Top Stocks for October

Description

Ryan Goldsman: Aurora Cannabis Inc (TSX:ACB)

After breaking out above both the 50-day and 200-day simple moving averages (SMA), shares of **Aurora Cannabis Inc** (TSX:ACB) may be about to move significantly higher. As many provincial governments have announced plans regarding the distribution of marijuana once it becomes legal, there is the potential for a significant breakout to the upside.

When considering the financials of the company, revenues have continued to trend upwards as cash from operations may benefit greatly as the cost to acquire each new customer will fall substantially as the medical marijuana industry becomes the marijuana industry and distribution becomes centralized through the provincial governments.

Currently trading for less than $3 per share, investors may want to forgo their morning latte to purchase a few shares of this emerging name.

Fool contributor Ryan Goldsman has no position in shares of Aurora Cannabis Inc.

Joey Frenette: Spin Master Corp. (TSX:TOY)

Shares of **Spin Master Corp.** (TSX:TOY) surged ~28% in the two days following the release of its historic Q2 2017, which saw massive improvements across the board. I'm confident that more surprises like this could be in the cards for future quarters thanks to the company's promising toy pipeline which consistently yields innovative new toys that are hits with kids.

Despite delivering a quarter for the record books, the rally was short-lived as it lasted only two days. Shares pulled back by as much as ~12% in the weeks following the initial surge.

I'd strongly encourage investors to buy shares on this dip before the holiday season arrives. Spin Master has an incredible lineup of must-have toys for 2017, including new Hatchimals, and Luvabella, which could potentially be another Toy of the Year candidate.

Fool contributor Joey Frenette owns shares of Spin Master Corp.

Stephanie Bedard-Chateauneuf: Manulife Financial Corp.

Manulife Financial Corp. (TSX:MFC) (NYSE:MFC), Canada's biggest life insurer, is my top stock for October.

Manulife reported in August second-quarter earnings that beat market expectations, helped by strong growth in Asia. Core earnings came at $0.57 per share, up 43% from a year earlier, and $0.02 higher than analysts' estimates.

The insurance company delivered strong insurance sales in the second quarter with double-digit growth in all divisions.

Manulife's earnings are expected to grow at a rate of 11.3% for the next five years.

The financial services provider's stock is very cheap, with a one-year forward P/E of 11.06 and a forward PEG of 0.98.

Rising interest rates and a growing wealth management division should boost Manulife's share price.

Fool contributor Stephanie Bedard-Chateauneuf has no position in Manulife Financial Corp.

Andrew Walker: Royal Bank of Canada (TSX:RY) (NYSE:RY)

Royal Bank of Canada (TSX:RY) (NYSE:RY) earned $2.8 billion in fiscal Q3 2017. That's an impressive amount of profits for three months of work.

The bank's balanced revenue stream is a big reason for the success, with strong operation in personal and commercial banking, wealth management, and capital markets segments.

Some investors are worried about the impact of rising interest rates on mortgage holders, but Royal Bank is more than capable of riding out a housing downturn.

Overall, higher rates tend to be beneficial for banks, even if some borrowers start to feel the pinch.

The dividend looks safe and investors can pick up a solid 3.9% yield.

Fool contributor Andrew Walker has no position in Royal Bank of Canada.

Jacob Donnelly: Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)

Unlike the rest of the major Canadian banks, **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) has the biggest exposure to the Canadian mortgage business. With financial pundits predicting a housing apocalypse, shares have been pushed down significantly.

Fortunately for you, this is a great opportunity. In my opinion, the housing market is not going to implode, but will experience a soft landing. That should prevent defaults on mortgages, which will keep Canadian Imperial Bank safe.

Because the market still thinks an apocalypse is coming, you can pick up shares for much cheaper than they were a few months ago and generate a yield of a little under 5%.

Fool contributor Jacob Donnelly has no position in Canadian Imperial Bank of Commerce

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Neha Chamaria: Wheaton Precious Metals Corp (TSX:WPM)(NYSE:WPM)

If you're bullish about gold, now could be the best time to consider **Wheaton Precious Metals Corp** (TSX:WPM)(NYSE:WPM).

The silver and gold streaming company gave investors an insight into what lies ahead when it reported lower cash costs for gold, earned 12% higher net income year over year, and raised its dividends by nearly 43% last quarter in a sign of confidence in its future cash flow growth. Wheaton will now pay out dividends equivalent to 30% of its average operating cash flows for the trailing twelve months instead of 20%.

Meanwhile, Wheaton has been expanding its gold portfolio even as gold prices are firming up. Wheaton stock has hugely lagged peer **Franco-Nevada Corp** in recent months partly because of decelerating production, but it looks like much of the pessimism is already factored into its share price, offering value investors a good opportunity to enter.

Fool contributor Neha Chamaria has no position in this company.

David Jagielski: Open Text Corp (TSX:OTEX)(NASDAQ:OTEX)

Open Text Corp (TSX:OTEX)(NASDAQ:OTEX) is my top pick for October because this is a company with terrific gross margins averaging 68% in the past four years and operating margins of 18%. Its enterprise software and services are widely applicable and it is well diversified as the company has sales in many parts of the world and isn't dependent on a single customer for a significant portion of its revenue.

Open Text has some strong fundamentals and with the share price trading at less than eight times its earnings and the stock coming off a 52-week low it could be an excellent value investment. In its most recent quarter saw the company's sale rise 37% year-over-year and it still has plenty of room to grow.

Fool contributor David Jagielski has no position in Open Text Corp.

Ambrose O'Callaghan: Equitable Group Inc (TSX:EQB)

My top stock for October is **Equitable Group Inc** (TSX:EQB). Comments from Bank of Canada governor Stephen Poloz on September 27 suggest that a steady rise in interest rates is not a foregone conclusion. A cautious approach should inspire more confidence in alternative lenders that have thrived with low rates like Equitable Group.

Real estate industry experts expect the Canadian housing market to rebound in the fall. Equitable Group is undervalued and offers a dividend of $0.24 per share with a solid 1.7% dividend yield. I like this stock to heat up with the broader housing market as temperatures fall.

Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.

Brad MacIntosh: Brookfield Asset Management Inc (TSX:BAM.A)(NYSE:BAM)

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is a mega-cap that is diverse in both operation and geographic footprint. Its assets include real estate, power and infrastructure. It operates in North America predominantly, with business in Australia, Chile, Brazil and China.

The stock is a little overpriced currently but a nice buying point around $47 per share early in September may happen again in October. Be on the lookout for a buying opportunity around $50; also be patient with this stock. It may take a year for the stock to rally, but earnings are estimated to rise by 20% in 2018.

This stock is relatively low risk. Admittedly it has a high price-to-earnings ratio, but also a strong and stable capital growth far into the future. You don't buy this stock for the dividend, 1.4%, but you can collect this income while waiting for Brookfield to climb.

Fool contributor Brad MacIntosh has shares of Brookfield Asset Management Inc

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Karen Thomas: Mullen Group Ltd. (TSX: MTL)

Mullen Group Ltd. (TSX:MTL) operates in the oil services industry as well as the trucking and logistics industry and is affected by economic growth as well as the price of oil and gas.

At this time, we are seeing good things unfolding as the price of oil has risen off of lower supply and greater demand, and the economy has been growing faster than expected, both of which will translate into increased earnings for Mullen.

Mullen has a very healthy balance sheet and has been making acquisitions during the sector lows, which will catapult the company as times improve to come out stronger and better than before the downturn.

Fool contributor Karen Thomas owns shares of Mullen Group Ltd.

Matt Smith: Brookfield Renewable Partners L.P. (TSX:BEP.UN)(NYSE:BEP)

The secular trend to renewable energy is a powerful long-term tailwind for clean energy companies and one of the best is **Brookfield Renewable Partners L.P.** (TSX:BEP.UN)(NYSE:BEP). It's second quarter results demonstrated the considerable potential that the business holds after failing to perform for a considerable period.

Electricity generation surged by 29% year over year triggering a massive 72% lift in funds flow. This can be attributed to a marked improvement in water flows, notably in South America which is responsible for just over a third of its generating capacity.

Brookfield Renewable's US$500 million investment in the acquisition of **TerraForm Power Inc.** (NASDAQ:TERP) will boost is generating capacity and further diversify its portfolio into solar.

Growing cash flow from improved operational performance and organic growth as well as acquisitions will support the sustainability of Brookfield Renewable's tasty 6% yield, making it a must own dividend growth stock.

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

Demetris Afxentiou: Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is my pick for the month. The bank has come off a string of positive developments, including a better than expected earnings season, and an impressive expansion into the U.S. market through the acquisition of PrivateBancorp Inc.

Despite CIBC capitalizing on those recent developments, the stock has remained relatively flat year-to-date as jittery investors concerned with CIBC's exposure to the white-hot real estate market have fled.

This creates an opportune moment for value-minded investors looking longer term to consider CIBC, and income-seeking investors will absolutely love the very appetizing 4.77% yield the bank now offers.

Throw in the long-term impact of rising interest rates, and you get a very compelling list of reasons to consider CIBC.

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

Will Ashworth: Cineplex Inc. (TSX:CGX)

Cineplex Inc. (TSX:CGX) is best known as Canada's biggest movie theatre operator with 164 locations coast-to-coast offering customers a total of 1,677 screens to view the latest movies from Hollywood and other parts of the world. However, in addition to its movie theatres, it also owns several ancillary entertainment-related businesses to provide additional revenue streams.

In the past year, Cineplex has made some interesting moves to broaden its entertainment offerings beyond movies. The most recent, a joint venture with U.S.-based Topgolf, should see it generate above-average growth over the next 24-36 months.

I see Cineplex moving back into the $40s in October.

Will Ashworth does not own any of the stocks mentioned.

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1. Editor's Choice

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