Top Stocks for December

Description

Joey Frenette: Maxar Technologies Ltd. (TSX:MAXR)(NYSE:MAXR)

Maxar Technologies Ltd. (TSX:MAXR)(NYSE:MAXR) is my top pick for the month. After gaining a considerable amount of positive momentum over the past few weeks, the stock still looks undervalued, especially when you consider the company's "U.S. Access Plan" which will open more doors to opportunity for the growing space giant.

The recently acquired DigitalGlobe will be a driver of long-term earnings growth and free cash flow generation for years to come as more U.S. firms discover new potential applications that the satellite imagery system can deliver.

With shares now trading on the NYSE, I think Maxar is heading much higher from here, as U.S. investors could drive trading volumes substantially higher. It's tough to find value and innovation in the same stock these days, but with Maxar you get both.

Fool contributor Joey Frenette has no position in any stocks mentioned.

Brad Macintosh: Alimentation Couche-Tard Inc (TSX:ATD.B)

There are several reasons to be optimistic that **Alimentation Couche-Tard Inc** (TSX:ATD.B) will likely be a top performing stock in December and beyond. This growth stock has unperformed in 2017, marginally below the TSX composite.

Couche-Tard is a Quebec-based company that runs convenience and gas retail stores. Through expansion and acquisitions it has 12,000 stores globally, such as recognizable Circle K and Mac's stores. Did you notice Circle K stores got facelifts recently? Snacks and fueling up may be low-margin transactions, but the return on equity for Couche-Tard rarely drops below 20% (and recently above 60%). This is a retail business that is resilient to rising e-commerce.

Fool contributor Brad Macintosh has no shares in Alimentation Couche-Tard Inc.

Ryan Goldsman: Crescent Point Energy Corp (TSX:CPG)(NYSE:CPG)

After a tumultuous month, shares of **Crescent Point Energy Corp** (TSX:CPG)(NYSE:CPG) has started to settle around the support price slightly above $9 per share. The beauty of this security is not only in the potential for upside appreciation, but also in the dividends paid per share. On a monthly basis, shareholders will receive a dividend of $0.03 for every share owned. On an annual basis, shareholders are receiving a dividend yield close to 4%. Although there has been a lot of volatility in the sector, the dividend yield may just begin acting as a price floor for this well known oil production company.

Once profits turn positive again, shareholders should have high hopes for the company. With tangible book value in excess of $16 per share, there may be a lot of upside left on the table.

Here's hoping that the company will deliver an early Christmas present.

Fool contributor Ryan Goldsman has no position in shares of Crescent Point Energy Corp.

Susan Portelance: Russel Metals Inc (TSX:RUS)

My top stock pick for December is **Russel Metals Inc** (TSX:RUS), a Canadian stock primarily involved in the steel distribution business. The company reported better than expected 3rd quarter results in November. Earnings per share were $0.55, blasting by the $0.45 per share analysts were looking for. Revenues for the quarter were $851 million, easily outpacing last year's third quarter haul of $639 million.

For income investors, this stock also offers a hefty dividend yield of 5.27%, with an annual dividend payout of $1.52 per share.

Fool contributor Susan Portelance has no position in this company.

Stephanie Bedard-Chateauneuf: Magna International Inc. (TSX:MG) (NYSE:MGA)

Magna International Inc. (TSX:MG) (NYSE:MGA), Canada's largest auto parts maker, is my top stock for December.

Magna reported on November 9 third-quarter diluted earnings per share of US$1.36, up 5% from a year ago, and beating analysts' estimates by $0.05. Sales increased 7% to $9.5 billion compared to the third quarter of 2016.Total sales of US$38.3 billion-39.5 billion for 2017 are expected.

Magna had a return on equity of 19.46% and a net margin of 5.63%.

The automotive supplier stock is very cheap, with a one-year forward P/E of 8.2 and a forward PEG of 0.7, considering an earnings growth rate of 12.4% for next year. This stock is therefore an interesting choice for value investors.

Magna counts **General Motors Company** and **Ford Motor Company** among its largest customers, and has manufacturing and product development activities, engineering centres and sales offices around the world.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any stocks mentioned.

Andrew Walker: Toronto-Dominion Bank (TSX:TD) (NYSE:TD)

Toronto-Dominion Bank (TSX:TD) (NYSE:TD) is primarily known for its Canadian operations, but the bank actually has more branches south of the border than it does in the home country.

The U.S. business provides a nice hedge against any potential weakness in the Canadian economy, and earnings can get a boost when the U.S. dollar rises against the loonie.

The bank has a strong track record of raising the dividend, and the trend should continue. Management has said TD is targeting 7-10% annual earnings per share growth over the medium term. This might be a bit conservative, based on the 2017 results.

Housing fears are probably overblown, and rising interest rates should be a net positive for the bank.

Fool contributor Andrew Walker has no position in Toronto-Dominion Bank.

Ambrose O'Callaghan: Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS)

My top stock for December is the winter clothing retailer and manufacturer **Canada Goose Holdings Inc.** (TSX:GOOS)(NYSE:GOOS). Shares of Canada Goose have climbed over 20% in the last month. Retail stocks are often big performers in the holiday season, and Canada Goose is poised to post strong fall and winter sales.

Canada Goose has posted impressive sales growth in e-commerce. In the second quarter it saw its direct-to-consumer sales jump from $5 million in the prior year to $20 million in fiscal Q2 2018. A recent poll by *Ebates.com* found that Canadian consumers plan to buy almost 40% of gifts online.

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

Karen Thomas: CGI Group Inc. (TSX:GIB.A)(NYSE:GIB)

With $10.8 billion in revenue, **CGI Group Inc.** (TSX:GIB.A)(NYSE:GIB) is Canada's largest information technology services firm. The company has and should continue to grow by consolidating the industry and by growing organically as the IT services industry is a growth industry.

The story at CGI has been about profitably growing through acquisitions and organically, while maintaining a strong balance sheet and generating strong cash flows. And the company has consistently shown that they can do this successfully.

At this point in time, CGI still has a big opportunity to continue along its growth trajectory, with a focus on higher margin business further increasing the company's margins over time. In the latest quarter, adjusted EBIT margins were over 15%. This is a long way from margins of under 10% only four year ago.

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

David Jagielski: Sierra Wireless, Inc. (TSX:SW)(NASDAQ:SWIR)

Sierra Wireless, Inc. (TSX:SW)(NASDAQ:SWIR) is my top pick for December because the stock has finally found some momentum which I believe will only continue to send the share price higher. The company had a strong performance in its most recent quarter and it is at the forefront of the self-driving revolution. The emerging Internet of Things industry will provide lots of opportunity for future growth as well.

For reasons unknown, Sierra's stock failed to see much of an increase until recently despite all of the progress the company had been making. Now that we are seeing some big investment dollars being poured into the company, it looks like a stock that's about to take off.

Fool contributor David Jagielski has no position in Sierra Wireless, Inc.

Neha Chamaria: Teck Resources Ltd. (TSX:TECK.B)(NYSE:TECK)

I wouldn't usually recommend a stock from the beleaguered coal industry, but **Teck Resources Ltd.** (TSX:TECK.B)(NYSE:TECK) is a lot more than that today.

Rising commodity prices have sent Teck's earnings and stock price soaring this year, but management should be given credit where it's due for keeping a tight grip on costs and shoring up the company's balance sheet.

What's exciting is that Teck is about to add a new revenue stream – oil – as it brings its mega Fort Hills oil sands projects online in coming days. With 2018 set to be Fort Hills' first full-year of production, it'll be interesting to watch how oil integrates into the miner's portfolio and boost its prospects. Of course, commodity markets can be very volatile, but Fort Hills makes Teck Resources an interesting bet for contrarian investors now.

Fool contributor Neha Chamaria has no position in this company.

Demetris Afxentiou: Canopy Growth Corp. (TSX:WEED)

My pick for the month is **Canopy Growth Corp.** (TSX:WEED). Canopy was the first and remains the largest company that caters to the emerging sector. Canopy has expanded through a series of acquisitions over the past year, completing another one just this past week for Saskatchewan-based

Green Hemp Industries Ltd.

This past week also saw the Commons pass their version of legalization and send it off to the Senate, inching legalization that much closer. Additionally, January will also bring the state of California onboard with legalization, as it is set to take effect there on January 1, 2018.

Both of these developments are set to make Canopy even more well-positioned in this growing segment of the economy for years to come. Buy now and then sit back and enjoy the show.

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

Haris Anwar: Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge Inc. (TSX:ENB)(NYSE:ENB) stock is trading at levels which provide a good entry point for dividend investors. Investors can earn a record 5.23% dividend yield from this energy giant after a recent pullback in the stock value which, I think, is temporary in nature.

The company, through its aggressive acquisition strategy, has gained an unparalleled position in the energy infrastructure space. And this strength is going to help the company to produce solid returns for its investors.

If you are a long-term investor and are looking to buy a solid dividend stock, then this is a good time to accumulate Enbridge shares.

Fool contributor Haris Anwar has no position in Enbridge.

Kay Ng: Brook?eld Property Partners LP. (TSX:BPY.UN) (NYSE:BPY)

Brook?eld Property Partners LP. (TSX:BPY.UN)(NYSE:BPY) is attractive for income at current levels. The stock dipped meaningfully after news that it proposed to acquire GGP, a retail REIT, that the company and its af?liates already own a big stake of. GGP stock has declined a lot due to the “doom and gloom” of brick-and-mortar retail. Brook?eld Property is aiming to buy GGP at a value and so should investors — buying Brook?eld Property’s stock that is. The fact is Brook?eld Property owns a core portfolio of quality of?ce and retail properties that generate stable cash ?ows.

Combined with its opportunistic investments for higher returns, Brook?eld Property can continue paying a growing distribution. Investors get a juicy yield of ~5.3% yield for starters.

Fool contributor Kay Ng owns shares of Brook?eld Property.

Jason Phillips: Home Capital Group Inc (TSX:HCG)

My top pick for the month of December is **Home Capital Group Inc** (TSX:HCG). The embattled Toronto mortgage lender returned to profitability in the third quarter, posting earnings per share of $0.37.

The company also reported an improved capital position, improving its Common Equity Tier 1 Capital ratio to 21.25% — a marked improvement from 16.55% in the year ago period.

Home Capital also grew its book in the third quarter, ending the period with $22.20 in equity per share.

Shares broke out of a consolidation pattern in November, rising by nearly 20% in the month and are currently on the verge of breaking through their 200-day moving average, a strong bullish indicator.

Fool contributor Jason Phillips owns shares in Home Capital Group Inc (TSX:HCG).

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Date
2025/08/12
Date Created
2017/12/01
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