Top Stocks for April

Description

Will Ashworth: Alimentation Couche-Tard (TSX:ATD.B)

Alimentation Couche-Tard (TSX:ATD.B) is the largest convenience store operator in Canada, the largest independent operator of convenience stores in the U.S., and a major player in Europe.

So far 2016 hasn't seen the usual lift in its stock price that shareholders have become accustomed to—it had seven straight years of double-digit gains but is now down 5.4% year-to-date through March 29. Its $2.8 billion deal to buy 279 of **Imperial Oil Limited's** gas stations in the prime Toronto, Ottawa, and Montreal markets provides management with another opportunity to flex its capital allocation muscles.

The Imperial Oil deal—combined with its 50% acquisition of an Irish operator in December—should inject life into its fiscal 2017 earnings; that should translate into some healthy gains as investors realize Alimentation Couche-Tard has once again made a masterful buy.

Fool contributor Will Ashworth has no position in this company.

Kay Ng: Manulife Financial Corp. (TSX:MFC)(NYSE:MFC)

Manulife Financial Corp. (TSX:MFC)(NYSE:MFC) is a leading, Canada-based life and health insurance company with core operations in Asia, Canada, and the U.S.

At the end of 2015, 84% of its portfolio was in fixed-income assets; 95% of that was investment grade. If the interest rate rises, Manulife should benefit.

Most importantly, Manulife is inexpensive and financially strong. Its S&P credit rating is A, its debt-to-capital ratio is 34% and, at about $18, it has a margin of safety of about 15%.

It yields 4.1%, and it has increased its dividend for the third consecutive year this year. If it dips to the $16 level, I believe it'll be a great long-term investment.

Fool contributor Kay Ng has no position in this company.

Andrew Walker: Sun Life Financial Inc. (TSX:SLF)(NYSE:SLF)

Sun Life Financial Inc. (TSX:SLF)(NYSE:SLF) had a rough ride during the Great Recession, but the company has recovered nicely and is back in growth mode.

Recent asset management acquisitions in the U.S. are providing a nice complement to the existing insurance and wealth management businesses.

At the same time, Sun Life continues to build its Asian portfolio with a strong focus on the rapidly growing Indian market.

The company raised its dividend twice in 2015 and offers a yield of 3.8%.

Investors who are looking for an alternative to the banks should put Sun Life on their radar.

Fool contributor Andrew Walker has no position in this company.

Karen Thomas: Winpak Ltd. (TSX:WPK)

Right off the bat, one thing I like about **Winpak Ltd.** (TSX:WPK) is its history of returning cash to shareholders; the most recent example of this was in the form of special one-time dividends. A $1.00-per-share special dividend was paid out in March 2014, and a $1.50-per-share special dividend was paid out in October 2015. Furthermore, the company is not in the habit of issuing new shares, and we can see that shares outstanding have been constant at 65 million for a long time.

Winpak has been a steady and consistent performer, slowly capturing market share in the packaging industry through organic growth and acquisitions. Currently, the company has lots of cash and no debt, which sets it up to continue to capture market share through organic growth and, given the strong balance sheet, an acquisition is becoming increasingly likely.

Fool contributor Karen Thomas has no position in this company.

Matt DiLallo: Canadian Natural Resources Limited (TSX:CNQ)(NYSE:CNQ)

Canadian Natural Resources Limited (TSX:CNQ)(NYSE:CNQ) is on the cusp of a huge surge in cash flow, even if oil prices don't budge. By this December the company will put the finishing touches on the first of a two-part expansion of its Horizon oil sands facility. It will mark the beginning of the end of a major capital expense for the company as well as the start of significant new production and cash flow.

That first expansion phase alone is expected to enable Canadian Natural Resources to produce $865 million in free cash flow next year at a $43 oil price. When the final phase is complete by the end of next year, it's expected to increase the company's free cash flow to $2.1 billion in 2018 at a $45.50 oil price.

It's that future cash flow windfall that makes Canadian Natural Resources a very compelling stock to buy right now.

Fool contributor Matt DiLallo has no position in this company.

Ryan Vanzo: Empire Company Limited (TSX:EMP.A)

It's not the most-talked-about real estate company, but since 2000 **Empire Company Limited** (TSX:EMP.A) shares are up over 370% compared to a mere 59% rise for the TSX average. Its biggest holding is a full ownership of Sobeys Inc. Sobeys is Canada's second-largest food retailer with 1,500 stores (under a variety of banners) as well as more than 350 retail fuel locations. Food-retailing sales in 2015 were $23.93 billion with EBITDA of $1.23 billion. Net income for food retailing last year was roughly $344 million.

Loblaw Companies Limited, which has a similar business and margin profile, has a five-year-average valuation of 0.4 times sales. If Sobeys carried a similar valuation, it would be worth about $9.6 billion. With a market cap of just $4 billion, the company likely has a "conglomerate discount" given its many interests outside of Sobeys. With that stake alone likely worth more than the current market cap, investors seem to be getting the rest of its businesses for free. At worst, it provides an attractive margin of safety.

Fool contributor Ryan Vanzo has no position in this company.

Joseph Solitro: Thomson Reuters Corp. (TSX:TRI)(NYSE:TRI)

Thomson Reuters Corp. (TSX:TRI)(NYSE:TRI) is the world's leading source of intelligent information for businesses and professionals, and it's my top stock pick for April for two reasons.

First, it's a value play. It trades at just 19.8 times fiscal 2016's estimated earnings per share of US$2.04 and only 17.5 times fiscal 2017's estimated earnings per share of US$2.32, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 41.8.

Second, it has a great dividend. It pays a quarterly dividend of US$0.34 per share, or US$1.36 per share annually, which gives its stock a yield of about 3.4%. It has also raised its annual dividend payment for 22 consecutive years, and its 1.5% hike in February has it on pace for 2016 to mark the 23rd consecutive year with an increase.

I think Thomson Reuters is the top buy in the technology sector, so Foolish investors should strongly consider initiating positions today.

Fool contributor Joseph Solitro has no position in this company.

Demetris Afxentiou: Bank of Montreal (TSX:BMO)(NYSE:BMO)

Bank of Montreal (TSX:BMO)(NYSE:BMO) is one of the big banks that seems to lack the coverage that some of the other bigger banks (by market cap) get, despite being one of the better performers.

BMO is one of the best dividend stocks on the market and is also the longest-running dividend-paying company in Canada, paying out between 40% and 50% of earnings for well over 150 years. Thecurrent quarterly dividend pays out $0.84 per share for a respectable yield of 4.24%.

BMO reported stellar earnings in the most recent quarter thanks in part to the well-diversified operations across both geography and customer segments that keep revenue and growth in line. Net income and adjusted EPS were both up by 7% and 14%, respectively, over the previous quarter to $1.1 billion and $1.75. The company even managed to boost a provisional fund for credit losses to $183 million.

Fool contributor Demetris Afxentiou has no position in this company.

Jacob Donnelly: Dream Office Real Estate Investment Trst (TSX:D.UN)

While no investor ever wants to see one of their stocks cut its dividend, **Dream Office Real Estate Investment Trst** (TSX:D.UN) made the right call at the end of February when it decided to cut its dividend from $0.1867 per share to $0.125.

Now that the company will be able to afford distributions, it can start looking at its operation. Based on present-day valuations, if investors were to buy this stock, they would be acquiring it at a 36% discount. In essence, investors are not taking many of the company's assets into consideration when valuing it.

In my eyes, this makes Dream Office a top stock of the month. For those looking to buy and hold, plus generate a monthly distribution, it might be a great time to start a position in this company.

Fool contributor Jacob Donnelly has no position in this company.

Matt Smith: Silver Wheaton Corp. (TSX:SLW)(NYSE:SLW)

Silver Wheaton Corp. (TSX:SLW)(NYSE:SLW) is facing its fair share of headwinds. Not only is the protracted slump in silver weighing on its performance, but it is facing an investigation by the Canada Revenue Agency.

Nonetheless, there are a range of tailwinds that will propel Silver Wheaton higher over the long term.

One of the most important is the growing industrial demand for silver; it is an important element used in the manufacture of electronic components and solar panels due to its conductive properties. With a range of nations, including China, setting ambitious solar electricity targets, the demand for solar panels will grow exponentially.

This in conjunction with increasingly constrained supplies, because miners have been shuttering uneconomic production as well as slashing spending on exploration and mine development, which will lead to a supply deficit.

As a result, silver can only move higher over the long term, boosting Silver Wheaton's performance and share price.

Fool contributor Matt Smith has no position in this company.

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