



3 Top Stocks to Buy This Summer

Description

With summer in our midst, it can be the perfect time to look for new investments. Things tend to slow down, which means you have a minute to re-evaluate what should stay and what should go in your portfolio.

Whether you were part of the marijuana craze and are now looking for something more solid or you're just looking for stocks to start out a strong portfolio, these three options are perfect.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)), **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), and **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) are all solid performers that have recently come down in share price. That makes it a perfect opportunity for investors looking to buy cheap.

Royal Bank

After coming back from well under \$100 per share back in December, Royal Bank hit its peak year to date in mid-April and has since come down to around \$103 per share at the time of writing. Part of this is due to the markets as a whole and not necessarily to the bank stock itself.

In fact, Royal Bank beat recent analyst expectations during its Q2 results, with a 6% increase in net income. But with fears of a potential market crisis on investors' minds, especially a mortgage crisis, the stock hasn't grown past \$107 per share.

Honestly, whether a mortgage crisis happens or not, it's a great time to pick up Royal Bank. The bank offers a strong dividend of 4.02%, and has a strong history of share growth. That growth should only continue even after a mortgage crisis, with the bank recently expanding into the United States. Royal Bank has focused on the wealth and commercial management industries, both of which should produce high-margin gains over the long term.

CIBC

Another bank to watch is CIBC. Investors went into panic mode when CIBC had some poor results during its second quarter.

The stock [fell 15%](#) in a day after reporting that the real estate market was already hurting the bank. Adjusted net income fell 3% year over year, and there was a 30% increase in commercial impaired loans during the quarter. The bank's real estate lending portfolio also fell 0.9%, with CIBC blaming its focus on urban centres for the challenges during the last two years.

Clearly, CIBC might be hurting for the next little while if a mortgage crisis occurs. However, that means again there is an opportunity for investors to get in while this stock is cheap. And it is definitely cheap with a price-to-book ratio of 1.3.

Finally, it won't remain cheap for long. Looking at historical performance, CIBC has averaged 11.15% annual returns with dividends reinvested for the last 20 years. And that dividend is the best among the Big Six banks at 5.46%.

Brookfield

Finally, we have Brookfield Property. This stock is in a similar situation as the banks, with the threat of a mortgage and loans crisis potentially hurting this great stock. The share price came up 30% before falling to where it is at writing at about \$25 per share.

That price is well below its net asset value, which should be around \$36 per share, making this stock an incredible buying opportunity. Its value is so high mainly due to its balance sheet, with its most recent quarter reporting strong results. Net operating income was up 34%, and funds from operations increased 13% mainly due to acquisitions and higher rents.

Brookfield has a history of making strong global acquisitions that have seen tremendous value for shareholders, meaning once its newest acquisitions start producing rents, those numbers will continue to climb. That's a great way to diversify if you have fears of an economic downturn.

The main reason investors love this stock is the [incredible dividend](#) that, as of writing, is at 7.12%, with a payout ratio of 66%. That dividend has been increased every year for the last six years. That's a nice chunk of change to add to your portfolio.

Foolish takeaway

If you're looking for conservative stocks that will produce solid growth and a stable dividend for years to come, now is the time to buy these three. Each is an ideal buy-and-hold investment and trading on the cheap. But they won't remain that way for long. In fact, by the end of the summer, this opportunity could be gone.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BPY.UN (Brookfield Property Partners)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/24

Date Created

2019/06/15

Author

alegatewolfe

default watermark

default watermark