



Top Stocks for September

Description

Andrew Walker: Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) continues to deliver solid results in a challenging environment.

The business generated adjusted net income of \$2.66 billion for fiscal Q3 2016 and is firmly on track to break through the \$10 billion mark for the full year.

That's not too shabby for a company that is supposed to be facing economic headwinds.

Royal Bank's recent acquisition of California-based City National is already contributing to earnings, and investors should see the U.S. business grow in importance in the coming years.

This stock is not as cheap as it was earlier this year, but you still get a solid 4% yield from a world-class company.

Fool contributor Andrew Walker has no position in this company.

Ryan Vanzo: Superior Plus Corp. ([TSX:SPB](#))

Superior Plus Corp. ([TSX:SPB](#)) yields 6.12% and has managed to maintain a healthy monthly dividend for nearly a decade. When you look at what drives the underlying business and profitability, it seems likely that Superior Plus can continue pleasing high-yield income investors.

The company isn't actually involved in the drilling of oil or natural gas. Instead, it primarily distributes propane across Canada. It is also involved in the distribution of many other refined fuels across the entirety of North America. This means that revenues are largely volume based, so even if energy prices remain volatile, Superior Plus won't feel a big impact. As long as producers keep pumping, Superior Plus keeps profiting.

Shares have been pressured recently after Superior Plus pulled out of its planned acquisition of rival

chemical maker **Canexus Corp.** If you're looking to ride a long-term, high-yield dividend player, consider picking up Superior Plus at its current discounted price.

Fool contributor Ryan Vanzo has no position in this company.

Matt DiLallo: Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#))

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) should be a core holding for most investors. It owns some of the best real estate, infrastructure, and renewable energy assets around the world, providing investors with diversification across several sectors. Even better, the company often acquires these premier properties at a significant discount to intrinsic value, which is why it has been able to deliver an 18% compound annual return over the past two decades.

Overall, Brookfield invested \$30 billion in building its asset base, which currently generates \$1.3 billion of annual cash flow for the company. Over the long term, the company is targeting to drive 12-15% annual returns on this capital.

In addition, Brookfield has a growing asset-management franchise, whereby it manages several private equity funds and listed partnerships. This business generates management fees and incentives based on performance; the company currently receives \$660 million in fees each year and has the potential to earn another \$925 million in future incentives. Further, given its plan to grow fee-bearing capital by 10% per year, the company projects that its recurring income stream from fees will grow by 21% annually through 2020.

With double-digit growth in investment returns and fee-based cash flow in the forecast, Brookfield Asset Management is an ideal stock for investors looking for a top stock to hold this month.

Fool contributor Matt DiLallo owns shares of Brookfield Asset Management.

Neha Chamaria: Cameco Corporation (TSX:CCO)([NYSE:CCJ](#))

Cameco Corporation ([TSX:CCO](#))([NYSE:CCJ](#)) lost as much as 20% value in August after reporting losses for its second quarter compared to a profit in the year-ago period. However, I believe this could be a great opportunity for investors.

Spot uranium prices tumbled to 11-year lows of about \$25 per pound in July, but prices should bottom as new reactor capacity comes up. Sixteen nuclear reactors have come online in a year and a half, and Japan restarted its fifth reactor last month; this confirms there is renewed interest in nuclear power projects since the Fukushima disaster. There were 66 reactors under construction worldwide as of January 1, 2016.

This should push up demand and prices of uranium in the near future, benefiting Cameco the most as it is the world's largest publicly traded uranium company. Today, you can buy Cameco, which it trades near multi-year lows, while enjoying a dividend yield of 3%.

Fool contributor Neha Chamaria has no position in this company.

Jacob Donnelly: Brookfield Infrastructure Partners L.P. (TSX:BIP.UN)([NYSE:BIP](#))

Infrastructure is in serious need of repair all around the world. Yet governments aren't acting. That gives **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) an opportunity to take advantage of cheap assets.

Brookfield is working on a deal with its parent company to acquire a natural gas pipeline unit in Brazil for US\$5.2 billion. Its acquisition of **Asciano Ltd.** for US\$6.7 billion should close in the next couple of months; this deal will provide lucrative Australian ports to its portfolio.

Finally, Brookfield has increased its funds from operation from US\$1.03 in 2009 to US\$3.59 in 2015—a 23% compound annual growth rate. That allows it to pay \$0.59 per quarter in dividends and grow the yield by anywhere from 5% to 9%. It's a buy for me.

Fool contributor Jacob Donnelly has no position in this company.

Scott Brandt: Shopify Inc. ([TSX:SH](#))([NYSE:SHOP](#))

Shopify Inc. ([TSX:SH](#))([NYSE:SHOP](#)) continues to establish itself as leader in ecommerce. Traditional brick and mortar merchants can use its platform to build a website and access various sales channels the company has developed through its partnerships. Shopify's stock is up 60% year-to-date, driven by strong subscriber growth. The company reported total revenue in the second quarter of \$86.6 million—an astounding 93% increase year over year.

Shopify is constantly developing or adopting new technologies to create a more seamless experience for its merchants. This year the company announced plans to integrate both Apple Pay and Android Pay into its platform. Later this year, it will also offer the option for merchants to sync shipping and billing information from their **Amazon** accounts. In addition, Shopify made key acquisition of Kit CRM Inc.—a digital marketing assistant tool that its merchants can download to help promote their business.

What will propel subscriber growth and the stock even higher will be the company's ability to leverage its expertise in developing new sales channels, platforms, and methods for its customers to market their products.

Fool contributor Scott Brandt has no position in this company.

Will Ashworth: Sleep Country Canada Holdings Inc. ([TSX:ZZZ](#))

Sleep Country Canada Holdings Inc. ([TSX:ZZZ](#)) is Canada's leading mattress retailer with a network of 233 stores across the country.

I like Sleep Country Canada because a good bed has been proven to be a vital part of getting a good night's sleep—the cornerstone of a healthy lifestyle. It also doesn't hurt that its financial performance has been off the charts in recent quarters. It's been opening four to five stores a quarter, so Sleep Country Canada's still got some great growth ahead of it.

Despite being up 82% since its IPO, I feel like September, the back-to-school month, is a perfect time for Sleep Country to kick it up a notch.

Fool contributor Will Ashworth has no position in this company.

Demetris Afxentiou: Dollarama Inc. ([TSX:DOL](#))

Dollarama Inc. ([TSX:DOL](#)) is the largest dollar-store operator in Canada with over 1,000 locations scattered across all 10 provinces. Dollarama's wide variety of goods are all priced under \$4, which attracts a large number of customers who are seeking out bargains.

Dollarama has developed a habit of beating expectations come earnings time. In the most recent quarter, Dollarama posted sales that were 13% better than last year and earnings that beat last year by 28.4%. The company also pays a quarterly dividend of \$0.10 per share.

In terms of growth, year-to-date, Dollarama is up by 21%, and in the past two years the stock has soared by over 80%. That aggressive growth is set to continue with Dollarama targeting up to 70 new stores to be open by January 2017.

Fool contributor Demetris Afxentiou has no positions in this company.

Nelson Smith: Aimia Inc. ([TSX:AIM](#))

Aimia has a secure position in the travel rewards marketplace due to its Aeroplan partnership with **Air Canada**.

Consumers just aren't spending as much, which has put pressure on Aimia's top line. But free cash flow is still expected to be \$1.31 per share for 2016, putting shares at just 6.2 times that metric.

The balance sheet is healthy, and the company is using its excess cash to buy back shares aggressively. In the past year, more than 11 million shares (6.75% of the float) have been repurchased and eliminated.

Plus, Aimia pays a 9.9% dividend it can easily afford. That's not a bad prize for waiting.

Fool contributor Nelson Smith owns Aimia Inc. common and preferred shares.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. NYSE:CCJ (Cameco Corporation)
4. NYSE:RY (Royal Bank of Canada)
5. NYSE:SHOP (Shopify Inc.)
6. TSX:AIM (Aimia Inc.)

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9. TSX:CCO (Cameco Corporation)
10. TSX:DOL (Dollarama Inc.)
11. TSX:RY (Royal Bank of Canada)
12. TSX:SHOP (Shopify Inc.)
13. TSX:SPB (Superior Plus Corp.)

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