



Top Stocks for October – Part 1

Description

You can find part 2 of this month's Top Stocks article [here](#).

Mat Litalien: CannTrust Holdings

The most significant milestone for the cannabis industry takes effect October 17th – the day recreational marijuana sales opens to the public. In honour of this momentous occasion, my top pick for the month of October is **CannTrust Holdings** (TSX:TRST).

Thus far, CannTrust has supply agreements with seven Provinces, one of only six cannabis companies to sign this many deals. The company is one of the few profitable companies in the space and is also one of the best valued companies in the industry trading below ten times 2019 sales estimates.

Fool contributor Mat Litalien has no position in CannTrust Holdings but may initiate a position within the next few trading days.

Stephanie Bedard-Chateauneuf: TFI International Inc.

TFI International ([TSX:TFII](#)), a Canadian transport and logistics company based in Montreal, is my top stock for October.

TFI reported strong second-quarter results, driven by the company's consistent focus on profitable growth and operating efficiencies. Its operating margin improved to 10.5% from 6.5% a year earlier.

Diluted EPS were \$0.89, up from a loss of \$0.82 in the same quarter a year earlier. Adjusted diluted EPS rose 65% over the prior year period to \$0.99.

TFI's stock is trading at a discount, with a P/E of 13 and a five-year PEG of only 0.8. Earnings are expected to grow at an average annual rate of 18.8% for the next five years.

The stock has a strong track record, showing a 10-year CAGR over 23%, and is up almost 50% year-to-date.

Fool contributor Stephanie Bedard-Chateauneuf has no position in shares of TFI International Inc.

Jason Phillips: BlackBerry Ltd

My top pick for the month of October is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)).

Following the company's Q2 earnings report on Friday, BlackBerry's shares managed to break out of the downtrend that has been plaguing this stock since late 2017.

Investors initiating a position on the heels of the latest breakout could be in for a real treat.

CEO John Chen continues to gain momentum with his ambitious turnaround strategy to pivot the company from a handset manufacturer to an enterprise software and security company.

If the stock can continue its momentum from the Friday session, BB shares could absolutely take off, with a price target of \$18 or even \$26 not beyond the realm of possibility for the company's TSX listing.

Fool contributor Jason Phillips may initiate a position in shares of BlackBerry Ltd.

David Jagielski: Corus Entertainment Inc.

Corus Entertainment ([TSX:CJR.B](#)) is my stock pick for October. With the company expected to release its fourth-quarter earnings this month, I expect Corus should be able to bounce back from a dreadful Q3 that led the stock even further down in price. Year to date, Corus has dropped more than 60% in price.

The stock is a bargain buy as it is trading well below its book value and, with good fundamentals, it has a lot of upside. The good news is it looks like the bleeding may have finally stopped for Corus, with the share price stabilizing and even rising in September. Even a mediocre quarter should help drive a much-needed rally for the stock.

Fool contributor David Jagielski owns shares of Corus Entertainment Inc.

Andrew Button: Canadian National Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is my top stock pick for October. It has seen solid performance year-to-date, driven by strong earnings growth in the second quarter. CNR shares

tumbled in Q1 after an earnings miss and failures to meet shipping commitments. But in Q2, the company was not only back on track but better than ever, with 27% year-over-year earnings growth.

CNR shares have experienced strong long term growth and rewarded investors handsomely over the years. The stock also pays a dividend, which management has been raising by about 10% annually. And with a relatively low P/E ratio, it's also a strong value play.

Fool contributor Andrew Button does not own shares of Canadian National Railway.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BB (BlackBerry)
4. TSX:CJR.B (Corus Entertainment Inc.)
5. TSX:CNR (Canadian National Railway Company)
6. TSXV:BCM (Bear Creek Mining Corporation)

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