Top Stocks for March

Description

Ryan Goldsman: Home Capital Group Inc (TSX:HCG)

After reporting earnings which almost perfectly met expectations, shares of **Home Capital Group** (TSX:HCG) moved a little lower only to rebound in the two days following earnings. Valentine's Day was not so rosy for investors in the alternative lender. Although the major crisis is clearly in the rear view mirror as the company has now reported earnings per share of $0.37 (Q3) and $0.38 (Q4), investors don't seem willing to extend a price to earnings ratio of any more than 11 times to this company in spite of a lot of momentum moving in the right direction

With tangible book value now closing in on $23 per share, investors continue to be offered a substantial discount to tangible book value. The only question that remains is who is willing to take the leap?

Fool contributor Ryan Goldsman has no position in Home Capital Group Inc.

David Jagielski: Shopify Inc (TSX:SHOP)(NYSE:SHOP)

Shopify (TSX:SHOP)(NYSE:SHOP) is my top pick for March because the stock looks to finally have broken through $150 for good and a strong Q4 will continue to propel the share price even further. With sales up 73% in its most recent fiscal year, Shopify still has a lot of room to grow.

While last year the stock was weighed down by controversy, that is now in the rearview mirror and there's nothing that is going to stop Shopify from reaching $200. Not only does the stock offer investors great returns in the short term, but it has also a bright future for many years to come. When Tim Cook is a fan of the company, you know it's doing something right.

Fool contributor David Jagielski has no position in Shopify Inc

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Demetris Afxentiou – The Stars Group Inc. (TSX:TSGI)(NASDAQ:TSG)

The Stars Group Inc. (TSX:TSGI)(NASDAQ:TSG) is my pick for this month. The Stars Group offers an assortment of online games, and is well known for its line of poker, casino, and sporting games.

What makes Stars Group both a compelling and unique investment is the fact that the company has barely scratched the surface in terms of potential. By way of example, the Stars Group posted US$329 million in revenue in the most recent quarter which was an impressive 21% year-over-year increase.

Additionally, the Stars Group is pursuing an aggressive entry into the market in India which could yield an additional US$150 million annually.

Apart from India, the Stars Group operates today in only 17 jurisdictions around the world, including just a handful of U.S. states.

Throw in the anticipated sporting bets from world's most watched sporting event coming this summer and you have a massive opportunity for growth that is just waiting for investors.

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

Kay Ng: Alimentation Couche Tard (TSX:ATD.B)

Alimentation Couche Tard (TSX:ATD.B) has been an excellent business and continues to generate excellent returns. The global convenience store operator and consolidator has consistently generated high returns for its shareholders.

Couche Tard has had returns on equity of +15% every year since 2008 by generating excellent returns from its assets while making strategic acquisitions.

The company has more than 10,000 stores in North America, more than 2,750 stores in Europe, and about 1,800 licensed stores internationally.

At ~$62.30 per share, the stock is a good value for investors looking for double-digit growth. It should also continue to grow its dividend at a double-digit rate.

Fool contributor Kay Ng owns shares of Alimentation Couche Tard.

Joey Frenette: Air Canada (TSX:AC)(TSX:AC.B)

My top stock for March is **Air Canada** (TSX:AC)(TSX:AC.B). Higher jet fuel prices and upped expenses expected for 2018 are causing some near-term turbulence, but make no mistake, the company is still poised to fly high as it's in the midst of a cyclical upswing.

In addition, Air Canada is also poised to benefit from the millennial generation's preference of spending discretionary income on experiences like travel rather than on material goods.

At just 3.6 times trailing earnings, Air Canada stock is an absolute bargain on the recent dip.

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

Jason Phillips: Cenovus Energy Inc (TSX:CVE)(NYSE:CVE)

My top pick for the month of March is **Cenovus Energy Inc** (TSX:CVE)(NYSE:CVE). Cenovus's acquisition of its outstanding interest in the FCCL Partnership from **ConocoPhillips** last year effectively doubled the size of the company's production base.

Yet almost explicably, shares are about half the value today of what they were prior to the deal.

Cenovus holds an advantage over many of its oil sands peers thanks to its integrated business model that provides a degree of protection from volatile swings in the price of crude oil. Meanwhile the company's new steam-assisted gravity drainage (SAGD) technology has the potential to lower its production costs significantly – adding further protection against a decline in energy prices.

Fool contributor Jason Phillips owns shares in Cenovus Energy Inc.

Stephanie Bedard-Chateauneuf: Sun Life Financial Inc. (TSX:SLF)(NYSE:SLF)

Sun Life Financial Inc. (TSX:SLF)(NYSE:SLF), one of the world's largest insurance companies, is my top stock for March.

The life insurer reported fourth-quarter underlying EPS of $1.05, up 15% from a year ago and beating analysts' forecast by $0.03. For the full year 2017, underlying EPS jumped by 9% to $4.15. Sun Life has made acquisitions in Asia, which helped to drive growth and diversify from domestic markets where competition is intense.

Higher interest rates are beneficial for Sun Life, as it can get a higher return on its bond investments. Earnings are expected to grow at a rate of 11.8% during the current year.

Sun Life pays a quarterly dividend of $0.455 per share for a yield of 3.4%.

The stock is cheap, with a forward P/E of only 10.9, so it's time to buy some shares.

Fool contributor Stephanie Bedard-Chateauneuf has no position in shares of Sun Life Financial Inc.

Matt Smith: Continental Gold Inc. (TSX:CNL)

One way to profit from the positive outlook for gold and earn outsized returns is by investing in junior gold miners such as **Continental Gold Inc.** (TSX:CNL). It is developing what is ranked one of the world's largest and highest-grade undeveloped gold deposits, the Buritica ore body. The project, which is in Colombia, has reserves of 3.7 million ounces of gold. It was given a vote of confidence when senior miner **Newmont Inc.** acquired an almost 20% interest for US$109 million in May 2017.

January 2018 exploration drilling at Buritica indicates that there is considerable exploration upside, as evidenced by the high-grade assay results.

Mine construction has commenced, and it is on track for production to start in 2020. Because of its high ore grades, all-in sustain costs will be a low US$492 per ounce, making it one of the lowest cost operational underground mines globally. When commercial production successfully commences it is feasible that Continental's stock will soar.

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

Karen Thomas: Freehold Royalties Ltd. (TSX: FRU)

Freehold Royalties Ltd. (TSX:FRU) focuses mainly on acquiring and managing oil and gas royalties in Western Canada. Royalty interests currently account for 90% of total production and contributes 97% of operating income, making this stock a relatively safe bet on the Canadian energy sector.

In the first nine months of 2017, revenue increased 26%, cash flow increased 44%, and the company's payout ratio was a very strong 55%, so in my view, we can expect a dividend hike when the company announces year-end results.

With a current dividend yield of 4.7%, Freehold pays investors while they wait for the stock to appreciate with the price of oil.

Fool contributor Karen Thomas does not own shares of Freehold Royalties Ltd.

Patrick Giroux: Great-West Lifeco Inc (TSX:GWO)

Great-West Lifeco Inc (TSX:GWO) recently reported a strong fourth quarter and is my top pick for the month of March.

Sales for the quarter were $30.3 billion, up 13% from the fourth quarter of 2016.

The insurance giant also announced a dividend increase of 6%, marking a fourth consecutive year of increases, and bringing the yield to a whopping 4.55%.

With a recent pullback, it provides a good entry point for investors and it is currently better valued than its peers in the industry. The company has a strong balance sheet and also stands to benefit from the rise in interest rates expected in 2018.

You won't get much capital appreciation with this stock but it's a nice a steady income play.

Fool contributor Patrick Giroux has no position in any stocks mentioned.

Ambrose O'Callaghan: Great Canadian Gaming Corp. (TSX:GC)

My top stock for March is **Great Canadian Gaming Corp.** (TSX:GC). The stock has slumped in 2018 after reaching an all-time high of $38.00 in late January. The company is set to release its 2017 fourth quarter and full-year results on March 6.

In the 2017 third quarter Great Canadian Gaming revenues increased 5% to $159.6 million. Great Canadian Gaming completed the acquisition of a Grand Theft Auto (GTA) bundle in January which included the Great Blue Heron Casino. The expansion plans at Great Blue Heron include new live entertainment, an expansion of the gaming rooms, and a new hotel. The GTA bundle generated over $1 billion in revenue in 2016.

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

Haris Anwar: BCE Inc (TSX:BCE)(NYSE:BCE)

BCE Inc (TSX:BCE)(NYSE:BCE) is my top pick for March due to the company's improving cash flows and a better business outlook for 2018. Its fourth-quarter earnings show that Canada's largest telecom operator is ahead in a crucial battle to win more wireless subscribers and its huge investment to improve broadband connectivity has started to pay off. Hurt by the rising bond yields, however, BCE stock is down 7% this year. This pullback provides a good buy opportunity to long-term investors, who want to lock-in the company's attractive 5.37% dividend yield, the best return since 2013.

Fool contributor Haris Anwar has no position in BCE Inc.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CVE (Cenovus Energy Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:AC (Air Canada)
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6. TSX:CVE (Cenovus Energy Inc.)
7. TSX:FRU (Freehold Royalties Ltd.)
8. TSX:GWO (Great-West Lifeco Inc.)
9. TSX:HCG (Home Capital Group)
10. TSX:SHOP (Shopify Inc.)
11. TSX:SLF (Sun Life Financial Inc.)

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Category

1. Investing
2. Top TSX Stocks

Date
2025/07/17
Date Created
2018/03/01
Author
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