My Top 10 Stocks for 2018

Description

The new year is quickly approaching, and if you're still wondering what you should buy with your $5,500 TFSA contribution for 2018, here are some great ideas you may want to consider!

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

Shares of Couche Tard are well positioned for a breakout after spending over two years in hibernation. Synergies are slated to be unlocked over the next year from the CST Brands and Holiday acquisitions, which should fuel at least 20% worth of earnings growth over the medium term.

With a high-growth Asian expansion opportunity and the potential to sell cannabis after legalization, Couche Tard is simply a must-own stock for the new year and beyond. With a forward 16 P/E, investors would be wise to back up the truck today.

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

CIBC is a stock that many pundits love to hate, but the fact of the matter is, CIBC is positioning itself to become a robust bank with its newly acquired U.S. business, which is providing it with geographic diversification and an outlet for growth in a red-hot economy.

I think 2018 could be the year CIBC shares start to trade more in line with its Big Five peers in terms of valuation. Income investors would be wise to load up on this underrated dividend-growth king today.

Canadian National Railway Company (TSX:CNR)(NYSE:CNI)

CN Rail is preparing itself for a huge 2018 with its latest hiring spree. Some analysts are worried that the recent hiring spree could impact the company's impressive operating ratio, but I think it's nothing to worry about, since revenue is likely to pop in the new year.

With shares trading in limbo over the last few months, backing up the truck on this forever stock would be a very smart move.

Canopy Growth Corp. (TSX:WEED)

Canopy is the best Canadian marijuana play out there, and over the next few years, that'll become more apparent as it separates itself from the crowd.

Nationwide marijuana legalization is finally going to happen in 2018, and Canopy is very well prepared to meet the sky-high demand for the drug with its recent expansion efforts.

Canopy is a speculative momentum play, but there are many reasons why the stock could double or triple again from current levels.

Cineplex Inc. (TSX:CGX)

Cineplex shares fell off a cliff in 2017. We're entering a stay-at-home economy which has been exacerbated by a lack of blockbuster titles earlier in the year.

Management has a long-term plan to diversify away from movies and popcorn and into general entertainment. I believe these efforts will reignite growth gradually over the next few years, but in the meantime, investors can enjoy the fat 4.5% yield as they wait for *Star Wars: The Last Jedi* contributions to Q4, which I believe will lift Cineplex out of its funk.

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Manulife Financial Corp. (TSX:MFC)(NYSE:MFC)

Manulife's Asian business is firing on all cylinders, but the hype has been dampened thanks to John Hancock, a lower ROE business which may be sold or spun off in 2018.

Even if a spin-off of John Hancock doesn't happen, Manulife's growing Asian business is enough reason to own the stock for the long haul. In the meantime, you can collect a 3.12% yield.

Restaurant Brands International Inc. (TSX:QSR)(NYSE:QSR)

Restaurant Brands has been a huge laggard over the past few months, but as we head into the new year, I don't believe shares will be kept down for too long. The growth story is still intact, but investors have been distracted by short-term headlines.

Investors looking for growth at a discount should think about loading up today.

Roots Corp. (TSX:ROOT)

Roots is an iconic Canadian retailer with ample same-store-sales growth opportunities and ambitious international expansion plans. I'm not a fan of recent IPOs, but Roots is too good an opportunity to pass up.

Spin Master Corp. (TSX:TOY)

Spin Master is the king of small-cap organic and inorganic growth. The company knows how to innovate, and management has always underpromised and overdelivered — a trend I believe will continue into 2018 and beyond.

WestJet Airlines Ltd. (TSX:WJA)

WestJet is a laggard when compared to its peers, but as its ULCC Swoop takes off, I think shares could make up for lost time. With a beefed-up fleet, operational improvements, and a front-row seat to a new lower-cost market, I think WestJet shares are a must-buy for 2018.

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