



## 3 Top Stocks to Buy in November (and 1 to Avoid at All Costs)

### Description

While I think it's silly to trade stocks for a short period of time, I still say investors should pay attention to potential short-term moves. Putting long-term cash in a stock poised for a nice short-term gain can be a way to earn an attractive return over the first part of a long relationship. The rest takes care of itself over the ensuing years.

Here are three stocks I think are poised to have a nice November — the kinds of companies you can own in your portfolio for a long time. And, as a bonus, I'll reveal a stock that poised to underperform over both the short and long term.

### Rogers Communications

**Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) shares tanked last week after the company's recent quarterly earnings weren't up to expectations. The stock fell close to 10%, taking the rest of the telecom sector down with it.

A big reason why the company's numbers weren't up to snuff was because it implemented a new pricing strategy where it offered customers unlimited data plans without costly overages. This caused a bit of a dip in earnings, a decline that should be offset by increased customer loyalty over the long term. After all, what's more annoying than paying overage charges?

The future [still looks bright](#) for Rogers and the other Canadian telecoms. Mobile penetration should continue to increase over time. Canada still has some of the highest monthly cell phone rates in the entire world. And the stock trades at a mere 14 times next year's projected earnings. Shares also yield 3.3% — a dividend that looks poised to increase in the future.

### Medical Facilities

You might remember **Medical Facilities** ([TSX:DR](#)) making the news this summer after shares absolutely tanked following a disappointing earnings report.

But the stock is [starting to turn around](#), including an increase of some 20% off the bottom set back in September. Investors are beginning to realize there will still be strong demand for Medical Facilities's ambulatory surgical centres and specialty surgical hospitals, no matter what the underlying economy does. And the company is sitting on nearly US\$50 million in cash and short-term investments — capital it can put to work to increase the bottom line.

Investors also like a bargain, with shares trading at a mere five times 2018's cash available for distribution. Yes, 2019's results haven't been nearly as good, but it's obvious the stock is quite cheap when compared to normalized earnings.

With a little momentum on their side, look for Medical Facilities shares to keep marching higher in November.

## MTY Food Group

After years of excellent growth and frustratingly high valuations, **MTY Food Group** ([TSX:MTY](#)) has finally entered value stock territory after a disappointing earnings report in October. It looks like a terrific time for long-term investors to finally load up on shares.

Instead of focusing on the disappointing earnings — a number that rose a mere 3% compared to the same quarter last year — investors should focus on the positives. The Papa Murphy's acquisition helped push MTY's total sales up nearly 45% compared to the same quarter last year. The owner of dozens of different food brands continues to make acquisitions too, adding numerous brands to its already impressive portfolio in 2019 alone. In other words, this growth story ain't over yet.

Analysts estimate MTY will earn \$3.52 per share in 2020. Shares trade hands at \$52.15 each as I type this. That gives us a forward P/E ratio of under 15 times — an excellent valuation for a company with so much growth potential.

## Avoid Husky Energy

There are two reasons why I think investors should avoid energy producer **Husky Energy** ([TSX:HSE](#)).

The first is as simple as it is powerful. I'm not bullish on oil over the long term, and the results of the recent federal election show the majority of Canadians aren't either. This environment is going to make the energy sector a tough place to be. I don't see it getting any better, either.

The other reason I'm bearish on Husky is the company is in the midst of selling off some of its better assets. The first to go was an oil refinery it sold for just over two times 2018's EBITDA — a deal that's looking like an excellent acquisition for the company making the purchase. And it looks poised to sell its Western Canadian gas stations — assets that provide much more predictable earnings than the energy company's other operations.

### CATEGORY

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1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:DR (Medical Facilities Corporation)
3. TSX:MTY (MTY Food Group)
4. TSX:RCI.B (Rogers Communications Inc.)

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