



3 Stocks to Watch in July

Description

The first half of the year is done, and the TSX has done a good job, rising 14% year to date. However, there are still many good opportunities out there. As we approach another earnings season, investors should keep an eye on the following three stocks.

Bombardier ([TSX:BBD.B](#)) is my stock pick for the month, and [it's not one that I would have expected to make](#). However, with the company refocusing its efforts and posting some good results lately, it's become an appealing investment. Heading into July, the stock has risen 8% year to date, as it has underperformed the TSX and in the past year it has fallen by nearly 60%.

It's definitely not an investment for the faint of heart, but there could be some good returns to be earned here. Bombardier is still a safe buy and a company that I don't see going anywhere. While it may have had its fair share of challenges, it has started to show signs that it is turning things around.

With its low price point and the company's recent announcement of its CRJ regional jet program being sold, I wouldn't be surprised if the stock shows up on many investors' radars in July and sees some bullish activity.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is expected to release its earnings towards the end of the month. The stock has performed very well this year with investors seeing the share price doubling over the first six months of 2019. The big question is whether Shopify will be able to build on those results in July heading into its earnings or whether there will be some selling in anticipation of a possible correction.

After a volatile 2018 that saw Shopify's share price finish the year up 43%, the bullishness we've seen around the stock this year has been a bit surprising. While the markets have been strong, there's been little reason to justify why Shopify has been doing as well as it has been. And as an investor, that would have me concerned that a big correction could be on the way for the stock.

July could prove to be a big month for Shopify, as how it does in its upcoming earnings report could dictate whether it is able to reach \$500 this year or if we finally see investors cash in their gains and invest elsewhere.

Alimentation Couche-Tard (TSX:ATD.B) also releases its earnings this month. It too has been performing well this year with returns of 21% heading into July. However, it's still a decent buy trading at around 24 times its earnings and is still showing lots of growth. A strong economy usually means lots of travelling and traffic for gas stations and convenience stores.

Although Couche-Tard saw just 4.6% sales growth in its most recent quarter, profits were up by 32%. If the company can produce another strong quarter, then we could see the stock reach a new 52-week high. Couche-Tard has been busy with acquisitions and expansion over the years, and that's been key to its strong results.

What's been most impressive is the company's ability to successfully integrate various operations and not only pad its top line but improve its profits as well. And there could be a lot more growth to come with the possibility that the convenience store operator could get into the [cannabis business](#).

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Author

djagielski

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