



## 1 Top Canadian Stock to Buy for July 2021

### Description

The stock market is going into July 2021 in a position of power. Stocks are [surging](#), the outlook looks brighter as the economy reopens, and COVID-19 looks like it's about to be conquered. This is the closest to normal we've been amid this pandemic. On July 1, Alberta is lifting the remainder of its restrictions, and just over a week later, the Calgary Stampede will be back on.

Optimism is picking up, Canadians are sick of the pandemic, and pre-pandemic levels of normalcy are so close that it's almost palpable. While it is good to be optimistic, it's more prudent, as an investor, to remain vigilant, as it's times when things are going well when the markets are most vulnerable to a negative surprise or shock.

### Don't let your guard down in July 2021

Right now, many are focused on moving on from the pandemic into a potentially rising-rate environment. The U.S. Fed remains accommodative, although they did hint at tightening in 2022. Investors have since shrugged off the threat of rate hikes, and the 10-year note has cooled off, giving a lift to growthier stocks.

Despite Canada's impressive COVID-19 vaccine progress, some folks have their doubts about the imminent economic reopening. The insidious "Delta" and "Delta Plus" variants are spreading rapidly across the globe. And experts, like Dr. Anthony Fauci, warned that they pose a real threat to the reopening.

It seems like we're almost out of this pandemic, but uncertainties remain. There's a bright light at the end of the tunnel, and we've never been closer. But there's a real chance we could take a step backward or even many leaps backward if the mutated variants spark further waves in spite of vaccinations. In the U.K., things look to be taking an ugly turn, with "Delta" causing a surge in cases.

### Preparing for negative surprises

For investors, the real risk to stocks may not lie with faster-than-expected rate hikes, but with a drastic worsening of this pandemic in the ongoing battle between vaccines and variants. That's why my top stock picks for July 2021 is not an aggressive reopening play like **Air Canada** — which appears to have a smooth transition to normalcy partially baked in — but a pandemic-resilient play in **SmartCentres REIT** ([TSX:SRU.UN](#)).

SmartCentres is a shopping centre REIT that's unlike most other retail REITs. It houses many essential retailers and is poised to do well should we face another round of lockdowns. At the same time, a sustained economic reopening will also be kind to SmartCentres REIT as rent-collection rates recovery further.

Moreover, the REIT has a juicy 6.2% yield that should provide investors with a great [shelter](#) against longer-lived inflation. Although the consensus calls for tempered inflation by next year, there's still a chance that the U.S. Federal Reserve may be wrong about how benign the recent inflation is. Could it be permanent and not transitory? Who knows? In any case, SmartCentres's distribution is stress-tested. It held up during the worst of last year, and it's likely to continue holding up, regardless of what comes up next.

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## TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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