Top Stocks for September

Description

Matt Smith: Pretium Resources Inc.

Gold's renewed strength because of rising geopolitical and economic uncertainty has been a boon for gold miners. One junior miner poised to unlock considerable value is **Pretium Resources Inc.** (TSX:PVG)(NYSE:PVG), I believe.

It owns and operates the Brucejack mine in British Columbia and is focused on developing the Valley of the Kings gold deposit that has reserves of 8 million gold ounces and an impressive ore grade of 16 grams of gold per tonne of ore. Such a high grade means that the Brucejack mine has exceptionally low forecast all-in sustaining costs of US$446 per ounce, among the lowest in the industry.

When combined with gold reaching a 2017 high of well over US$1,300 per ounce, the Brucejack mine should be exceptionally profitable once fully operational. This, along with Pretium failing to enjoy the same rally as many of its peers, leaves it attractively valued for investors, making now the time to buy in my opinion.

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

Neha Chamaria: Fairfax India Holdings Corp.

If you've heard about India's solid growth story, I think there's no better time to dip your fingers into it than now. A great way to do it is to buy shares of **Fairfax India Holdings Corp.** (TSX: FIH.U), a subsidiary of Prem Watsa's **Fairfax Financial Holdings Ltd**.

Now, there's a reason why I'm recommending Fairfax India today: Just days ago, there were reports of Fairfax apparently eyeing entry into the hot e-commerce space in the world's second most populous nation via the country's only profitable e-commerce platform, Infibeam. While there's no confirmation yet, a deal could send the stock higher.

Even otherwise, with Fairfax having already entered diverse sectors in India — including agriculture, chemicals, financial services and freight — and its book value per share jumping 37% to US$14.08 in the last quarter, it's time you give India, and the stock, a serious look.

Fool contributor Neha Chamaria has no position in this company.

Colin Beck: Brookfield Asset Management Inc.

Brookfield Asset Management Inc. (TSX:BAM.A)(NYSE:BAM) is a core holding in any portfolio, I reckon. The company is a cash flow king with $1.4 billion in annualized cash flows from its diversified invested capital. Therefore, it should continue to have the resources to pursue opportunities that its competitors can't.

The stock is currently trading at a premium based on its historical earnings. However, it's "far better to pay a fair price for a wonderful company than a wonderful price for a fair company" as Buffett says. I firmly believe with CEO Bruce Flatt at the helm, Brookfield will continue to generate significant returns for investors over the long-term.

Fool contributor Colin Beck has no position in Brookfield Asset Management Inc.

David Jagielski: Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is my choice for top pick for September because the bank is coming off a good earnings result, and with its recent acquisition of **PrivateBancorp Inc** it is well positioned to grow south of the border.

The stock has been stuck at around the $105 mark for the past three months and looks to have found some stability there. I believe it will break out back over $110 before the year is over and, with a strong earnings result in its next quarter, it can easily go even higher. The bank stocks in Canada have been down for some time and it's only a matter of time until share prices recover, especially as interest rates continue to rise.

Fool contributor David Jagielski has no position in Canadian Imperial Bank of Commerce

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Tyler Kirkpatrick: Open Text Corp.

Early in August, **Open Text Corp.** (TSX:OTEX)(NYSE:OTEX) reported its full fiscal year 2017 financial results: revenue was up 26% and adjusted EBITDA increased 18%. On the day of the earnings release, its shares surged to over $44, but the price has steadily dropped and is now trading under $40.

Open Text has been one of the great Canadian tech companies, yet it hasn't participated in the current hot tech bull market. I think that will change in the short term as Open Text realizes synergies from recent acquisitions and sales of its revolutionary Magellan artificial intelligence product increase. The future is very bright for Open Text, and I think the market should start to recognize that any day now.

Fool contributor Tyler Kirkpatrick owns shares of Open Text Corp.

Haris Anwar: Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is my top pick for September and for the remaining part of 2017. After falling ~12% in the past six months, CIBC stock is offering one of the best dividend yields among the banking stocks in North America.

Investors are punishing CIBC for its large exposure to the Canadian housing market which is showing some signs of weakness. But I believe it will emerge stronger from this uncertainty as the quality of its assets and future growth potential remain strong, especially at a time when the Canadian economy is firing on all cylinders and the Bank of Canada has started raising interest rates.

With a dividend yield of 4.9% and trading at price-to-earning multiples of ~9, CIBC stock offers a great bargain for long-term income investors.

Fool contributor Haris Anwar has no position in Canadian Imperial Bank of Commerce.

Ryan Goldsman: Inter Pipeline Ltd

After dropping close to 10% over the past month, I firmly believe investor sentiment around this pipeline is set to turn around. As a reminder, **Inter Pipeline Ltd** (TSX:IPL) is a company operating in Western Canada and is largely dependent on the price of oil and the ability to move what is being produced. The more oil that is produced, the more revenues the company will make.

The catalyst for shares to increase in value is not only the current dividend yield of 7.25%, but also the major hurricane which is preventing many ships from docking and unloading what will be an increase in the supply of oil. With many tankers filled to capacity simply waiting for the storm to pass, the landlocked United States will need to get their oil elsewhere, at least temporarily.

Currently trading at less than $23 per share, investors will want to strongly consider this name.

Fool contributor Ryan Goldsman currently owns shares of Inter Pipeline Ltd.

Susan Portelance: New Flyer Industries Inc.

My top pick for the month of September is **New Flyer Industries Inc.** (TSX:NFI). The transit bus and motor coach manufacturer had a good summer. Net income grew by 18.53% year over year last quarter and it boasts a profit rate that is among the highest in the industry. Revenue growth has averaged over 20 percent in the last three years.

New Flyer inked a new deal with the City of Edmonton this summer and announced a contract extension with the City of Winnipeg for more transit buses, so I believe the future looks bright for this stock.

Fool contributor Susan Portelance has no position in New Flyer Industries Inc.

Andrew Walker: Enbridge Inc.

Enbridge Inc. (TSX:ENB) (NYSE:ENB) is down more than 10% in 2017 amid a pullback in the broader energy sector and concerns that rising interest rates will reduce cash flow available for distributions.

Higher rates will increase borrowing costs, but dividend investors should view the dip in the stock as a buying opportunity.

Why?

Enbridge's $31 billion near-term development portfolio is expected to support annual dividend growth of at least 10% through 2024.

Investors who buy now can pick up a yield that is close to 5%, and simply sit back and watch the distributions increase in the coming years.

Fool contributor Andrew Walker owns shares of Enbridge Inc.

Joey Frenette: Canadian National Railway Company

Canadian National Railway Company (TSX:CNR)(NYSE:CNI) has proven over the course of the long-term that it can outperform the market, so buying on any forms of weakness has been a great strategy to accumulate shares of what I believe is one of the strongest dividend-growth kings trading on the TSX.

Shares of CNR are currently down ~8% from its all-time high a few months ago. A rare opportunity that prudent long-term dividend growth investors should pounce on before the opportunity vanishes.

Going forward, there are several macroeconomic tailwinds on the horizon that could propel shares to much higher levels, so a 19.51 price-to-earnings multiple is a really small price to pay.

Fool contributor Joey Frenette owns shares of Canadian National Railway Company

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Stephanie Bedard-Chateauneuf: Premium Brands Holdings Corp.

Premium Brands Holdings Corp. (TSX:PBH), a specialty food company, is my top stock for September.

This stock has an amazing performance record, with a five-year compound annual return of 42.61%. I believe this stock will continue to have a strong performance in the years to come.

Premium Brands reported record second quarter earnings of $26.7 million or $0.90 per share, representing 45.1% and 40.6% increases, respectively, as compared to the second quarter of 2016. This quarter marks its 11th consecutive quarter of margin improvement.

The food company's earnings are expected to grow by 26.5% next year, and by 24% for the next five years.

Premium Brands has build a state-of-the-art 212,000 square foot sandwich production facility in Phoenix, Arizona, which is now in operation.

Fool contributor Stephanie Bedard-Chateauneuf has no position in shares of Premium Brands Holdings Corp.

Chris MacDonald: Canadian Tire Corporation

Canadian Tire Corporation (TSX:CTC.A) has seen its stock price climb more than 5% this past month after the company released stronger than expected earnings. Shareholders have seemingly bought into the long-term vision of this company, one which promises to combat the forces of e-commerce that have plagued competitors, and move forward with an innovative and multi-pronged approach to providing sustainable long-term growth for investors.

Canadian Tire's management team is set to put in place a number of initiatives which have the ability to allow the Canadian retailer to continue to grow its dividend by double-digit amounts each year. Long-term investors should give this company a hard look, given the fact Canadian tire shares remain more than 10% below their peak earlier this year.

Fool contributor Chris MacDonald has no position in Canadian Tire Corporation

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Kay Ng: Altagas Ltd.

Altagas Ltd. (TSX:ALA) shares continue to be pressured. It may have to do with the natural gas prices that remain weak and the company's pending $8.4 billion **WGL Holdings** acquisition.

In reality, only 6% of Altagas's earnings before interest, taxes, depreciation, and amortization have commodity exposure.

WGL, which is primarily a quality regulated gas utility, aligns well with Altagas's business. Even if the WGL acquisition falls through, Altagas can still grow with its internal projects.

At $27.60 per share, Altagas offers an amazing yield of 7.6%, which is supported by largely long-term contracted cash flows from its diversified portfolio of power generation, gas transporting and processing, and regulated gas utility assets.

Furthermore, the street consensus's 12-month target on the stock is about $34.40 per share, which represents roughly 25% upside potential.

Now's a great opportunity to pick up some shares for a high income and growing dividend at the cheap.

Fool contributor Kay Ng owns shares of Altagas Ltd.

Brad MacIntosh: Canadian National Railway Company

Investing in the stock market is a marathon, not a sprint. **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) is Canada's largest railway and second biggest in North America. It is a company that keeps chugging along, with compound annual growth in revenue of 6% since 2010.

The stock tends to move up about 1% per month. The retracement in July has this stock down in the $100 per share range, which had some insiders buying. The forward price-to-earnings (fwd P/E) ratio is currently favourable. CNR is an economic backbone company that plays a key role in Canada economy. Hop aboard this stock for a portfolio core holding.

Fool contributor Brad MacIntosh has no shares of Canadian National Railway Company

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Ambrose O'Callaghan: Kinross Gold Corporation

Kinross Gold Corporation (TSX:K)(NYSE:KGC) is my top pick for September. Kinross Gold is a Toronto-based gold and silver mining company with 8 active mines currently operating. The company reported solid earnings on lower production costs.

Gold prices have rebounded to the highest level since before the 2016 U.S. election on a plummeting U.S. dollar, geopolitical turmoil, and increasing skepticism over the ability of the Trump administration to follow through with its pro-growth legislative agenda. Kinross has the potential to be a big winner if gold prices gather the momentum to challenge $1400 in the fall of 2017.

Fool contributor Ambrose O'Callaghan has no position in Kinross Gold Corporation.

Demetris Afxentiou: Algonquin Power & Utilities Corp.

Algonquin Power & Utilities Corp. (TSX:AQN)(NYSE:AQN) has a massive amount of potential and is my pick for the month. Algonquin has been transitioning towards a larger share renewable energy facilities, with nearly a quarter of the facilities already generating earnings from renewable sources, creating a diversified mix that serves markets in both Canada and the U.S.

As a utility, most of Algonquin's revenue stems from regulated power agreements, which can provide a steady source of revenue for several decades. Typically, that stable revenue is offset by limited growth opportunities, but Algonquin is not your typical utility. Algonquin has completed a series of acquisitions over the years that has helped fuel stellar dividend growth for the company.

Algonquin currently pays out an impressive 4.44% yield and the company plans to continue growing that dividend by an impressive 10% per year for the next four years, making this a great buy-and-forget option for any portfolio.

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

Jason Phillips: Home Capital Group Inc

My top pick for the month of September is **Home Capital Group Inc** (TSX:HCG). Investors today have an unbelievable opportunity to acquire shares in Home Capital for just a 30% premium to the price paid just two months ago by world-famous investor Warren Buffett when he acquired a 40% stake in the company.

As part of his investment, Buffett agreed to provide Home Capital with a $2 billion credit line which all but eliminates the risk of a bank run which nearly put the company's fate in jeopardy earlier in the year.

Investors can sleep easy at night knowing that their interests are directly aligned with Buffett, who is now in an enviable position to backstop his investment, should there be any problems.

Fool contributor Jason Phillips has no position in shares of Home Capital Group Inc.

Karen Thomas: SSR Mining Inc.

With the company's second quarter 2017 results showing yet another quarter of better-than-expected results and increased guidance from management, I continue to think **SSR Mining Inc.** (TSX: SSRM) stock has good upside in the coming months and years.

Importantly, over and above the strong operational results, the company remains in exceptional financial shape and the balance sheet continues to strengthen.

With a debt balance of $226 million, a debt to capitalization ratio of 18.5%, and a cash balance of $353 million, the company's balance sheet looks well positioned to take it through its exploration plans and to allow it to consider potential acquisitions in order to increase its size and production levels.

Fool contributor Karen Thomas does not own shares of SSR Mining Inc.

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