



Top Stocks for April

Description

Kay Ng: Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Spectra Energy is an excellent addition to **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)). The combined company has a stronger portfolio of crude oil, liquids and natural gas pipelines, regulated gas-distribution utilities, and a growing renewable power-generation platform.

At about \$54 per share, Enbridge yields nearly 4.3% and trades at a multiple of less than 14 based on its available cash flow from operations (ACFFO). Given that the leading energy infrastructure company believes it can increase its ACFFO by 12-14% per year and its dividend by 10-12% per year, it is a decent deal to buy some shares today.

Fool contributor Kay Ng has no position in Enbridge Inc.

Colin Beck: Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#))

Anytime investors have a chance to add the second-largest bank in Canada to their portfolios at a discount, they should take advantage. With the negative press regarding management's high-pressure tactics, **Toronto-Dominion Bank's** ([TSX:TD](#))([NYSE:TD](#)) stock price has dropped 7% in the past two weeks.

Clearly, the behaviour of the company's management can't be condoned; however, these accusations will not ultimately determine TD's success over the long term. This profit-driven machine will address this issue and implement procedures and policies to ensure this doesn't happen again. Investors can expect TD to continue to provide reliable returns for years to come, so buy now.

Fool Contributor Colin Beck owns shares in Toronto-Dominion Bank

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

Canadian Natural Resources Limited ([TSX:CNQ](#))([NYSE:CNQ](#)) recently completed the largest deal in its history, paying a combined \$12.74 billion for a 70% stake in the Athabasca Oil Sands Project as

well as other producing and non-producing assets in western Canada. While that's a high dollar figure to pay, the [value](#) the company received in return is worth every penny. In fact, analysts estimate that Canadian Natural Resources would need to have spent more than \$20 billion to replicate the acquired assets in today's market, implying a roughly 40% discount to replacement costs.

Because the company is paying such a reasonable valuation for these assets, it will experience a meaningful improvement in several key metrics. For example, the company anticipates that production and cash flow per share will rise by a mid-teens rate as a result of this transaction. Meanwhile, despite borrowing \$9 billion to finance a portion of the deal, the company's balance sheet metrics won't see much deterioration. For example, debt to EBITDA will only rise from a projected 1.8 times in 2017 to 2.2 times, both of which are improvements from last year's 3.6 times.

Add it up, and this deal should deliver meaningful value for Canadian Natural Resources investors in both the near term and long term. That's what makes this stock such a good buy right now.

Fool contributor Matt DiLallo has no position in Canadian Natural Resources.

Jacob Donnelly: TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#))

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) has been in the news recently; President Trump gave the company approval to build its Keystone XL pipeline — a contentious project that has been a battle for the company for years.

But even without this, the company has been doing an incredible job. It acquired Columbia Pipeline Group last year to expand its gas pipeline operations in the United States. All told, it has a massive backlog of \$23 billion in growth projects, which should give the company explosive growth.

This stock is a great buy for income investors. It increased the dividend by 10.6% earlier this year and is projecting 8-10% growth for the next few years.

Fool contributor Jacob Donnelly has no position in TransCanada.

Karen Thomas: Labrador Iron Ore Royalty Corp. ([TSX:LIF](#))

Shares of **Labrador Iron Ore Royalty Corp.** ([TSX:LIF](#)) have done exceptionally well in the last year and, in my view, they are still a great addition to the portfolios of investors who are looking for a nice dividend yield, security of the dividend, and capital appreciation.

The stock has been on a tear in the last year, as iron ore has strengthened, coming off its lows in 2015. The price of iron ore has almost doubled since the beginning of 2016 and currently stands at approximately \$85 per tonne. This compares to lows of approximately \$40 per tonne back in 2015 and, in its heyday, highs of over \$180 per tonne.

The company upped its dividend by 50% in the latest quarter, and with the strength in iron ore prices, we can expect further increases in the future.

Fool contributor Karen Thomas has no position in Labrador Iron Ore Royalty Corp.

Ryan Goldman: Empire Company Limited ([TSX:EMP.A](#))

My top pick for the month is **Empire Company Limited ([TSX:EMP.A](#))**. During March, the company reported earnings and turned the corner with a new CEO and higher expectations in the months to follow. The fantastic news for Empire Company Limited is the breakout in the share price which saw the price of \$19.50 cross over the 200-day simple moving average for the first time in over a year. Shares could easily cross the \$22 mark and potentially beyond.

Until the bulls keep running, investors will have to remain content with a yield close to 2% and a company with the potential to regain market share in the competitive oil patch.

Fool contributor Ryan Goldman has no position in Empire Company.

Matt Smith: Parkland Fuel Corp. ([TSX:PKI](#))

Canada's largest independent fuel distributor **Parkland Fuel Corp. ([TSX:PKI](#))** continues to go from strength to strength. Not only did it report record results for 2016 and hike its dividend as a result, but it is in the midst of the needle-moving \$975 million purchase of the majority of the Canadian assets of **CST Brands Inc.**, which is being acquired by **Alimentation Couche-Tard Inc.**

When complete, this deal will make Parkland Canada's leading fuel retailer. It will also bolster its presence in Quebec as well as Atlantic Canada, and, according to management, it will deliver a pre-synergy 20% increase in free cash flow. Such solid cash flow growth will enable further dividend increases.

Parkland is also in the process of bedding down \$89 million of acquisitions made during 2016. As this is completed, further synergies will be unlocked, thereby by giving earnings a healthy lift. While investors wait for its shares to appreciate, they will be rewarded by a juicy 4% dividend yield.

Fool contributor Matt Smith has no position in Parkland Fuel.

Neha Chamaria: Silver Wheaton Corp. ([TSX:SLW](#))([NYSE:SLW](#))

Silver Wheaton Corp. ([TSX:SLW](#))([NYSE:SLW](#)) stock's recent momentum might just the beginning given the heightened uncertainty in the stock markets.

The precious metals streaming company delivered record production and sales numbers for 2016 as streaming partners like **Vale** scaled up production. As you might know, Silver Wheaton doesn't operate mines; it finances miners up front and, in exchange, buys precious metals from them at low prices to later sell at spot rates. Thanks to that price differential, Silver Wheaton enjoys high margins and can generate strong cash flows.

Two things should work for Silver Wheaton going forward: its increasing exposure to gold and volatility in financial markets. Prices of gold and silver thrive during uncertain times as the two metals are considered safe-haven investments. So, if the markets get roiled going forward, Silver Wheaton stock, which also pays a dividend and yields 1.3%, could hold up strong.

Fool contributor Neha Chamaria has no position in Silver Wheaton

Demetris Afxentiou: TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#))

I have also chosen **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) as my top pick for the month. TransCanada is an energy infrastructure company with a massive network of pipeline across North America. Those pipelines provide a toll-booth-like, reliable, and safe stream of income.

In terms of growth, TransCanada has had a great year; the stock has appreciated over 24% in the past 12-month period. Even better, TransCanada also offers investors a quarterly dividend of \$0.62 per share, which provides an appetizing 4.01% yield. Management has noted that dividend growth of 8-10% can be expected over each of the next few years thanks to lucrative pipeline projects the company has in the works that are measured in the billions.

Perhaps one of the most well-known of those projects is the Keystone XL pipeline, which was rejected by the Obama Administration last year, but it has since been resurrected under President Trump; approval over the controversial yet potentially lucrative pipeline got the presidential seal last week.

Fool contributor Demetris Afxentiou has no position in TransCanada.

Andrew Walker: Altagas Ltd. ([TSX:ALA](#))

Investors often overlook **Altagas Ltd.** ([TSX:ALA](#)) when searching for an energy infrastructure name to add to their portfolios, but that might change.

The company recently announced plans to acquire Washington D.C.-based **WGL Holdings Inc.** for \$8.4 billion and has several organic growth projects on the go in British Columbia.

As a result, management sees cash flow growing enough in the near term to support annual dividend increases of at least 8% through 2021.

The current payout already offers a yield of 6.8%.

If you are searching for an unloved dividend pick in an expensive market, this stock looks attractive at the current price.

Fool contributor Andrew Walker owns shares of Altagas Ltd.

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