



Top Stocks for July

Description

We asked our writers to share their top stock picks for the month of July, and this is what they had to say:

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

The dip since May in **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) shares represents a buying opportunity for income and long-term investors.

At about \$52 per share, Enbridge trades at a multiple of about 13 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 good buy for long-term investment today.

The analyst consensus has a 12-month price target of \$62.50 on the stock, which implies upside potential of 20%. Additionally, Enbridge's yield of 4.7% to start is above average.

Fool contributor Kay Ng has shares of Enbridge Inc.

Ryan Goldman: Lassonde Industries Inc ([TSX:LAS.A](#))

With momentum going the right way, shares of **Lassonde Industries Inc** ([TSX:LAS.A](#)) are my top pick for the month of July. The company, which makes and distributes fruit juices, is in prime position to benefit from the oncoming hot weather which will undoubtedly lead Canadians to complain about the weather.

Trading near a 52-week high of \$250 per share, the company boasts a dividend yield close to 1% while only paying out 20% of its profits. In the hopes of seeing a substantial increase in the dividends paid to shareholders, investors have started to take a good look at this name.

With returns potentially as sweet as the product itself, shares of Lassonde Industries Inc may be ready for a major breakout.

Fool contributor Ryan Goldsman has no position in any stocks mentioned.

Jason Phillips: Macdonald Dettwiler & Associates Ltd ([TSX:MDA](#))

My top pick for the month of July is **Macdonald Dettwiler & Associates Ltd ([TSX:MDA](#))**. MDA is a leader in global communications and information technology with two key business lines – communications satellites and surveillance and intelligence.

The shares are off nearly 30% from their 52 week highs owing to general weakness in the communications satellite industry; however, the company is making an aggressive push into the US government defense contract market which should provide a tailwind for the company for years to come if the bid is successful.

The shares currently trade at a forward P/E of just 11x which is well below the company's historical averages, offering an attractive entry point.

Fool contributor Jason Phillips has no position in shares of Macdonald Dettwiler & Associates Ltd.

Stephanie Bedard-Chateauneuf: Canadian Tire Corporation Limited ([TSX:CTC.A](#))

Canadian Tire Corporation Limited ([TSX:CTC.A](#)), one of Canada's most recognized retail franchises, is my top pick for July.

Canadian Tire's share price has risen a great deal in recent years, producing an 18% annual compound return over five years.

Canadian Tire reported a strong first quarter for 2017. Diluted EPS was \$1.24 in the quarter, up 37.8% over the first quarter of 2016.

The retailer has been investing heavily in data analytics and e-commerce to better serve customers who use the internet to research and shop for goods.

With the warm weather coming, and considering the vast choice of outdoor products Canadian Tire is selling, sales will surely increase, which will help boost its share price.

Fool contributor Stephanie Bedard-Chateauneuf has no position in shares of Canadian Tire Corporation Limited.

Joey Frenette: Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is a solid income pick that's down over 20% from its April 2015 high. The company is a top-tier North American energy infrastructure play with an impressive network of gas and liquid pipelines.

Enbridge has a juicy 4.67% dividend yield which is expected to remain stable for many years to come, even if commodity prices continue to drag. The company's cash flows have little direct exposure to such commodity price fluctuations.

Looking forward, Enbridge has several projects that will give its long-term cash flow a boost, which is likely support generous dividend increases in the coming years.

Fool contributor Joey Frenette has no position in Enbridge Inc.

Matt Smith Top Stock July 2017: Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#))

I have been bullish on **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) for some time. Its first quarter 2017 performance justifies that optimism despite net income falling by 79% year over year. Revenue surged 44% and funds flow from operations, a key indicator of business performance, grew a respectable 12%.

Surprisingly, Brookfield completed the acquisition of Brazilian natural gas transmission utility **Nova Transportadora do Sudeste S.A.** despite doubts that the deal would proceed because of an earlier injunction. This was an important acquisition because the utility services Brazil's most populous and industrialized regions in a rapidly growing natural gas market.

Brookfield continues to grow finishing the quarter with US\$2 billion of internal projects underway and the planned US\$200 million acquisition of a share in an Indian telecom. These, along with the needle-moving 2016 **Asciano Ltd.** acquisition as well the expansion of its Indian and Peruvian toll-road operations, will see earnings grow at a healthy clip.

That will ensure a higher stock price and support the targeted 5% to 9% annual distribution growth.

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

Chris MacDonald: Nexgen Energy Ltd. ([TSX:NXE](#))

Nexgen Energy Ltd. ([TSX:NXE](#)) is my top pick for June for a number of reasons; with the recent sell-off of Nexgen since February when the uranium miner's stock hit an all-time high of \$4.45, it has since slid to \$2.70, offering investors a very attractive entry point for an exploration and development company that has explored and developed the largest high-grade untapped uranium deposit in Canada and one of the largest in the world.

Nexgen is continuing its drilling program and is expected to continue to release results for areas surrounding its current findings. While investors may have expected more from recent drilling results, I anticipate long-term bulls will eventually get the better of the short-term bears which have taken hold of Nexgen for the time being.

Fool contributor Chris MacDonald has no position in Nexgen Energy Ltd.

Will Ashworth: Alimentation Couche Tard Inc. (TSX:ATD.B)

Alimentation Couche Tard Inc. (TSX:ATD.B) is the world's second-largest convenience store operator with 8,081 stores in North America, another 2,766 in Europe, and another 1,700 in 13 other countries including China and the Philippines. The acquisition of **CST Brands Inc.**, which closed on June 28, 2017, adds 1,178 locations across ten states.

Couche Tard's stock has done little in 2017, up just 1% year to date through June 23. However, with the Circle K conversion continuing on a global basis, the ability to deliver a unified branding message wherever it operates will result in increased revenue and higher margins.

I see it hitting \$100 within 2-3 years.

Fool contributor Will Ashworth does not own any of the stocks mentioned.

Andrew Walker: Suncor Energy Inc. ([TSX:SU](#)) ([NYSE:SU](#))

Suncor Energy Inc. ([TSX:SU](#)) ([NYSE:SU](#)) continues to hold up well, despite the ongoing pain in the broader energy patch.

The company's integrated business structure is a big reason for the stability, but management has also reduced operating costs and taken advantage of the downturn to add strategic assets at attractive prices.

Investors have to be long-term bulls on black gold to own any stocks in the space right now. If you fall in that camp, Suncor should be a safe way to play the sector.

The stock also provides a nice 3.3% yield while you wait for better days.

Fool contributor Andrew Walker has no position in Suncor Energy Inc.

Neha Chamaria: Yamana Gold Inc ([TSX:YRI](#))([NYSE:AUY](#))

When a gold mining company with strong growth potential is trading cheap, you might want to add some shares on any dip. I see an uptrend in **Yamana Gold** ([TSX:YRI](#)) shares from here on as the stock's still down 8% year to date and is trading at a price-to-cash flow of under four times. That's the [cheapest gold stock](#) you can buy today.

Yamana's Q1 losses may have spooked investors, but the company is in the midst of a major

expansion phase as it prepares to bring its seventh mine Cerro Moro online early next year. With its gold production projected to jump 10% by 2019 and Cerro Moro's all-in-sustaining cost estimated to be as low as US\$600 per ounce of gold, Yamana's cash flows could grow substantially in coming years. Given how cheap Yamana is trading now, this could be the perfect time for you to enter.

Fool contributor Neha Chamaria has no position in this company.

Colin Beck: Power Financial Corp. (TSX:PWF)

Power Financial Corp. (TSX:PWF) is a dividend stud that's trading at a discount. The company currently has a price-to-earnings ratio of 11.12 and price-to-book ratio of 1.37 — both of which are below the company's five-year averages of 12.0 and 1.7, respectively. Therefore, investors should be salivating at the opportunity to add a dividend yield of 4.95% at a bargain price.

In addition, the company offers a broad range of financial services throughout Canada, United States, and Europe. Therefore, Power Financial Corp has the ability to grow its operations and provide a steady dividend yield for years to come.

Fool contributor Colin Beck has no position in Power Financial Corp.

Brian Paradza: Osisko Mining Inc ([TSX:OSK](#))

Gold may continue a narrow trading range in the near term, but **Osisko Mining Inc** ([TSX:OSK](#)) is a junior gold miner with a compelling long-term growth promise.

It's still in exploration phase, but the rate of high grade ore discoveries on its Windfall Lake project is spectacular: there's already enough resources to support full-fledged mining operations.

The project is fully funded and its 400,000 meter drill program is underway.

Its shares have rallied 65% this year, but have been consolidating since April. This price range could present the best entry point for a long term holding in a budding gold miner.

Fool contributor Brian Paradza has no position in Osisko Mining Inc.

Jacob Donnelly: Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Over the past six months, **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) has given back 8% of its value as the stock slowly crept down. However, I believe this is a serious mistake.

With the Spectra merger completed and upcoming synergies to be realized, there is opportunity for this company to streamline operations. Further, the combined companies have a pipeline of \$26 billion in projects that will be completed by the end of 2019. This presents a great opportunity for the company to seriously boost its cash flow.

Finally, between 2018 and 2024, management is looking to boost the dividend at a compound annual

growth rate of 10-12%. Take advantage of the pullback and pick up shares before the market realizes its mistake.

Fool contributor Jacob Donnelly has no position in Enbridge.

Demetris Afxentiou: Alimentation Couche-Tard Inc. (TSX:ATD.B)

Alimentation Couche Tard Inc. (TSX:ATD.B) is the largest convenience store and gas station operator in the country, and one of the largest in the world, with over 8,000 locations to serve customers through several well-known brands.

Couche Tard owes much of that growth to an aggressive expansion plan, which has seen the company acquire and then re-brand other operators into the Couche-Tard family. Couche-Tard's most recent acquisition, the purchase of Texas-based CST Brands Inc., was recently approved by the competition bureau that will see Couche-Tard's already impressive footprint expand even further.

Couche-Tard isn't done expanding either – the company has an aggressive expansion plan to move further into the Asian market, and is considering selling cannabis in Quebec locations when it becomes legal sometime next year.

Fool contributor Demetris Afxentiou has no position in any stocks mentioned.

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TICKERS GLOBAL

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2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
6. TSX:CTC.A (Canadian Tire Corporation, Limited)
7. TSX:ENB (Enbridge Inc.)
8. TSX:LAS.A (Lassonde Industries Inc.)
9. TSX:NXE (NexGen Energy Ltd.)
10. TSX:OSK (Osisko Mining)
11. TSX:SU (Suncor Energy Inc.)
12. TSX:YRI (Yamana Gold)

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1. Editor's Choice

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