



Top Stocks for June

Description

Chris MacDonald: Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#))

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) is my top pick for June and beyond, as I believe this Canadian utilities company has the asset base and management team to continue to grow long-term and provide investors with both the capital appreciation as well as the income they seek in a market where finding both components can prove to be tricky.

At current levels, Algonquin Power is trading at around 18x forward earnings, with an impressive earnings growth rate and equally impressive dividend yield management: the utilities company currently has a yield of 4.7%, a yield which has been maintained over the years due to consistent and manageable increases over time.

Fool contributor Chris MacDonald has no position in Algonquin Power & Utilities Corp.

Jason Phillips: Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

My top pick for the month of June is **Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))**. Most will agree that, generally speaking, the Canadian banks are never a bad investment. Today, I believe CIBC offers the best choice to hold for dividend investors among the Canadian banks. CIBC boasts the highest current dividend yield at 4.64%, offers the greatest potential for future dividend increases with a sustainable growth rate of 12.4%, and raised its dividend by more than any other bank with an increase of 10.4% last year.

Fool contributor Jason Phillips has no position in shares of Canadian Imperial Bank of Commerce.

Joey Frenette: Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) recently reported an impressive Q2 2017 earnings report, but fear is still on the minds of investors, and that's why the stock has continued

to tumble.

CIBC finally got approved to take over PrivateBancorp after sweetening the pot many times. Although many investors believe they're getting the short end of the stick, I think CIBC has become a more resilient long-term play.

The deal is expensive and won't mean much in the medium-term, but if you're looking for deep value with a huge yield, then CIBC is an excellent buy right now. The stock trades at an absurdly cheap 8.94 price-to-earnings multiple with a near 5% dividend yield.

Fool contributor Joey Frenette owns shares of Canadian Imperial Bank of Commerce.

Colin Beck: New Flyer Industries Inc. ([TSX:NFI](#))

Here at the Fool, we love companies in industries of need with great long-term prospects, and **New Flyer Industries Inc. ([TSX:NFI](#))** certainly meets this criteria.

The company is an industry leader in manufacturing and repairing heavy-duty transit buses and motor coaches. Many of its buses operate for 16 hours a day, seven days a week, and require frequent repairs. Therefore, the company can generate revenue off the initial sale and produce recurring cash flows through repairs and maintenance.

The stock trading is currently trading at a price-to-earnings ratio of 18.22, which is significantly below its five-year average of 23.1. Therefore, investors currently have an entry point for this fantastic company.

Fool contributor Colin Beck has no position in New Flyer Industries Inc.

Neha Chamaria: Pembina Pipeline Corp ([TSX:PPL](#))([NYSE:PBA](#))

You can't buy oil stocks today based on speculation about oil prices. What you need is stocks that can generate strong returns thanks to internal efficiency and growth. Midstream oil play **Pembina Pipeline Corp ([TSX:PPL](#))([NYSE:PBA](#))** is a perfect fit.

After doubling its income on roughly 45% higher revenues in Q1, Pembina is now in an aggressive growth mode with plans to pump \$4 billion on expansions this year to ensure it's well poised to play the energy upturn.

The biggest growth catalyst ahead is Pembina's \$9.7 billion impending acquisition of **Veresen Inc.** If the deal closes this year as planned, investors can expect immediate returns as Pembina intends to hike dividend by 5.9% upon closure. That'll be the second dividend increase this year as Pembina recently increased its dividend by 6.25%. Even if volatile oil prices make the road ahead bumpy, Pembina investors can enjoy its 4.7% dividend yield while waiting for the tide to turn.

Fool contributor Neha Chamaria has no position in this company.

Demetris Afxentiou: Cineplex Inc. ([TSX:CGX](#))

Cineplex Inc. ([TSX:CGX](#)) is the largest entertainment company in the Canada, and my pick for this month. Cineplex is predominately known for its core movie theatre business and, among investors, is renowned as being a great option for dividend-seeking investors.

Cineplex's evolution over the years to branch out into new areas and create new revenue streams shows the strength and vision of the company, which will only continue to grow over time. The investment into eGaming has the potential to become a significant revenue driver for the company as that industry expands in Canada.

Moving into the summer blockbuster season, Hollywood has lined up a series of movies that will keep theatres full and customers asking for more. This in turn will keep Cineplex's revenues strong, and investors smiling for years to come.

Fool contributor Demetris Afxentiou has no positions in Cineplex.

Ryan Goldman: AutoCanada Inc. ([TSX:ACQ](#))

After a terrible month of May, shares of **AutoCanada Inc. ([TSX:ACQ](#))** may be set for a turnaround. During the month, shares hit a new 52-week low of approximately \$18 and broke both the 10-day and 50-day simple moving averages (SMAs). While the technical traders will wait for further confirmation of a clear breakout to the downside, fundamental investors may want to take a good hard look at a company with close to 40% of its business coming from western Canada. While the oil sector has slowed things down for AutoCanada, the new norm may finally be established for the price and shareholders may be the benefactors.

With the hopes of older cars needing to be replaced, investors may want to give shares of AutoCanada a good look over the next month.

Fool contributor Ryan Goldman is long shares of AutoCanada Inc.

Andrew Walker: Inter Pipeline Ltd. ([TSX:IPL](#))

Inter Pipeline Ltd. ([TSX:IPL](#)) is a niche player in a handful of energy infrastructure segments, including NGL extraction, liquids storage, and oil sands pipelines.

Management has done a good job of navigating through the oil rout, and IPL even picked up some strategic assets last year at attractive prices.

These new businesses, combined with a strong development portfolio, should support solid cash flow growth and higher dividends in the coming years.

IPL pays its dividend monthly and offers a yield of 6% at the current price.

Fool contributor Andrew Walker has no position in Inter Pipeline.

Will Ashworth: Killam Apartment REIT ([TSX:KMP.UN](#))

Killam Apartment REIT ([TSX:KMP.UN](#)) owns, manages and develops multi-family residential properties in Atlantic Canada, Ontario and Alberta. Its \$2 billion real estate portfolio includes 14,439 apartments and 5,165 manufactured home community (MHC) sites.

Killam uses a three-pronged approach to growth including getting more out of its existing properties, acquiring residential properties that are accretive to revenue, and developing new apartment properties in core markets like Halifax, Ottawa and Southern Ontario.

I see it hitting \$20 within 2-3 years.

Fool contributor Will Ashworth does not own shares in Killam Apartment REIT.

Karen Thomas: Ballard Power Systems Inc. (TSX:BLD)([NASDAQ:BLDP](#))

The fuel cell market continues to build momentum, as clean air becomes an increasingly important goal for countries across the world. From China to Europe to California, governments are showing more and more interest and activity in fuel cell vehicles, and Ballard Power Systems Inc. ([TSX:BLDP](#))([NASDAQ:BLDP](#)) has been involved in many different ways, including through partnerships and joint ventures. Revenue increased 51% in 2016, 39% in the first quarter of 2017, and gross margins are on the rise, at 42% in the last quarter versus 18% in 2015.

Lastly, but very importantly, with no debt on the balance sheet and \$72.6 million in cash, the company has ensured that it has the flexibility and ability to respond to market conditions, support growth, and even look at potential acquisition opportunities.

Fool contributor Karen Thomas owns shares of Ballard Power Systems Inc.

Matt Smith: Lundin Gold Inc. ([TSX:LUG](#))

In a world wracked with geopolitical and economic uncertainty, the outlook for gold remains positive. While larger gold miners are considered the best option for obtaining leveraged exposure to the yellow metal, it is the smaller miners that offer the greatest potential.

One junior miner that stands out is **Lundin Gold Inc. ([TSX:LUG](#))**. It is developing the 4.8 million ounce Fruta del Norte project in Ecuador that is reputed to be one of the highest-grade gold projects globally. The high ore grade is reflected in its low all-in sustaining costs of US\$623 per ounce which are among the lowest in the industry.

All the key licences are in hand and mine development is expected to commence in mid-2017 with first production in 2020. Lundin's financial health is strong with US\$8 million of cash and US\$16 million undrawn from a credit facility at the end of the first quarter 2017.

Lundin is riskier than miners with established operations but it possesses considerable potential and, on commencing production, its stock should appreciate significantly.

Fool contributor Matt Smith has no position in any stocks mentioned.

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Author

motley-fool-staff

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