



## My Top Stock Pick for June

### Description

The last month of the first half of 2019 is critical for stock investors. With an anticipated market slowdown, it is important to pick the stocks that would deliver gains for the rest of the year and beyond. **Cogeco Communications** ([TSX:CCA](#)) in the communications services sector is ripe for the picking.

### North America's eighth-largest cable operator

This Montreal-based telecom company is my top stock pick this June. The industry to which the firm belongs is shielded from trade disputes. Further, Canada's [telecom stocks are good value propositions](#) because the sector is protected with only a few players sharing the profits. Cogeco is also among the top 10 cable operators in North America.

Cogeco is displaying strength thus far and has risen steadily by 38% year to date without much fanfare. Likewise, momentum is building; that growth estimate for the current quarter has been pegged at 37.90%. The price is approaching its 52-week high of \$93.63, and analysts see the stock breaching the \$100 mark soon.

Cogeco is legitimately attractive because of the sustainable 2.36% dividend yield, which is supported by a decent 37.17% payout. Its two-way broadband fibre networks allow businesses and households in Quebec, Ontario, and the U.S. East Coast to enjoy the internet, video, and telephony services.

### Alternative top picks

**Maple Leaf Foods** ([TSX:MFI](#)) is another stock I will have no second thoughts about including in my portfolio. Just like Cogeco, this \$3.9 billion consumer protein company merits consideration by conservative investors. Also, consumer staples stocks are [recession-proof](#) and offer investment protection.

Earnings growth has been generally steady and earnestly positive in the last three years. The dividend yield of 1.67% is lower than that of Cogeco, but it's modest in case a telecom stock isn't your

preference. There is a potential upside for this defensive stock. The shift to growth mode is next following a significant reduction in debt.

One of Canada's best food retailers will always be a top pick regardless of market conditions. **Loblaw Companies's** ([TSX:L](#)) resiliency showed during the selloff in the last quarter of 2018. By late November, the stock started climbing while the rest were struggling.

Currently, the stock is up by 14.5% year to date and even hit an all-time high of \$70.80. The dividend yield is at par with Maple Leaf with a 61.76% payout ratio that is better. The company is a dominating force in the grocery space but a little vulnerable to online shopping. Still, analysts are expressing bullish sentiments.

Loblaw's click-and-collect e-shopping is fast catching on with customers who prefer to order groceries online for pick up. Double-digit earnings growth is in the horizon once Loblaw clears and absorbs the minimum wage hikes.

## Prepare for June

After September, June is the second worst-performing month for the TSX traditionally. The reason for the weakness is because investors are busy preparing for the holidays. Before you plan your vacation, adjust your portfolio. Make room for any of the top stock picks above to have a worry-free summer frolic.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CCA (COGECO CABLE INC)
2. TSX:L (Loblaw Companies Limited)
3. TSX:MFI (Maple Leaf Foods Inc.)

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