Top Stocks for November 2019

Description

Chris Liew: National Bank of Canada

Overshadowed by the Big Five banks, **National Bank Of Canada** (TSX:NA) doesn't get the respect it deserves. With a $22.58 billion market cap and total assets of $276 billion as of July 31, 2019, it is reasonable to think that National Bank could catch up to fifth-place **CIBC** one day.

National Bank is the leading bank in Quebec, and has been around for 160 years. It has a dividend streak that has lasted for 39 years and is sitting at a current dividend yield of 4.04%.

National Bank has exciting international growth prospects in the works. The company owns 100% of ABA Bank, which is Cambodia's largest financial institution. With a GDP growth rate of 7.5% in 2018, Cambodia is one of the fastest growing economies in Asia. The company also has a presence in Africa, U.S, and Europe.

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

Ryan Vanzo: Cronos Group Inc

My top stock for November is **Cronos Group Inc** (TSX:CRON). If you've been waiting to get into the cannabis industry, now might be your chance.

Pot stocks can be volatile, but most analysts agree that the market could surpass $100 billion in sales by 2030. Down nearly 70% since its March highs, Cronos stock is priced at 2017 levels despite securing a lucrative partnership with tobacco giant **Altria Group Inc**.

With Altria by its side, Cronos now has the resources and influence to be a long-term cannabis leader.

Fool contributor Ryan Vanzo has no position in Cronos Group Inc

Karen Thomas: Waste Connections Inc.

My top stock this month is one that makes up for its rich valuation with its defensive attributes. In fact, this company's biggest strength is its steady and predictable (defensive) business that will thrive no matter the economic environment. I think this is a real strength, especially now with an economic cycle that appears to be on its last legs.

Waste Connections Inc. (TSX:WCN) is the third largest solid waste company in North America. There will always be waste and we will always need a way to get rid of this waste, and this company has risen to the occasion.

Mostly through acquisitions, the company has more than doubled its revenue from $2 billion in 2014 to $4.9 billion in 2018. Cash flows and profitability are rising dramatically, and acquisition activity remains strong as the company continues to consolidate this highly fragmented industry. As far as cash flow usage goes, we can count on more acquisitions but also on investment in organic growth opportunities and share buybacks, so we can expect to see shareholder value creation coming from many different fronts.

Fool contributor Karen Thomas does not own shares of Waste Connections Inc.

Cindy Dye: Metro

Every day financial pundits warn of an impending recession. While no one knows when the next recession will occur, one thing is certain: one day these pundits will be right.

Companies that provide consumer staples, like groceries and medicine, are a good choice to protect your portfolio and help lessen the impact of a severe downturn. **Metro** (TSX:MRU) operates 600 grocery stores and 650 drugstores throughout Canada. The company is investing heavily in the latest trends, including freshly prepared meal kits and enhanced online pickup and delivery.

Trading at $54.92 as of this writing, Metro stock is up 16% YTD and pays a dividend of 1.46%. Now is the time to add defensive stocks like Metro to your portfolio.

Fool contributor Cindy Dye has no position in Metro.

Joey Frenette: Spin Master Corp.

Spin Master (TSX:TOY) stock has suffered a massive fall from grace.

At the time of writing, Spin stock is down 40% from last summer's all-time high and is right back at 52-week lows after shares failed to break the $45 level of resistance on three separate occasions.

From a technical standpoint, Spin looks quite dreadful, but it's tough to ignore the more encouraging long-term fundamentals and the severely depressed valuation.

Spin suffered a one-two punch to the gut courtesy of last year's Toys "R" Us troubles and the threat of U.S. tariffs on Chinese goods.

Spin's profitability and sales numbers are extremely vulnerable to such tariffs. Still, at today's prices, it seems as though tariffs have already blown a massive hole into Spin's top-line.

Mr. Market is currently offering Spin at just 14.8 times next year's expected earnings and 1.7 times sales — an offer that I think is too good to refuse given the double-digit growth the mid-cap toy company is capable of over the long run.

Fool contributor Joey Frenette owns shares of Spin Master.

Rahim Bhayani: Alimentation Couche-Tard

My top stock pick for November is **Alimentation Couche-Tard** (TSX:ATD.B), one of the world's premier destinations for convenience products and fuel.

Couche-Tard's stock price has been stuck around the $40 zone, as it "takes a breather" after doubling over the last five years.

Couche-Tard is a slam dunk investment based on its cash flow profile alone, with free cash flow (FCF) growing from $383 million in 2011 to $3,583 million in 2019. That growth amounts to a monster 32% annual growth over the last eight years.

This juggernaut will continue to grow into Asia and Europe, resulting in another doubling of its stock price.

Fool contributor Rahim Bhayani has no position in Alimentation Couche-Tard.

Kay Ng: Pembina Pipeline Corp.

If there's any energy stock you should consider owning, it should be one like **Pembina Pipeline** (TSX:PPL), an energy infrastructure business with a proven track record of dividends and outperformance.

Since 2007, it has delivered total returns of 12.2%, beating larger names of **Enbridge** and **TC Energy** in the space. Currently, Pembina is a fabulous value! At about $46 per share as of writing, the stock trades at about 10.1 times cash flow, which is a discount of roughly 28% from its long-term normal multiple.

Pembina provides a juicy yield of 5.2%. Furthermore, upon closing its recent acquisition of some **Kinder Morgan** assets, it'll raise the dividend by 5%, on top of its usual dividend hikes.

Fool contributor Kay Ng owns shares of Pembina.

Chen Liu: Enbridge Inc

Enbridge's (TSX:ENB) share price is on the rebound after falling to a low of $43.35 in August, 2019 from its 52-week high of $51.20 in May, 2019. It currently trades at $47.83 which represents 11.07% gains year-to-date.

Investors will be pleased to hear the company reported strong Q2 results with net income of $3.9 billion which is up from $1.8 billion the prior year. This is complemented by an increase in assets and decrease in liabilities as well as ending cash balance of $767 million.

Although I would like to see a higher ending cash balance given the size of the company, Enbridge's access to capital markets makes it easy for it to get additional cash.

Numbers aside, investors should expect an additional $2 billion added to the fiscal 2019 income statements from the sale of various entities owned by the company.

Investors looking to add an energy stock to their portfolios should consider Enbridge.

Fool contributor Chen Liu has no position in any of the stocks mentioned.

Stephanie Bedard-Chateauneuf: National Bank of Canada

National Bank of Canada (TSX:NA), Canada's sixth-largest bank, is my top stock for November.

National Bank beat expectations in its last quarter with a 7% increase in profit to $1.66 per share, driven by growth across the company. National Bank has benefited from a strong economy in Quebec, its main market.

The Montreal-based bank has a dividend yield of 4%, one of the highest among Canadian big banks. The bank is steadily increasing its dividend and has a 10-year annual dividend growth rate of 8%.

National Bank has a forward P/E of only 10.3, so it's fairly cheap. The stock has risen more than 20% year to date and is still rising.

Fool contributor Stephanie Bedard-Chateauneuf own shares of National Bank of Canada.

James Watkins-Strand: SmartCentres Real Estate Investment Trust

Has the eCommerce boom got you worried about the long-term viability of retail REITs?

Look no further than **SmartCentres Real Estate Investment Trust** (TSX:SRU.UN) for stable, well-anchored shopping centres with plenty of opportunities for intensification.

Since 2002, the REIT has grown assets at a compound annual growth rate (CAGR) in excess of 30% — now total assets add up to nearly $10 billion.

But there's so much more to come, as 256 development projects at 94 properties are expected to create value in excess of $3 billion.

With declining leverage, ample liquidity, and a payout ratio hovering around 80%, there is a lot to like about SmartCentres.

Last but not least, let's not forget the monthly dividend that pays a little shy of 6% and increases like clockwork by roughly 3% annually to consistently offset inflation.

Fool contributor James Watkins-Strand has no position in SmartCentres Real Estate Investment Trust.

Andrew Button: Fortis Inc

My top stock for November is **Fortis** (TSX:FTS). We're in the midst of an unprecedentedly long economic expansion that will inevitably end, with many economists saying the next recession will come no later than 2021. For prudent investors, a utility like Fortis would be excellent protection against the coming downturn. However, that's not the only reason to recommend this stock. With a long history of dividend increases and steady earnings growth, the company delivers value in good economic times *and* bad. Fortis' management is currently embarking on a $18.3 billion capital expenditure program that will increase its rate base. Expect this stock to remain solid for the foreseeable future

Fool contributor Andrew Button has no position in Fortis Inc.

David Jagielski: North American Palladium Ltd

North American Palladium (TSX:PDL) is my stock pick for November. Already up more than 40% in 2019, the stock could be headed for even further gains especially with palladium prices continuing to rise. A year ago, the price of palladium was just under US$1,100 per ounce, and that has since soared to US$1,800.

Even if prices don't stay at their current levels, the stock stands to benefit from a much stronger commodity price than it did a year ago. And that will help North American Palladium's financials be even stronger as a result. With the stock trading at around just two times its book value, there's definitely a lot of room for it to rise from where it is today.

Fool contributor David Jagielski has no position in North American Palladium Ltd.

Daniel Da Costa: Corus Entertainment Inc

My top stock for November is **Corus Entertainment** (TSX:CJR.B). The company has been in turnaround mode for the last few years, focusing on debt reduction and re-strategizing its plans in a mature industry.

Corus seems to have finally bottomed and last month's earnings gave us a glimpse into its progress so far.

The growth plans it has executed well on, have focused on acquiring tons of content as well as partnering up with streaming services to offer digital content. The debt reduction is also putting Corus back into a favourable capital position, with much less risk.

At just $5 the stock is extremely undervalued, and the dividend yields roughly 4.8%.

Fool contributor Daniel Da Costa has no position in any of the stocks mentioned.

Andrew Walker: Bank of Montreal

Bank of Montreal (TSX:BMO) now trades at a discount to its larger peers.

The bank has a nice mix of revenue coming from personal and commercial banking, wealth management, and capital markets activities in both Canada and the United States.

A shift to lower interest rates in Canada could put pressure on net interest margins, but the reduced risk on housing defaults and cheaper borrowing costs for companies should be positive for the stock.

Bank of Montreal has paid out a dividend for 190 straight years. The distribution should be rock solid and you get a nice 4% yield.

If you are searching for an undervalued pick for a buy-and-hold dividend portfolio, Bank of Montreal deserves to be on your radar.

Fool contributor Andrew Walker has no position in Bank of Montreal.

Ambrose O'Callaghan: Badger Daylighting

Badger Daylighting (TSX:BAD) is my top stock for November. The stock has been a high performer in recent years, but shares dropped 23% over the past three months near its close on October 29. Badger is set to release its third quarter 2019 results on November 6.

The stock spent the greater part of the first half of 2019 at high price levels but has steadily fallen after a solid second quarter report. Badger reported a 20-basis point improvement in its gross profit margin from Q2 2018, and adjusted EBITDA was up 2% year-over-year to $39.2 million. Shares still possess a high P/E of 20, but it last had an RSI of 30. This puts it on the edge of technically oversold territory. Badger offers a monthly dividend of $0.0475 per share.

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

Matt Smith: Northwest Healthcare Properties Real Estate Investment Trust

The popularity of REITs is expanding at a rapid pace. One which is poised to deliver considerable value and offers a notable 6.7% yield is N**orthwest Healthcare Properties** (TSX:NWH.UN). The latest transformative $1.2 billion accretive acquisition of Australia’s **Healthscope** will give adjusted funds flow (AFFO) and earnings a solid boost.

Aging populations in Canada, Australia and Germany along with the relatively inelastic demand for healthcare will act as powerful long-term tailwinds for earnings. Significant regulation and steep industry barriers to entry combined with Northwest’s wide economic moat protects it from competition, further supporting earnings growth. That will be assisted by Northwest’s solid balance sheet and initiatives to replace high cost debt with less expensive equity. While waiting for that to boost Northwest’s share price, investors will be rewarded by its sustainable monthly dividend yielding a juicy 6.7%.

Those attributes make Northwest a must own stock, to buy and hold forever, which will deliver considerable long-term value.

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

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