16 Top TSX Stocks to Buy in September 2020

Description

We asked our Foolish writers for their top stock ideas for September 2020 – here are their choices:

Amy Legate-Wolfe: Toronto-Dominion Bank

Bank earnings have come and gone, and many didn't have exactly great news to share. But if there's one stock out there set to outpace the rest in the coming years, it has to be **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD).

TD Bank has the past, present, and future going for it. It has had solid growth over the few decades, with shares up over 200% since the last crash. This kind of growth should continue for decades more, as the bank expanded into the U.S., where it is now one of the top 10 banks in the country, with more room to grow.
But it's the present that should have investors really interested. TD Bank's share prices are completely undervalued, with a potential upside of 22% just to reach pre-crash levels. The best part, however, is its solid dividend yield of 4.94% at writing, which recently increased even during a pandemic.

With a potential stock market crash on our doorstep, the best thing you can do for your portfolio right now is to prepare for it with a stock like TD Bank.

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

Andrew Button: Toronto-Dominion Bank

My top stock pick for September is Toronto-Dominion Bank. This is one stock that's poised to bounce back in the Fall thanks to the gradual diminishing of COVID-19 risk factors.

Over the past few months, I've noted in my coverage that banks would eventually be able to lower their PCL because the risk factors they'd been facing would diminish. In Q3, we saw that happen with TD Bank. Because its loans had become significantly less risky, it lowered its PCL from $3.2 billion to $2.2

billion. As a result, its Q3 earnings jumped 51% compared to Q2.

I think this trend will continue, and TD's stock will pay you a juicy 4.8% yield along the way.

Fool contributor Andrew Button owns shares in The Toronto-Dominion Bank.

Jed Lloren: WELL Health Technologies

My choice for top stock in September is **WELL Health Technologies** (TSX:WELL). This is a play on the up-and-coming telehealth industry that has seen massive growth during the COVID-19 pandemic. This is an excellent time to jump into WELL Health because telehealth stocks are currently consolidating after an extended run-up that has seen some companies in this industry more than double in value.

WELL Health's mission is to consolidate the Canadian healthcare industry and improve patient experiences and health outcomes by providing advanced healthcare technology. The company plans to continue growing by acquiring primary healthcare providers and digital assets. For more information on WELL Health, read my article on the company here. This industry certainly still has a long way to go before it is widely adopted, but the growth potential is sky-high.

Fool contributor Jed Lloren owns shares of WELL Health Technologies.

David Jagielski: Emera Inc.

Emera Incorporation (TSX:EMA) is my top stock for September. The utility company is a solid buy and with many stocks out there looking too expensive, this is one of the better value investments out there today. Down just 3% this year, Emera's stock is trading at only 16 times its earnings.

It's a low-beta stock that should prove to be a fairly stable investment over the years. With consistent earnings, even during the COVID-19 pandemic, it's a resilient company that has operations in multiple countries. An investment in Emera can add stability to any portfolio. The company has also hiked its dividend payments by 53% in five years and currently yields 4.5% annually.

Fool contributor David Jagielski has no position in any of the stocks mentioned.

Robin Brown: Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is my top September pick. BAM has a significant opportunity to thrive out of these difficult economic times. In the 2009 financial crisis, it acquired a number of distressed assets that helped fuel 16% annualized returns over the past decade.

I believe BAM will do the same or better out of this downturn. It has $77 billion of cash and cash commitments that can fuel growth opportunities across all its asset segments (real estate, renewables, infrastructure, private equity, distressed debt, and its newly announced ESG fund). This company is globally diverse, very well managed, and capitalized to create impressive returns far into 2030.

Fool contributor Robin Brown owns shares of Brookfield Asset Management.

Ryan Vanzo: Brookfield Renewable Partners

My top stock for September is **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). There's a huge movement happening in energy right now, and this stock will be a chief benefactor.

Last week, **Exxon Mobil**, a classic blue-chip stock was booted from the **Dow Jones Industrial Average**. The company was the longest-tenured company in the index. The reason was clear: oil is dying.

Across the world, renewable energy is achieving cost-parity with fossil fuels. In North America, the vast majority of new generation facilities are already renewable. Spending will total $5 trillion over the next five years.

The pitch is simple: Brookfield is the leading investor in the space. In five years, don't be surprised to see it become the Exxon of clean fuel.

Fool contributor Ryan Vanzo has no position in Brookfield Renewable Partners.

Karen Thomas: Bausch Health Companies Inc.

My top stock pick for September is one that I believe is misunderstood and mispriced by investors.

Bausch Health Companies Inc. (TSX:BHC)(NYSE:BHC) is a diversified Canadian healthcare giant that has a sorted history that includes price gauging, accounting issues, and reckless debt levels. This has understandably made investors highly skeptical. But today, Bausch Health has a new management team and a new focus on debt reduction and cash flow generation.

So when I look beyond the problems of the past, I see a defensive healthcare stock that has big upside. The stock is down over 42% year-to-date even though Bausch Health is generating significant amounts of cash flow. And even though healthcare spending will rise over the long term. As the world re-opens, postponed surgeries and doctor visits will be rescheduled. This will normalize revenue at Bausch and make room for growth once again.

Fool contributor Karen Thomas does not own shares of Bausch Health Companies Inc.

Stephanie Bedard-Chateauneuf: Barrick Gold

Barrick Gold (TSX:ABX)(NYSE:GOLD), the world's second-largest gold miner, is my top stock for September.

Barrick Gold delivered results beyond analysts' expectations in the second quarter as the goldcompany capitalized on increased demand for the precious metal, seen as a safe haven amiduncertainty caused by the pandemic.

Barrick Gold posted a profit of US$357 million, compared to a profit of US$194 million in the same period a year ago, while revenue was US$3.06 billion, up 48.5%.

The company believes it is on track to post annual production that is within its forecast range for 2020 despite the pandemic.

The Toronto-based company raised its quarterly dividend by 14% to $0.08 per share.

Barrick Gold stock surged by 11% on August 17 after Berkshire Hathaway bought 20.9 million shares of the gold miner for $564 million.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any stock mentioned.

Kay Ng: Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) stock hasn't fully participated in the recent market rally. However, it doesn't have to for investors to get good returns.

Amidst a struggling energy sector, incredibly, Enbridge's cash flow is set to remain very stable this year. The company estimates a payout ratio in the 70% range, which will keep its juicy dividend intact.

At writing, the blue-chip dividend stock provides a lucrative yield of 7.6%, which already beats the long-term average market returns of about 7%.

Price appreciation is in the cards, too. A 12-month upside of 22% is possible according to analysts' average near-term price target!

Fool contributor Kay Ng owns shares of Enbridge.

Nicholas Dobroruka: Docebo

My top stock for the month of September is tech company **Docebo** (TSX:DCBO). The $1.5 billion company has seen its share price grow by more than 180% since the beginning of the year.

There's no question that the valuation is high here, as the growth stock trades at a price-to-sales ratio of 27. The steep valuation means growth expectations are very high for Docebo, but management remains very confident in the long-term trajectory of the company.

Docebo provides cloud-based learnings platforms for employees, customers, and partners. The software-as-a-service learning platforms are powered by artificial intelligence, with a goal to personalize the learning experience for each individual user.

The sudden spike earlier this year of employees ditching their work commute for a home office has only increased the importance of virtual learning platforms. For inventors that believe the work-from-home environment is here to stay, this is definitely a stock for your portfolio.

Fool contributor Nicholas Dobroruka has no position in any of the stocks mentioned.

Puja Tayal: Lightspeed POS

My top TSX stock pick for September is **Lightspeed POS** (TSX:LSPD), a provider of cloud-based point-of-sale solutions. It helps retailers and restaurants manage multiple store locations and also integrate data of their online and physical stores. The pandemic significantly impacted Lighspeed's client base as all non-essential stores were temporarily closed.

Lightspeed adapted to the COVID-19 economy and introduced new features such as e-commerce stores, online appointment booking, and curbside pickup. The pandemic left many small retailers cash-strapped. Hence, it introduced the Lightspeed Capital that provides US$50,000 in funding per retail location.

All these developments increased the uptick of the Lightspeed platform among retailers, and the restaurant sector also started to recover. Lightspeed has returned to the pre-pandemic growth and is also expanding into the golf market. The stock saw a V-shaped recovery of $40-$12-$40 in the last eight months and is set to grow further as it caters to the COVID-19 economy.

Fool contributor Puja Tayal has no position in the companies mentioned.

Sneha Nahata: goeasy

With its ability to generate consistent profits, **goeasy** (TSX:GSY) is a must-have stock in your portfolio. The company provides lending and leasing services to the non-prime borrowers and has performed exceptionally well over the past several years. Besides, it continues to boost returns through consistent dividend growth.

Its revenues have increased at a CAGR of 13% since 2001. Meanwhile, its bottom-line has grown at a CAGR of 30% during the same period. Despite the pandemic in the background, goeasy reported about 49% growth in its earnings during the most recent quarter.

While lenders across the world are grappling with higher provisions for credit losses, goeasy's allowances for credit losses have remained unchanged. Further, its customers have lower debt to income ratio, which is encouraging.goeasy's growing footprints and omnichannel expansion are likely to accelerate its growth further and drive its stock higher.

Fool contributor Sneha Nahata has no position in any of the stocks mentioned.

Vineet Kulkarni: Royal Bank of Canada

My pick for September is **Royal Bank of Canada** (TSX:RY)(NYSE:RY). Its fiscal third-quarter earnings underline the resilience to weather the crisis. Its earnings dipped only marginally during the quarter, driven by higher capital market profits and lower provisions.

Interestingly, despite some recent green shoots in the economy, the bank continues to have an uncertain outlook. However, its diversified earnings base, scale, and superior credit quality could fuel a relatively faster recovery.

Royal Bank stock soared to a six-month high last week after its strong quarterly performance. The momentum in the stock could continue, given the current discounted valuation. It yields 4.5% at the moment, higher than **TSX** stocks at large. The dividend cut seems unlikely, given its strong balance sheet and impending economic recovery.

Fool contributor Vineet Kulkarni does not have any positions in the stocks mentioned.

Jitendra Parashar: Air Canada

Air Canada (TSX:AC) is my top stock pick for September. The recovery in the Canadian flag carrier's stock picked up pace in August as it posted solid double-digit gains during the month.

With gradually subsiding pandemic, many countries across the globe have already started lifting restrictions on international travel. In the last couple of weeks, COVID-19 vaccine-related positive developments and a gradual decline in new infections across North America have boosted the Air Canada investors' confidence.

In the last couple of quarters, Air Canada has tried to improve its cargo segment operations. This move helped the airline to report better-than-expected revenue in Q2. Increased frequency of all cargo flights should continue to support Air Canada's efforts to minimize the pandemic related headwinds — until all its passenger flight operations return to normal.

Air Canada stock is trading at $17.75 per share at the time of writing. It's still down about 65% on a year-to-date basis. It's not too late to enter a long position in its stock to benefit from a continued recovery in the coming months.

Fool contributor Jitendra Parashar has no position in any of the stocks mentioned.

Demetris Afxentiou- Shaw Communications Inc.

Every portfolio needs a defensive stock that can offer growth and income-earning potential. That's one of the many reasons why **Shaw Communications** (TSX:SJR.B)(NYSE:SJR) is my top pick this month.

Telecoms are well-known as superb long-term investments. That view has only grown in the months since the COVID-19 pandemic began. In short, countless employees and students are now working and studying from home, all on the same (now necessary) internet connection.

The same could be said of the growing need for a wireless connection. Shaw's Freedom Mobile service continues to draw in customers from the Big Three, while the newly announced Shaw Mobile targets existing internet-service customers on the west coast.

Finally, if income is more your preference, Shaw's provides a handsome dividend. The monthly distribution currently boasts an appetizing 4.77% yield.

Fool contributor Demetris Afxentiou owns shares of Shaw Communications

Cindy Dye : Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is one of the best-performing stocks on the TSX, with a 10-year CAGR of 30%. This growth is due in part to the company's aggressive acquisition strategy. For example, the company recently attempted to take over **Marathon Petroleum**'s Speedway gas stations, although Couche-Tard ultimately lost the bid.

In addition to the company's growth, Couche-Tard's chain of convenience stores is resilient during economic downturns. Despite the effects of the COVID-19 lockdowns, Couche-Tard's net income nearly doubled in the fourth quarter of 2020. The company reported net income of US$576.3 million, up from US$289 million in the same quarter a year earlier.

Fool contributor Cindy Dye does not own shares in any stocks mentioned.

Ambrose O'Callaghan: Canadian Imperial Bank of Commerce

My top stock for September is **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). Shares of CIBC have climbed 11% month-over-month as of early afternoon trading on August 28. The bank released its third-quarter 2020 results on the previous day.

Like its peers, CIBC benefited from a huge dip in provisions for credit losses. This allowed for a breakout in earnings. On an adjusted basis, net earnings per share rose to $2.71. This surpassed analyst expectations. CIBC's Capital Markets division was the big story, as profit rose 67% year-over-year to $392 million.

CIBC boasts an immaculate balance sheet and is a top income vehicle among its peers. It offers a quarterly dividend of $1.46 per share, representing a strong 5.6% yield. Moreover, CIBC stock last had a favourable price-to-earnings ratio of 12 and a price-to-book value of 1.2.

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

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