



## Top Stocks for September 2019

### Description

#### Ambrose O'Callaghan: Canopy Growth Corp

**Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) is my top stock for September. Cannabis stocks have been hit hard in the summer, but there are some promising developments on the horizon. Edibles will be set for legal purchase by mid-October. Canopy aims to market edibles and cannabis-infused beverages by December of this year. This will also open the door for the vape market, which has seen an eruption of interest in the tobacco space.

Shares of Canopy reached a 52-week low in late August. Canopy had previously challenged these lows in late December. I'm betting on a resurgence before 2019 comes to an end.

*Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.*

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#### Chen Liu: Fire & Flower Holdings Corp

There is no question that my top stock for September is **Fire & Flower** ([TSX:FAF](#)). After all, how many publically traded marijuana companies have the backing of a \$46 billion multinational company?

For those of you not on the same page as me, I'm talking about **Couche-Tard's** \$26 million investment in Fire & Flower for 9.9% of its equity which gives it a suggested market capitalization of \$263 million for a per share price of \$2.16.

Guess what? Fire & Flower is currently trading at \$1.39 per share which means the upside to this stock is at least 55%!

*Fool contributor Chen Liu owns shares of Fire & Flower Holdings Corp.*

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## Christopher Liew: Whitecap Resources

My top stock pick for September is **Whitecap Resources** ([TSX:WCP](#)). This \$1.7 billion oil and gas company has a healthy cash flow, no short-term debt obligation, and a \$440 million credit facility reserved. Whitecap has been trading at around a reasonable 20 P/E ratio for the month of August.

The forward dividend yield is a considerable 9.29%. Dividends have been increasing each year for the past three years. Management has no intention of reducing the payouts to shareholders.

An oil rally could propel Whitecap to new heights. If you're looking to increase the energy exposure in your portfolio, Whitecap is a low-priced energy stock with tremendous upside at a purchase price of \$3.85.

*Fool contributor Christopher Liew has no position in any stock mentioned.*

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## Adam Othman: Kirkland Lake Gold

**Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is my top stock pick for September. The increasing price of gold has resulted in a solid performance from Kirkland Lake as its gold production has shot up 30% from the beginning of the year to over 214,000 ounces.

More important than the increase in production is the fact that the all-in sustaining costs fell by 16% as compared to last year, which makes the company one of the lowest-cost gold producers in the industry.

Kirkland has considerable profitability in its operations. With all the talk of a potential recession looming, gold is a safe haven for investors. Investing in this mining company is a great way to get access to gold in your portfolio.

*Fool contributor Adam Othman has no position in any of the stocks mentioned.*

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## Amy Legate-Wolfe: Toronto-Dominion Bank

The perfect quality stock ahead of a recession to buy right now is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). TD has become a beacon of hope for the banking industry, posting earnings that prove it has the cash on hand to handle an incoming recession.

But the reason I like it: it's cheap. The stock is trading well below fair value, with a dividend yield that's increased an average of 12% per year in the last five years. That looks to continue, as the bank's exposure to the United States and wealth and commercial management sectors take off.

So if you're looking for a great deal to get you through tough times, with great returns afterwards, you can't do much better than TD.

*Fool contributor Amy Legate-Wolfe owns shares of Toronto-Dominion Bank.*

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## Joey Frenette: Canadian Natural Resources Ltd.

My top pick for September is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), the newly-crowned king of the Canadian oil sands following the acquisition of Devon Energy's remaining Canadian assets.

While Alberta's production curtailment extension has sparked another wave of negativity in the oil patch, I do believe that patient investors will stand to be rewarded by going against the grain after the latest round of selling.

Unfortunately, there are few timely catalysts that could propel Canadian Natural or its peers out of their funk. What investors can expect, however, are stable free cash flows that'll continue to support the solid dividend (currently yielding 4.92%) and a rock-bottom price of admission (1.05 times book and 6.2 times EV/EBITDA).

Canadian Natural doesn't have a lot going for it, but at these severely depressed valuations, it's tough to pass on the name.

*Fool contributor Joey Frenette has no position in any stocks mentioned.*

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## Andrew Walker: Canadian Imperial Bank of Commerce

**Canadian Imperial Bank of Commerce** ([TSX:CM](#)) ([NYSE:CM](#)) just reported solid fiscal Q3 results, but the market remains negative on the company's shares.

The stock trades at less than nine times earnings, which is cheap compared to the bank's larger peers. While a small discount would be expected due to CIBC's size and higher exposure to the Canadian housing market, fears might be overblown.

The board just raised the dividend for the second time this year. CIBC now provides a yield of 5.75%.

If you are searching for a reliable income stock with a shot at some nice upside when sentiment improves, CIBC should be an attractive pick today.

*Fool contributor Andrew Walker has no position in CIBC.*

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## Andrew Button: Kirkland Lake Gold

**Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is a small mining company that's perfectly positioned to profit from continued bullishness in gold. The company's goal is to mine 950,000 to one million ounces of gold in 2019. In its first two quarters combined, it mined about 450,000 ounces, putting it on track to hit

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its goal. Unlike many gold companies, Kirkland Lake has little debt, which allows it to profit mightily without interest charges eating in on results. In its most recent quarter, the company earned \$104 million, up 69% year-over-year, and reduced its operating cost per ounce mined by 29%. The stock pays a dividend that yields 0.38%.

*Fool contributor Andrew Button has no position in Kirkland Lake Gold*

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## Matt Smith: Dream Global REIT

Real estate investment trusts (REITs) are one of the least volatile and dependable income paying stocks during times of market stress. One that has demonstrated that it can consistently unlock value for investors is **Dream Global REIT** (TSX:DRG.UN). It owns a portfolio of commercial office properties located in Western Europe, focused on Germany and the Netherlands which account for 73% and 21% respectively of its gross asset value. The remaining 6% is split between Belgium and Austria.

Dream Global announced some solid second quarter 2019 numbers, including an occupancy rate of 91.8% and a 6% year over year increase in funds from operations (FFO). The REIT finished the quarter with a net asset value of \$16.26 which was a healthy 21% increase over a year earlier and around 13% greater than its market value, highlighting the upside available. Dream Global rewards patient investors with a sustainable monthly distribution yielding 5.6%, making it a very appealing investment for income hungry investors.

*Fool contributor Matt Smith has no position in any stocks mentioned.*

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## Stephanie Bedard-Chateauneuf: Barrick Gold Corp.

**Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD), the world's largest gold mining company, is my top stock for September.

Barrick returned to profitability in the last quarter with a profit of US\$194 million, compared with a loss of US\$94 million in the same period a year ago.

Second-quarter production jumped nearly 27% to 1.353 million ounces of gold from a year ago.

Annual gold production is expected to be in the upper end of the company's 2019 forecast range while costs are expected to be lower.

Barrick's share price almost doubled in value in one year, and you can expect it to keep soaring.

Investors are rushing towards safe-heaven assets like gold as the trade tensions between the US and China continue to heat up.

*Fool contributor Stephanie Bedard-Chateauneuf has no position in Barrick Gold Corporation.*

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## James Watkins-Strand: Brookfield Property Partners L.P.

Are we on the precipice of a miserable recession? Your guess is as good as mine.

Regardless, getting defensive is harder than ever because fearful investors have bid up bonds and traditional safe havens.

While there is still some yield to be found in consumer staples, utilities, and telecoms, said yield is priced at multiples that are far too rich for my blood.

Plenty of REITs are also expensive, but **Brookfield Property Partners** ([TSX: BPY.UN](#)) (NASDAQ: BPY) is a notable exception worthy of investor attention.

Brookfield's diversified asset base – both by geography and by property type – offers stability and deep value.

Paid in USD, BPY's quarterly dividend yields nearly 7% and has been growing steadily by around 5% per year.

In sum, Brookfield offers both an exciting investing opportunity and a place to hide from potential economic woes.

*Fool contributor James Watkins-Strand has no position in Brookfield Property Partners L.P.*

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## Kay Ng: Bank of Nova Scotia

Last week, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) came out with good fiscal third-quarter results, which were led by strong earnings growth in its Canadian wealth management and international banking segments thanks largely to the prior year's acquisitions.

CEO, Brian Porter, reported saying that the bank's re-positioning of its international footprint is substantially complete. Additionally, Chile and Peru are expected to lead strong growth in the Pacific Alliance regions.

All of this boils down to adjusted diluted earnings per share increasing by 6.8% and a quarterly dividend hike of 5.9% year over year. The undervalued bank trades at about 9.6 times this year's earnings and is attractive for a juicy yield of 5.2% and total returns.

*Fool contributor Kay Ng owns shares of Bank of Nova Scotia.*

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## Demetris Afxentiou: Enbridge Inc.

Occasionally opportunities emerge to buy an incredible investment at a discounted price. When this happens, the long-term gains could be massive.

One such opportunity currently lies with **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which is one of the largest energy infrastructure players on the continent. In short, Enbridge is responsible for hauling a quarter of North American crude oil needs through its massive pipeline network that charges tolls based on volume in a passive manner reminiscent of a toll-road network.

Enbridge's often-mentioned Line 3 replacement project continues to make negative news, driving the stock price down. Despite that negativity, Line 3 is still attainable, needed, and forecasted to gain all approvals by end-of-year.

The necessity of those pipelines, coupled with an appetizing 6.77% yield that is slated to grow between 5% to 7% annually, make Enbridge a must-have investment for nearly any long-term portfolio.

*Fool contributor Demetris Afxentiou owns shares of Enbridge.*

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## Nelson Smith: Bank of Nova Scotia

My top stock for September is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), a high-quality company trading for a dirt-cheap valuation.

Scotiabank just reported solid third quarter numbers, which saw adjusted profit rise 9% to \$1.88 per share. Recent strengths include the Canadian wealth management division, as well as continued strength in the bank's international operations, specifically Chile and Peru.

Despite this growth, shares trade at just 10x trailing earnings. The dividend was just increased for the second time this year, with the yield easily surpassing 5%. Take advantage of this buying opportunity. It won't be here forever.

*Fool contributor Nelson Smith owns Bank of Nova Scotia shares.*

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## David Jagielski: Canopy Growth Corp

**Canopy Growth** ([TSX:WEED](#))([NYSE:CGC](#)) is my stock pick for September. With the stock recently hitting a new 52-week low, it could be a great opportunity for investors to buy the stock at a reduced price.

Once Canopy Growth has a new CEO in place, it could trigger a big recovery for the stock. The new leader will likely place more of a focus on earnings and promoting cost reductions, which in turn will help the company avoid the disastrous quarterly results that have been the stock's undoing.

The upcoming launch of the edibles market will also likely help put the company back into the spotlight for the right reasons once we get a glimpse of the beverages it has been working on with **Constellation Brands**. And over the long term, there are even more opportunities in the U.S. that

could make the stock look like a bargain today.

*Fool contributor David Jagielski has no position in Canopy Growth Corp*

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## Debra Ray: Supreme Cannabis Company Inc

**Supreme Cannabis Company** (TSX:FIRE) is my top pick for September. Speculation and day trading have created a bubble in cannabis stocks but Supreme is still relatively cheap at under \$2.00 per share.

On September 17, Supreme Cannabis expects to report a 449% increase in revenue and positive fourth quarter ended June 30. The stock climbed almost 18% the week it released this guidance – an indication that the stock may pop on the September 17 earnings announcement.

Competitors such as Neptune Wellness and The Green Organic Dutchman have struggled to impress investors with substantial sales growth post-legalization. Thus, the impressive sales performance of Supreme Cannabis makes the company the best investment in September.

*Fool contributor Debra Ray has no position in any of the stocks mentioned.*

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### CATEGORY

1. Investing
2. Top TSX Stocks

### TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:BPY.UN (Brookfield Property Partners)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FAF (Fire & Flower)
8. TSX:TD (The Toronto-Dominion Bank)
9. TSX:WCP (Whitecap Resources Inc.)
10. TSX:WEED (Canopy Growth)

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