo: Suncor Energy ([TSX:SU](#))([NYSE:SU](#))

Investing guru Warren Buffett once famously quipped that, “only when the tide goes out do you discover who’s been swimming naked.” Well the tide recently went out in the oil industry after crude prices crashed, exposing the fact that a number of Canadian producers had been swimming around without covering their backsides. That said, the same tide also made it quite clear that **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) has been a picture of modesty.

There are two ways that Suncor has kept from being overexposed to volatile oil prices. First, it carries a minimal amount of debt and a lot of cash on its balance sheet, which allows the company to operate comfortably during a downturn. Second, it owns refining assets, which are a natural hedge against low oil prices because these assets benefit from weak oil prices.

The bottom line is that Suncor Energy is set up to thrive in both high and low oil price environments, making it a great oil stock to buy, especially now that we’re in the low part of the oil price cycle.

Fool contributor Matt DiLallo does not own any shares of Suncor Energy.

Benjamin Sinclair: Shopify Inc. ([TSX:SH](#))([NYSE:SHOP](#))

Shopify Inc. ([TSX:SH](#))([NYSE:SHOP](#)) offers the leading ecommerce solution for small retailers, allowing these merchants to set up their online store in minutes. The company has been growing very quickly, with revenue nearly doubling on a year-over-year basis in the most recent quarter.

Shopify shares are still expensive by most metrics, but the stock has declined by roughly 30% since early October, partly due to the expiration of its lockup arrangement. So at this point, even if Shopify’s growth slows considerably, its shares are trading at a meaningful discount.

Fool contributor Benjamin Sinclair holds a position in the shares of Shopify Inc.

Andrew Walker: Silver Wheaton Corp. ([TSX:SLW](#))([NYSE:SLW](#))

I also selected **Silver Wheaton Corp.** ([TSX:SLW](#))([NYSE:SLW](#)), because I believe it is making the best of a bad market for precious metals.

The streaming company is signing new supply deals at favourable prices as struggling miners scramble to find cash. Most of Silver Wheaton’s production growth is now fully funded, so investors simply have to sit back and wait for the market to turn.

Silver demand is expected to ramp up with the boom in solar panel installations but primary supplies might not keep up as miners continue to shelve new projects. If a supply squeeze hits the market, silver prices could rocket higher.

Fool contributor Andrew Walker has no position in Silver Wheaton Corp. The Motley Fool owns shares of Silver Wheaton. Silver Wheaton is a recommendation of Stock Advisor Canada.

Demetris Afxentiou: Amaya Inc. ([TSX:AYA](#))

Amaya Inc. ([TSX:AYA](#)) is a leading provider of technology-based software for the gaming and interactive entertainment industry.

Amaya provided quarterly results that were lower than expected, due to foreign exchange losses as the Canadian company reports income in U.S. dollars and most of the revenue comes in as Euros. The market responded with the stock dropping nearly 30%.

Despite the loss, the company is expanding into new jurisdictions that will see significant revenue increases over the next few months. Amaya has already been granted approval to operate in New Jersey, and applications in six other states are pending.

Given the revenue, pending approvals and growth prospects, the current discounted price is one of the best opportunities on the market right now that will not last.

Fool contributor Demetris Afxentiou has no position in any of the companies mentioned.

Kay Ng: Boardwalk REIT ([TSX:BEI.UN](#))

Due to having 65% of net operating income coming from Alberta, **Boardwalk REIT ([TSX:BEI.UN](#))** has fallen close to 34% from its 52-week high to around \$47 per unit.

It's obvious the REIT is doing something right though. It maintained occupancy rates of 96.7% in Q3 2015, only 1.3% lower than the same period from the previous year.

Further, its payout ratio is only around 62%, so its yield of 4.4% remains solid. Additionally, the shares are discounted by over 23% from its book value.

REITs pay out distributions that are unlike dividends. To avoid any tax-reporting hassle, you can purchase REITs in TFSAs or RRSPs.

Fool contributor Kay Ng owns shares of Boardwalk REIT.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. NYSE:SU (Suncor Energy Inc.)

3. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
4. TSX:D.UN (Dream Office Real Estate Investment Trust)
5. TSX:SHOP (Shopify Inc.)
6. TSX:SU (Suncor Energy Inc.)
7. TSX:WPM (Wheaton Precious Metals Corp.)

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