



Top Stocks for December – Part 1

Description

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

Mat Litalien: Toronto-Dominion Bank

In the midst of significant market volatility, it's best to target stocks that have a long and reliable history. With that in mind, my top pick for the month of November is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

Canada's Big Banks are as reliable as it gets. TD has led the pack in terms of performance for the better part of the past decade. Thanks to the most recent downtrend, TD is now trading below historical averages for the first time this year. It won't last long, pick it up on the cheap while you can.

Fool contributor Mat Litalien is long Toronto-Dominion Bank.

David Jagielski: Cenovus Energy Inc

Cenovus Energy ([TSX:CVE](#))([NYSE:CVE](#)) is my stock pick for December. The oil and gas stock has plummeted by around 25% during the past three months as conditions have only gotten more challenging in the industry. With oil prices on the decline yet again, talks of production cuts have already started up.

While that might spook some investors, with the stock trading around 0.6 times its book value and around its all-time low, it could be a great bargain buy today. Cenovus is still one of the top companies in the industry and it has proven to be resilient enough to survive the downturn. Despite the troubling times, this is not a stock I'd be ready to count out just yet.

Fool contributor David Jagielski has no position in Cenovus Energy Inc

Andrew Walker: Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#)) ([NYSE:RY](#)) has pulled back from its 2018 high of \$108 per share to a recent 12-month low near \$93.

At the time of writing the stock trades for roughly 10.5 times forward earnings, which is starting to look pretty cheap. Annual earnings growth is expected to be 7-10% over the medium term, and the company makes about \$1 billion in profit per month.

Rising interest rates are providing a boost to net interest margins, and both the Canadian and American economies are humming along quite nicely.

Dividend growth should continue at a steady pace, and investors who buy now can pick up a solid 4% yield.

Fool contributor Andrew Walker has no position in Royal Bank of Canada.

James Watkins-Strand: Goodfood Market Corp.

Meal-kit delivery services might just be the real deal.

I never thought that I would be feeding my family using a subscription-based food service, but here I am. Moreover, two weeks in and I am a believer.

Clearly I'm not the only one, as **Goodfood Market** ([TSX:FOOD](#)) closed fiscal 2018 with nearly 90,000 active subscribers. Growing revenue by 185% year over year and gradually increasing gross margins, the company is gaining traction in a competitive market.

Add to the equation that the U.S. meal-kit market was estimated to be worth \$5 billion in 2017, factor in **Metro's** acquisition of MissFresh in 2017, and it begins to look like this emerging industry deserves the attention of investors.

Fool contributor James Watkins-Strand doesn't have any position in the stocks mentioned.

Brian Pacampara: Cameco Corporation

I'm usually not a big fan of commodity stocks. But this particular commodity play has so many tailwinds in its favor that I can't help myself. Uranium producer **Cameco Corporation** ([TSX:CCO](#))([NYSE:CCJ](#)) is my top stock for December.

The spot price of uranium has risen about 40% over the past year — and I think there's plenty of room to run. Tightening fundamentals, as well as strong expected demand from emerging markets like China and Saudi Arabia, make uranium a solid short-term *and* long-term bet.

Of course, it only makes sense to make that bet using Cameco, given its status as a pure-play nuclear company with about 458 million pounds of proven and probable reserves.

Buy Cameco now, and head into 2019 on a strong note.

Fool contributor Brian Pacampara owns no position in Cameco.

Demetris Afxentiou: Innergex Renewable Energy Inc.

There are incredible opportunities in the market place that come around once in a generation as businesses and a society shifts towards new norms. Renewable energy is one of those next big shifts that is gaining traction, and **Innergex Renewable Energy** ([TSX:INE](#)) represents a massive opportunity within that segment for investors.

Innergex's growing portfolio of facilities includes 70 different sites across both North and South America as well as in Europe with solar, hydro, geothermal and wind elements. Additionally, over half of those sites have a Preliminary Project Approval (PPA) in place with an expiration at least 13 years out. Incredibly, Innergex even has a dozen sites with a PPA expiring three decades from now.

Apart from that recurring revenue stream, investors will absolutely love the incredible 5.54% quarterly yield offered and, given the recent market pull-back, Innergex now trades at a 13% discount year-to-date.

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

Stephanie Bedard-Chateauneuf: Canada Goose Holdings Inc.

Canada Goose Holdings ([TSX:GOOS](#))([NYSE:GOOS](#)), one of the world's leading makers of luxury apparel, is my top stock for December.

Canada Goose reported a much better-than-expected second quarter, as it saw a strong increase in demand for its luxury parkas. The company earned an adjusted profit of \$0.46 per share, up 59% from a year ago, while analysts estimate was \$0.26 per share. Revenue increased by 34% to \$230.3 million, beating estimates of \$197.9 million.

The luxury parka maker raised its outlook for fiscal 2019 – it now expects revenue growth of 30% and profit growth of 40%.

Last month, Canada Goose acquired winter boot company Baffin Inc. to enter the footwear market.

The retailer opened a store in Montreal on November 16 and will open a new store in China by the end of the year.

Fool contributor Stephanie Bedard-Chateauneuf has no position in Canada Goose Holdings Inc.

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TICKERS GLOBAL

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3. NYSE:GOOS (Canada Goose)
4. NYSE:RY (Royal Bank of Canada)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:CCO (Cameco Corporation)
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