Top Stocks for March

Description

Joseph Solitro: Cineplex Inc. (TSX:CGX)

Cineplex Inc. (TSX:CGX) is the largest owner and operator of movie theatres in Canada, and it's my top stock pick for March for two reasons.

First, it's undervalued. It trades at just 24.2 times fiscal 2016's estimated earnings per share of $2.02 and only 20.8 times fiscal 2017's estimated earnings per share of $2.35, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 30.3.

Second, it has a great dividend. It pays a dividend of $0.13 per share monthly, or $1.56 per share annually, which gives its stock a bountiful 3.2% yield. It has also raised its annual dividend payment for five consecutive years, and it is currently on pace for 2016 to mark the sixth consecutive year with an increase.

I think Cineplex will outperform the overall market going forward, so Foolish investors should strongly consider making it a core holding.

Fool contributor Joseph Solitro has no position in any of the stocks mentioned.

Kay Ng: Brookfield Property Partners LP (TSX:BPY.UN)(NYSE:BPY)

Brookfield Property Partners LP (TSX:BPY.UN)(NYSE:BPY) is one of the largest commercial real estate companies in the world with 310 quality office or retail properties and interests in multi-family, triple net lease, industrial, and hospitality assets.

The company generates stable cash flows that support its quarterly distribution of US$0.28 per unit, an annual payout of US$1.12 per unit.

The pullback from $32 to $27 is a decent entry point. At about $27, it yields 5.3% based on a foreign exchange of US$1 to CAD$1.30. Brookfield Property aims to increase its distribution by 5-8% per year.

Fool contributor Kay Ng owns units of Brookfield Property Partners LP.

Ryan Vanzo: Hydro One Ltd. (TSX:H)

With a $13 billion market cap, **Hydro One Ltd.** (TSX:H) operates one of the largest electric transmission networks in North America. Despite its size, the company is largely underfollowed as it went public only a few months ago. Long term, however, management has a plan to grow its fledgling renewable energy business.

Right now, 99% of Hydro One's revenues are fully regulated, resulting in incredibly stable profits. Growth is fairly predictable as well, given that regulations already include rate-based additions and pre-approved price increases. Terms also allow the company to pass on fluctuations in the cost of electricity directly to consumers. With this stable base of growing income, management is expected to introduce its first annualized dividend of $0.84. Today that results in a yield of 3.7%.

If you're looking for energy exposure but want to stick to areas with limited volatility and some income opportunities, Hydro One is a great option.

Fool contributor Ryan Vanzo does not own shares in this company.

Matt Smith: Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

The recent sell-off of Canada's banks has created an opportunity for investors, and **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is the standout candidate.

With less than 1% of the value of its total loans exposed to the energy patch, the impact of sharply weak oil prices will be minimal.

Its U.S. business, which is responsible for generating about a quarter of its net income, offers considerable growth potential; it is one of the 10 largest U.S. banks. This gives it solid exposure to a strengthening U.S. economy that will see its loan book continue to grow while reducing its dependence on a fragile Canadian economy. The strength of the U.S. dollar and increasing activity in the U.S. housing market should give its bottom line a healthy bump during 2016.

It pays a steadily growing dividend that offers a tasty 4% yield that will reward patient investors as they wait for its share price to appreciate.

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

Matt DiLallo: Brookfield Infrastructure Partners (TSX:BIP.UN) (NYSE:BIP)

There's a lot to like about **Brookfield Infrastructure Partners** right now:

- It's cheap: The unit price is down roughly 20% over the past year due to worries about a slowdown in emerging markets and energy, which are key areas for Brookfield.
- Its cash flow is rock solid: Currently, 90% of its cash flow is regulated or contracted, meaning it has virtually no exposure to the current market weaknesses. That enables the company to pay a very generous distribution that yields more than 6%.

- Its growth is locked in: Thanks to inflation and volume escalators as well as growth projects in the pipelines, Brookfield expects to deliver 6-9% annual growth in cash flow and similar distribution growth.
- It has compelling upside: Brookfield is currently evaluating a number of “once in a lifetime” acquisition opportunities, particularity for gas and electricity transmission assets in Brazil.

Add it all up, and that mixture of stability and upside opportunity makes Brookfield a compelling buy this month.

Fool contributor Matt DiLallo owns shares of Brookfield Infrastructure Partners.

Neha Chamaria: Agrium Inc. (TSX:AGU)(NYSE:AGU)

Despite severe headwinds plaguing the fertilizer industry, **Agrium Inc.’s** (TSX:AGU)(NYSE:AGU) net income surged 24% in 2015, largely backed by higher production and lower input costs for nitrogen. An expected strong spring planting season in the U.S. should benefit Agrium, considering that demand for nitrogen isn’t as elastic as that of potash. Meanwhile, rigid focus on cost control should boost Agrium’s margins. It lowered its selling, general, and administrative expenses by nearly 7% last year.

For the growth prospects that Agrium offers, the stock is trading relatively cheaply at 12.4 times trailing earnings with a healthy dividend yield of 4%. I believe this presents a good entry point for long-term investors.

Fool contributor Neha Chamaria has no position in this company. Agrium is a recommendation of Stock Advisor Canada.

Andrew Walker: BCE Inc. (TSX:BCE)(NYSE:BCE)

BCE Inc. (TSX:BCE)(NYSE:BCE) is an attractive pick for income investors who don’t want to worry about volatility in the broader market.

The company continues to plough billions of dollars into its world-class wireless and broadband wireline network infrastructure and is working hard at improving customer service.

BCE has also invested heavily in media assets in recent years and now boasts a strong integrated business that taps revenue all along the Canadian media and telecommunications value chain.

The stock offers a very safe 4.7% yield that is supported by strong growth in free cash flow.

If you want an income stock that won’t keep you up at night, BCE is a solid choice.

Fool contributor Andrew Walker has no position in BCE Inc.

Demetris Afxentiou: Cineplex Inc. (TSX:CGX)

I also chose **Cineplex Inc. (TSX:CGX)** as my top stock this month. It is the largest entertainment company in the Canada with over 1,600 screens scattered across the country.

Cineplex just posted the company’s best results ever. Revenue is up by 22%, and net profit is up by an impressive 139%. A monthly dividend of $0.13 per share gives investors a nice yield of 3.16%

Cineplex has evolved the movie business. The company is using its facilities for more than just movies by spanning out into the lucrative business of hosting live gaming events. And let's not forget the traditional business model—movies. Hollywood has released a number of sci-fi and action blockbusters of late, with more to come. Consumers love these, and investors will surely love them, too.

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

Jacob Donnelly: Cineplex Inc. (TSX:CGX)

On February 9, **Cineplex Inc.** (TSX:CGX) released its fiscal year financial results and it hit it out of the park, which is why I also made it my top stock of the month. It had an 11% increase in revenue to $1.37 billion. Its adjusted earnings per diluted share increased 29.2% to $1.55.

With *Star Wars* still earning money and *Deadpool* proving to be a very popular movie, I expect that Cineplex is going to have a strong first quarter. As Hollywood continues to pump out these sci-fi and superhero movies, Cineplex should do well over the long term.

Finally, because of its lucrative $0.13 monthly dividend, which should increase again in May, I believe that even income investors should look at this stock.

Fool contributor Jacob Donnelly does not own shares in any of the companies mentioned.

Nelson Smith: Baytex Energy Corp. (TSX:BTE)(NYSE:BTE)

If you think $30 per barrel for crude is unsustainably low, there's a very obvious case to be made for buying Baytex shares.

The company has become a levered proxy on the price of crude. When the price of oil pops higher, Baytex soars. In late January, crude went 30% higher in about a week. Baytex was up 50% during the same period. If oil doubles from these lows, Baytex could easily be a $5-7 stock. That's huge upside from today's price of $3.10.

Baytex appears strong enough to weather this downturn. It has no debt maturing until 2021 and generates enough cash flow to self-fund any new drilling. It also has low-cost operations and enough in reserves to keep it busy for the next decade.

Fool contributor Nelson Smith has no position in Baytex Energy Corp.

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TICKERS GLOBAL

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2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:TD (The Toronto-Dominion Bank)

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5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
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