



Top Stocks for February

Description

Chris MacDonald: Potash Corporation of Saskatchewan Inc. (TSX:POT)(NYSE:POT)

Potash Corporation of Saskatchewan Inc.'s (TSX:POT)(NYSE:POT) stock has risen substantially of late on news of a strengthening potash market globally. With global growth expectations beginning to pick up, Potash Corp. is my top pick to continue to outperform in the short term.

Potash Corp. is currently the world's largest producer of potash by volume. Its margins have been squeezed of late as global potash prices have been in constant decline since 2011. With prices inching up since August, investors can expect margins and earnings to come in better than expected.

An earnings beat, along with strong positive forward guidance for the rest of 2017, may be enough to give your portfolio a nice bump.

Fool contributor Chris MacDonald has no position in Potash Corporation of Saskatchewan Inc.

Ryan Goldsman: High Liner Foods Inc ([TSX:HLF](#))

Shares of **High Liner Foods Inc.** ([TSX:HLF](#)) may be ready for a fantastic month. Since November, the support of \$18 has been tested on three separate occasions, and shares are holding their own. Currently trading around the \$19 mark, shares are offering new investors a yield of almost 3% with the potential for capital appreciation in the coming year. After increasing the dividend on two separate occasions during 2016, the next year may hold even more promise.

Shares of High Liner Foods may be on the verge of yet another breakout!

Fool contributor Ryan Goldsman has no position in shares of High Liner Foods.

Joey Frenette: Alimentation Couche Tard Inc. (TSX:ATD.B)

Alimentation Couche Tard Inc.'s (TSX:ATD.B) stock has slowed down in 2016, but the company is not done growing. In fact, the company is ready to see a huge amount of earnings growth in 2017

thanks to a ton of synergies that will be unlocked from the acquisitions it made last year.

One reason the stock pulled back is because many investors are moving money from defensive sector into more cyclical names.

This is a gigantic buying opportunity for long-term investors because the stock is trading at a huge discount to its intrinsic value at current levels. TD Securities has a 12-month price target of \$87, which represents a whopping 44% upside from current levels.

Fool contributor Joe Frenette owns shares in Alimentation Couche Tard.

Matt DiLallo: Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG)

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) spent the past two years cutting its way to survival. The Canadian oil and gas producer reduced both its capital budget and dividend several times, which put it in the position to live within its cash flow at much lower oil prices. Now that prices are on the rise, the company has started to increase spending.

For 2017, the company plans to spend \$1.45 billion, which is enough capital to boost output 10%. That spending level and the reduced dividend both fit comfortably within projected cash flow at \$52 oil. This growth alone should push the company's stock price higher in 2017 even if oil prices stagnate.

However, what makes Crescent Point an even more compelling buy is the growing likelihood that it will exceed those expectations. For example, for every \$1 per barrel crude averages above \$52, Crescent Point will generate an extra \$50 million in cash flow, which it could use to either boost output or the dividend. Both seem increasingly possible given that crude is already above that level and likely heading higher as OPEC's production cuts take hold. Such an outcome could fuel an excellent year for Crescent Point investors.

Fool contributor Matt DiLallo has no position in Crescent Point Energy Corp.

Jacob Donnelly: Teck Resources Ltd. (TSX:TECK.B)(NYSE:TECK)

A lot has changed for **Teck Resources Ltd.** (TSX:TECK.B)(NYSE:TECK) in a year. But thanks to a resurgence in metallurgical coal and copper prices, the company is generating lucrative revenues.

My expectations for the company are simple. It will continue to pay off debt over the next couple of years, which will put it in a solid position. Further, it'll finally begin to generate revenue from its Fort Hills investment toward the end of the year.

Teck Resources is my top stock for the month because demand for base metals will only rise as countries begin to invest more heavily in their infrastructure. That in turn will benefit Teck Resources even more.

Fool contributor Jacob Donnelly has no position in Teck Resources.

Matt Smith: Sandstorm Gold Ltd. (TSX:SSL)(NYSE:SAND)

Improving fundamentals, doubts over whether or not Trump can successfully implement the planned

fiscal stimulus, and fears over the health of the global economy will act as powerful tailwinds for gold over the course of 2017.

Sandstorm Gold Ltd. ([TSX:SSL](#))([NYSE:SAND](#)) is an attractive means of cashing in on higher gold prices and hedging against uncertainty. It is a far lower-risk investment than gold miners because, as a metals streamer, it doesn't engage in high-risk mining activities.

Instead, Sandstorm provides financing in exchange for the payment of a royalty on every gold ounce produced or the right to purchase a share of that production for significantly less than the market price. Record 2016 production and a marked decrease in operating expenses, which saw third-quarter 2016 cash costs fall by 16% compared to a year earlier, will give its bottom line a healthy bump.

When coupled with firmer gold prices and Sandstorm's levered exposure to gold, these factors should drive its share price higher over the course of 2017.

Fool contributor Matt Smith has no position in Sandstorm Gold.

Kay Ng: Altagas Ltd. ([TSX:ALA](#))

Altagas Ltd. ([TSX:ALA](#)) is a diversified North American energy infrastructure business with contracted power, regulated gas distribution, and highly contracted midstream assets.

Altagas has increased its dividend for five consecutive years at a rate of 8.8%, on average. The company's announcement that it'd acquire **WGL Holdings Inc.** has caused its shares to dip. So, it now offers an attractive yield of about 6.7%.

The acquisition, which is expected to complete in Q2 2018, will boost Altagas's earnings and cash flows and help support management's guidance to grow its dividend per share by 8-10% annually through 2021.

Fool contributor Kay Ng owns shares of Altagas Ltd.

Will Ashworth: Cara Operations Ltd. ([TSX:CARA](#))

Cara Operations Ltd. ([TSX:CARA](#)) is Canada's largest full-service restaurant operator with 1,127 restaurants in Canada and the U.S.

I like Cara Operations because it operates some of the top restaurant brands in the country, including Swiss Chalet in chicken, Harvey's in burgers, Milestones and Montana's for casual sit-down dining, and Fionn MacCool's and BierMarkt for the pub crowd.

It got kicked in 2016 delivering a negative total return of 17.5%. However, it's started out of the gates strong in 2017 and is up 6.2% since January 1. Expect St. Hubert to make a positive contribution in upcoming quarters.

Will Ashworth has no position in Cara Operations.

Demetris Afxentiou: Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#))

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#)) is the largest railroad operator in the country with a sprawling 32,000 km network with access to three coastlines on the continent.

Canadian National has a defensive moat like no other; it has a diversified mix of freight which ensures that a slowdown in one area of the economy doesn't significantly hinder the rest of the company and an operating ratio that is the envy of the industry — most recently reported as 56.6%.

The railroad pays a quarterly dividend that has a 1.8% yield. When coupled with a stock price that has soared on average 17% over the past three years, this makes Canadian National an ideal long-term investment option for nearly any portfolio.

Canadian National is coming off a record quarter with net income up by 8% to \$1,018 million and diluted earnings per share up by 12% when compared to the same quarter last year.

Fool contributor Demetris Afxentiou has no position in Canadian National.

Andrew Walker: Barrick Gold Corp. ([TSX:ABX](#))([NYSE:ABX](#))

Barrick Gold Corp. ([TSX:ABX](#))([NYSE:ABX](#)) has significantly reduced its debt load and is generating healthy free cash flow. Operating costs continue to drop with all-in-sustaining costs now below US\$750 per ounce of gold.

At the current price, the company is generating some nice margins.

Gold is expected to remain volatile, and there is no shortage of pundits on either side of the bear/bull debate, so you really have to be a firm believer in the bull case to own any of the miners.

If you happen to fall in that camp, Barrick looks attractive right now.

Fool contributor Andrew Walker owns shares of Barrick Gold.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TECK (Teck Resources Limited)
4. NYSE:VRN (Veren)
5. TSX:ABX (Barrick Mining)
6. TSX:ALA (AltaGas Ltd.)
7. TSX:CNR (Canadian National Railway Company)
8. TSX:HLF (High Liner Foods Incorporated)
9. TSX:SSL (Sandstorm Gold Ltd.)
10. TSX:TECK.B (Teck Resources Limited)
11. TSX:VRN (Veren Inc.)

PARTNER-FEEDS

1. Msn
2. Yahoo CA

Category

1. Investing
2. Top TSX Stocks

Date

2025/08/24

Date Created

2017/02/01

Author

motley-fool-staff

default watermark

default watermark