



Top Stocks for July

Description

David Jagielski: BlackBerry

BlackBerry Ltd ([TSX:BB](#))([NYSE:BB](#)) is my choice for top pick for July. The company's stock dipped in price after it released its latest earnings, but there are many reasons to be optimistic about BlackBerry's long-term potential.

Cybersecurity is more important than ever, and BlackBerry is a name synonymous with that. The company has also been involved in the self-driving industry as it hopes to develop an operating system that will create a great driverless experience for consumers.

The company has been working on redefining its business model and that takes time, and for those investors that can see beyond the short term, the returns could be significant for a stock that has taken a beating in recent years.

Fool contributor David Jagielski has no position in BlackBerry Ltd

Mat Litalien: Manulife Financial Corp.

My top pick for the month of June is **Manulife Financial Corp.** ([TSX:MFC](#)) ([NYSE:MFC](#)). Insurance companies are well positioned to take advantage of rising interest rates. As rates rise, Manulife will benefit from larger spreads on its investments.

The company's dividend has been growing by double digits and Manulife is on the verge of re-joining an exclusive club; the Canadian Dividend Aristocrats. There is consensus that the Government of Canada will raise rates in July. It's a perfect time to go long Manulife.

Fool contributor Mat Litalien is long Manulife Financial.

Andrew Walker: Nutrien Ltd.

Nutrien Ltd. ([TSX:NTR](#)) ([NYSE:NTR](#)) began trading at the beginning of this year, after the completion of the merger between Potash Corp. and Agrium. The combination of the two wholesale operations and Agrium's retail business created a global crop nutrients giant.

The fertilizer markets have gone through some rough times in recent years, but a recovery appears to be underway. Nutrien upgraded its 2018 earnings guidance when it reported Q1 results, citing improved demand and pricing for potash and nitrogen.

The company also declared a quarterly dividend of US\$0.40 per share. As the market improves and Nutrien continues to realize synergies from the merger, investors should see the distribution increase.

Fool contributor Andrew Walker owns shares of Nutrien.

James Watkins-Strand: Keyera Corp.

My top stock for July is **Keyera Corp.** ([TSX:KEY](#)). Keyera gathers, processes, transports, stores, and markets natural gas liquids and iso-octane.

There is a tremendous amount of coverage surrounding **TransCanada Corp.** ([TSX:TRP](#))([NYSE:TRP](#)) and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), but many investors neglect the exciting opportunities available in mid-cap midstream stocks.

Nearly all of the analysts covering Keyera have "buy" recommendations, and the consensus price target for Keyera is \$43.36, representing upside potential of nearly 20%.

Keyera pays a monthly distribution of \$0.14 for an annualized yield of about 4.6%.

Fool contributor James Watkins-Strand has no position in any of the stocks mentioned.

Kay Ng: Brookfield Property Partners LP.

Brookfield Property Partners LP. ([TSX:BPY.UN](#))(NASDAQ:BPY) offers great value to investors right now!

First, it offers a roughly 6.5% distribution yield.

Second, its distribution per unit is safe and expected to grow 5-8% per year.

Third, the stock is trading almost 13% below the share price from when it was spun off from **Brookfield Asset Management Inc.** in 2013, while the company has only gotten more quality assets and increased its distribution payout.

Brookfield Property is an excellent income-growth holding in RRSPs given that more than half of its distribution so far in 2018 has been interest income sourced from the U.S.

Fool contributor Kay Ng owns shares of Brookfield Property.

Joey Frenette: Fortis Inc.

Fortis Inc. ([TSX:FTS](#)) ([NYSE:FTS](#)) is a regulated utility with a rock-solid dividend (currently yielding 4%) that can be relied upon even if Trump's tit-for-tat trade war were to trigger a deep global recession.

The stock has been treading water this year over the headwind of higher interest rates which makes Fortis' premium dividend less appealing through the eyes of opportunistic investors who'd rather take an overweight position in cyclical names to get better results in an up market.

If you're one of these investors who's neglected the defensive stocks entirely, then it may be time to grab Fortis while it's oversold. You're getting consistent dividend growth that's essentially guaranteed and should a recession occur, I see minimal downside for Fortis relative to other names, especially when you consider shares have already fallen 13% from their peak.

Fool contributor Joey Frenette owns shares of Fortis Inc

Ambrose O'Callaghan: Sienna Senior Living Inc.

My top stock for July is **Sienna Senior Living Inc.** ([TSX:SIA](#)). Sienna Senior Living is a Toronto-based company and is one of the largest owners of seniors' housing and the largest licensed long-term care operator in Ontario. In the midst of stock market volatility investors should look for good long-term options, and Sienna should be a top target.

There will be increased demand for the services that Sienna offers going forward, and analysts are predicting a service crunch that will require attention in the years to come. The stock also offers a nice 5.4% dividend yield for those seeking income.

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

Stephanie Bedard-Chateauneuf: Canadian Natural Resources Ltd.

Canadian Natural Resources Ltd. ([TSX:CNQ](#)) ([NYSE:CNQ](#)), one of the world's largest oil and gas companies, is my top stock for July.

CNRL's profit more than doubled in its first quarter, boosted by higher oil production. Net income reached \$583 million or \$0.47 per share. Excluding items, the company earned \$0.71 per share, beating the average forecast of \$0.66.

The oil and gas producer is undervalued: it has a PEG ratio expected over the next five years of only

0.5, with earnings expected to grow by 25.8% per year during that period. The stock is also interesting for its 3% dividend yield.

So, if you are looking for a high-growth energy stock, you should consider buying CNRL.

Fool contributor Stephanie Bedard-Chateauneuf has no position in shares of Canadian Natural Resources Ltd.

Brad Macintosh: Intact Financial Corp

Unlike some stocks whose price moves up and down like a yo-yo, **Intact Financial Corp** ([TSX:IFC](#)) is a steady and safe stock pick for a few reasons. First, property and casualty insurance products may not be a sexy business, but Intact has cornered this piece of the insurance market, pulling in \$8.7 billion from premiums last year. Second, the merger with **OneBeacon Insurance Group, Ltd.** (NYSE:OB) means moneys will flow from both sides of the border. Last I checked, insurance business was not on Trump's trade tariff watch list!

The stock has come down 12% from the 52-week high, largely due to two consecutive misses on quarterly earnings. I'm unfazed however – as Intact is a 'Steady Eddie' stock grower with a gradual positive trend over long stretches, not to mention anchored by \$16 billion of equity in mostly fixed income strategies. The lower risk is comforting, frankly. And rest assured that the 2.7% dividend is a solid income producer to boot.

Fool contributor Brad Macintosh has no position in shares of Intact Financial Corp.

Jason Phillips: Molson Coors Canada Inc. Class B

My top pick for the month of July is **Molson Coors Canada Inc. Class B** ([TSX:TPX.B](#))([NYSE:TAP](#)).

Molson stock has already rallied more than 14% since its first quarter results, yet there's reason to believe the current run still has legs.

While the stock's dividend yield at 2.14% is certainly nothing to write home about the company recently announced that it has intentions to reinstate its former dividend policy potentially as soon as 2019.

That policy if re-enacted, could end up with the Molson shares yielding closer to 4.5% against the current share price once all is said and done.

The proverbial icing on the cake as it were, is that a recent report indicated that the brewer has been in serious discussions with a handful of licensed marijuana producers, potentially looking to enter the legal recreational market.

Fool contributor Jason Phillips owns the Molson Coors January 2019 60-strike calls.

Matt Smith: Pengrowth Energy Corp. (TSX:PGF)

Oil's latest rally, which defied OPEC and Russia's decision to expand production, is a boon for beaten down energy stocks. One which is attractively valued and poised to soar is **Pengrowth Energy Corp.** (TSX:PGF). The heavy oil producer transformed its bloated balance sheet repaying \$1.1 billion of debt during 2017, reducing it to a manageable \$661 million and leaving a well-laddered debt profile.

Pengrowth is focused on developing the long-life low-cost Lindbergh SAGD project which is receiving 70% of all capital expenditures. Production has exceeded 17,500 barrels daily putting Lindbergh on track to achieve 2018 exit guidance of 18,000 barrels which is forecast to expand to 35,000 barrels daily by 2023.

Lindbergh's profitability is underscored by 2018 projected cash costs of under \$15 per barrel and its solid first quarter 2018 netback of \$26.16 a barrel. As oil rises further Pengrowth's free cash flow and profitability will grow at a rapid clip which should significantly boost its market value.

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

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