



## Top Stocks for July

### Description

#### **Demetris Afxentiou: Barrick Gold Corp. ([TSX:ABX](#))(NYSE:ABX)**

**Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) happens to be one of the most (if not the most) efficient gold producer on the market today. The company has worked wonders over the past year to reduce debt and become more efficient, bringing all-in sustaining costs down to an unthinkable US\$706 per ounce. With precious metals continuing to rally this year, the leaner, more disciplined Barrick has emerged as a great pick in the mining sector.

Barrick pays a paltry dividend of \$0.03 per share, but the real power of this stock comes from growth. The stock is up over 160% year-to-date, and if that weren't impressive enough, the Brexit result has pushed the stock up even further.

With gold prices seemingly set to continue rising, Barrick will no doubt continue to tag along and follow suit, while continuing to shed debt and become more efficient.

*Fool contributor Demetris Afxentiou has no position in Barrick.*

#### **Kay Ng: Brookfield Property Partners LP ([TSX:BPY.UN](#))(NYSE:BPY)**

**Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY) owns, develops, and operates a global, diversified, best-in-class real estate portfolio.

Its core office and retail portfolio makes up about 85% of its balance sheet. The core portfolio's total returns are expected to be 10-12%.

The remaining portfolio consists of opportunistic investments in quality multifamily, industrial, hospitality, triple net lease, and self-storage assets, which target higher total returns of 20%.

Brookfield has 20% of its invested capital in Europe. The Brexit vote has brought the units down by about 7% from Thursday.

This offers a decent entry point to invest in Brookfield at a yield of 5%. Brookfield pays a quarterly distribution of US\$0.28 per unit, and the company aims to grow its distribution by 5-8% a year.

*Fool contributor Kay Ng owns shares of Brookfield Property Partners LP.*

**Andrew Walker: Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))**

**Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))** is battling some economic headwinds in Canada right now, but the company just announced a big U.S. acquisition that should help balance out the revenue stream.

CIBC is paying \$4.9 billion to acquire Chicago-based PrivateBancorp Inc. in a deal that gives the bank additional wealth management assets as well as a platform to expand its retail business into the United States.

The stock sold off on the news, but I think the deal will prove to be a wise one.

CIBC currently offers a 5% yield.

*Fool contributor Andrew Walker has no position in Canadian Imperial Bank of Commerce.*

**Matt Smith: First Majestic Silver Corp. ([TSX:FR](#))([NYSE:AG](#))**

The gold rally, which now sees it trading at its highest price in almost two years, bodes well for the outlook for silver and beleaguered silver miners.

You see, gold and silver have a closely correlated relationship and, as a result, silver has advanced in tandem with gold to be trading at its highest price since late 2014. With signs of growing economic fragility and geopolitical risks, higher precious metal prices are here to stay.

One of the best ways take advantage of this is with silver miner **First Majestic Silver Corp. ([TSX:FR](#))([NYSE:AG](#))**.

Not only did it strengthen its balance sheet through an equity raising earlier this year, but it has slashed debt and sharply reduced operating costs. First Majestic finished the first quarter 2016 with impressive all-in sustaining-costs of a mere US\$8.97 per ounce. Now, with silver trading at about US\$18 per ounce, it is capable of generating a solid margin that will give its bottom line a healthy bump, pushing its share price higher over coming months.

*Fool contributor Matt Smith has no position in First Majestic.*

**Joseph Solitro: Fortis Inc. ([TSX:FTS](#))**

The Brexit has left many investors fearful about how the market will perform in the weeks and months ahead, so my top stock pick for July is a utility stock. Utility stocks are sought after as safe havens during times of uncertainty, because their largely regulated portfolios lead to stable and predictable cash flows, allowing them to pay hefty dividends to their shareholders.

Without further ado, my pick is **Fortis Inc. ([TSX:FTS](#))**, one of the largest electric and gas utilities

companies in North America. It pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, giving its stock a 3.5% yield at today's levels. It's also important to note that the company's 10.3% dividend hike in September has it on pace for 2016 to mark the 44th consecutive year in which it has raised its annual dividend payment, and it has a dividend-growth target of 6% annually through 2020.

If you're worried about the Brexit or simply want to invest in a great dividend stock, I think Fortis should be atop your buy list.

*Fool contributor Joseph Solitro has no position in Fortis.*

### **Will Ashworth: Mullen Group Ltd ([TSX:MTL](#))**

**Mullen Group Ltd ([TSX:MTL](#))** is a provider of trucking and logistics services to the oil and gas industry. Operating in two segments: Trucking and Logistics as well as Oilfield Services, it's got a history of acquiring companies and improving their performance.

I like Mullen Group because even though its stock's been seriously beaten down over the past couple of years, oil prices are slowly moving higher, and with that its business stands to improve dramatically. Furthermore, even though its earnings have been cut substantially, it still managed to generate \$138 million in free cash flow (FCF) in 2015, a FCF yield of more than 10%.

Will it be a top stock for July? That's impossible to say. However, its current dividend yield of 2.6% is a good consolation prize for a stock that's trading exactly where it did six years ago.

*Fool contributor Will Ashworth has no position in Mullen Group.*

### **Matt DiLallo: Penn West Petroleum Ltd. ([TSX:PWT](#))([NYSE:PWE](#))**

**Penn West Petroleum Ltd. ([TSX:PWT](#))([NYSE:PWE](#))** recently completed a stunning turnaround. The company went from being less than a month away from defaulting on its debt to having leverage metrics that are now in the top tier of its peer group.

Fueling this remarkable shift was the company's ability to cash in on its Dodsland Viking position for twice what the market expected. When combining that lucrative sale with the company's prior asset sales, it reduced its debt from \$2.1 billion to start the year to just \$600 million.

With its balance sheet issues addressed, the company can rebuild upon the foundation of its remaining assets. It expects that core to fuel +10% annual production growth at current oil prices, which is pretty healthy growth in this market.

While Penn West Petroleum is not without risk, this is a turnaround story that could pay off big time now that its finances are on solid ground.

*Fool contributor Matt DiLallo has no position in Penn West.*

### **Jacob Donnelly: Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#))**

While it's never easy to time a market, I believe the worst is behind us when it comes to oil. Because of

this, I believe **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) is the top stock of the month.

The primary reason for this is because Suncor is going to come out of this glut more powerful than it has ever been before. It has expanded its stakes in both the Syncrude and Fort Hills projects, which will produce ample cash flow.

Further, analysts believe that the company will continue to use its size to pick up high-quality, but leveraged assets. Because of its ability to become so much larger, Suncor is my top stock for the month.

*Fool contributor Jacob Donnelly has no position in Suncor.*

## CATEGORY

1. Investing
2. Top TSX Stocks

## TICKERS GLOBAL

1. NYSE:AG (First Majestic Silver)
2. NYSE:B (Barrick Mining)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:ABX (Barrick Mining)
6. TSX:BPY.UN (Brookfield Property Partners)
7. TSX:CM (Canadian Imperial Bank of Commerce)
8. TSX:FR (First Majestic Silver)
9. TSX:FTS (Fortis Inc.)
10. TSX:MTL (Mullen Group Ltd.)
11. TSX:SU (Suncor Energy Inc.)

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