



3 Top-Performing TSX Stocks in July

Description

For the month of July, **Air Canada** ([TSX:AC](#))(TSX:AC.B), **AltaGas** ([TSX:ALA](#)), and **Village Farms International** (TSX:VFF)([NASDAQ:VFF](#)) are turning in good performances. The stocks are the month's best performers. The momentum looks sustainable, and investors could seize the opportunity for higher gains.

Higher altitude

A few weeks back, I wrote about Air Canada and the [potential of the stock to deliver high returns](#) to investors by the end of the year. The price then was above \$40, and the stock is closing in on the 52-week high of \$45.50. It seems the analysts' forecast of \$51 is running true to form.

Canada's flagship carrier is listed as among the top 20 largest airlines in the world and is on the rise. For a while, many assumed the stock of the \$11.9 billion airline company would be grounded when Transport Canada closed the airspace to **Boeing** 737 MAX aircraft last May. Air Canada had 24 of them.

The stock retreated in June but resurrected in July. Now, investors are anticipating better second-quarter earnings when the company reports on July 30. Air Canada turned the \$203 million net losses in Q1 2018 to \$345 million net income in Q1 2019.

Instead of reducing flights, Air Canada added more flights to popular winter getaway places. Happy holidays are in store for passengers and investors alike.

Re-establishing financial flexibility

AltaGas announced last week the definitive agreement reached with TerraForm Power. TerraForm, an affiliate of **Brookfield Asset Management**, will purchase the U.S. distributed generation assets held by AltaGas's subsidiaries WGL Energy Systems and WGSW for approximately \$940 million.

According to AltaGas president and CEO Randy Crawford, the sale completed \$1.3 billion of the total projected \$2 billion asset sales program for 2019. The transaction will be consummated by the third quarter when customary closing conditions are met. ALA climbed 6.11% to \$20.82 following the announcement.

This could be a positive momentum. AltaGas can focus on near-term priorities such as debt reduction and funding the strategic capital plan to strengthen the competitive position in the industry. If the balance sheet improves and financial strength is regained, investors will flock to the high-dividend-paying stock again.

Focus on the more lucrative hemp

Village Farms is not only [one of the hottest weed stocks](#) but the hottest stock on the TSX. VFF is outperforming and is up 227.37% year to date. The producer of premium-quality greenhouse tomatoes is creating a buzz in the cannabis space.

The \$708.5 million company has confirmed reaching the full run-rate annual production target of 75,000 kilograms of dried cannabis. The operations in the 1.1-million-square-foot Delta 3 greenhouse is for large-scale and high-quality cannabis production that is generally lower cost.

Even with VFF's sudden rise, the stock has a stronger upside. The company is poised to benefit more from hemp than cannabis per se. The harvest from the greenhouses in three U.S. states is nearing. Hemp has a long-term potential because the plant is rich in CBD. Village Farms is looking at a potential \$22 billion CBD market by 2022.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NASDAQ:VFF (Village Farms International, Inc.)
2. TSX:AC (Air Canada)
3. TSX:ALA (AltaGas Ltd.)

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