17 Top TSX Stock Picks for July 2021

Description

Stephanie Bedard-Chateauneuf: Trulieve Cannabis

Trulieve Cannabis (TSXV:TRUL), the largest licensed medical marijuana operator in Florida, is my top stock for July.

Trulieve is seeing strong sales growth and is among the few profitable cannabis companies. In the first quarter of 2022, the company reported first-quarter revenues of US$193.8 million — a 102% year-over-year jump. That result beat expectations of US$189.86 million. Net income was US$30.1 million.

Analysts on average expect the company to post earnings per share of US$1.67 for 2022. This represents a 42.7% growth year over year. Moreover, sales for 2022 are forecasted to reach US$1.25 billion — 42% higher than the US$880.5 million seen for 2021.

Fool contributor Stephanie Bedard-Chateauneuf owns shares of Trulieve Cannabis.

Chris MacDonald: Shopify

My top stock for July is **Shopify** (TSX:SHOP)(NYSE:SHOP). This top Canadian e-commerce gem has outperformed the broader TSX since its IPO six years ago. As the leading e-commerce solution for many small- and medium-sized businesses, Shopify has been able to leverage some strong growth catalysts to get where it is today.

I think more upside is on the horizon for Shopify this month for two reasons. First, growth investors are starting to once again buy stocks such as Shopify with excellent historical growth. Lower interest rates and data that suggests inflation concerns are indeed overblown are leading to this rotation.

Second, Shopify is likely to see another set of blowout numbers this coming quarter. Investors may want to load up on this name before it runs up pre/post-earnings.

Fool contributor Chris MacDonald has no position in any of the stocks mentioned.

Kay Ng: Andrew Peller

Andrew Peller's (TSX:ADW.A) valuation has come off substantially after a correction, but the business results have been resilient through the pandemic. Economic reopenings across Canada, especially in Ontario, should be a key catalyst for growth over the near to medium term.

Last fiscal year results include resilient sales growth of 2.8% and earnings-per-share growth of 18%. The company also hiked its dividend by 10% in June.

At $9.60 per share at writing, analysts believe the consumer defensive stock could appreciate approximately 51% over the next 12 months. The Canadian Dividend Aristocrat pays you to wait with a starting yield of about 2.6%.

Fool contributor Kay Ng owns shares of Andrew Peller.

Nicholas Dobroruka: Air Canada

My top pick for the month of July is Canada's largest airline, **Air Canada** (TSX:AC).

I was bearish on Air Canada stock in the early days of the pandemic, but the airline stock has fared impressively over the past year and a half. After losing more than 70% in value in barely over a month in early 2020, shares of Air Canada have rebounded with a bull run that's returned a gain of more than 100%.

The airlines in the U.S. haven't been top growth drivers for shareholders in recent years. The capital-intensive industry has led to many top U.S. airline stocks returning growth that has lagged the broader market's returns.

It's been a different story for Canadian investors, though. Even with Air Canada stock's massive drop last year, shares of the airline are still up close to 200% over the past five years. And ahead of the country's planned reopening, this is one Canadian stock that could see an acceleration in growth over the next six months.

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

Robin Brown: BSR Real Estate Investment Trust

If you are worried about inflation, real estate is a great hedge. Residential real estate is ideal because landlords can quickly raise rents alongside inflation. Rather than buy and manage your own rental unit, why not just buy **BSR REIT** (TSX:HOM.U)?

It operates a high-quality portfolio of well-located garden-style apartments in America. Its properties are located in some of the fastest-growing regions in North America. Consequently, it is enjoying high occupancy, strong rental demand, and historic rental rate growth.

BSR has significant dry powder to deploy into new apartment acquisitions this year. Likewise, investors can win from a growing cash-flow profile, a discounted stock price, and a great 3.8% dividend.

Fool contributor Robin Brown owns shares of BSR REAL ESTATE INVESTMENT TRUST.

Amy Legate-Wolfe: Brookfield Property Partners

As the market continues to heat up, investors are taking on unnecessary risk. Many look to these meme stocks for short-term gains rather than seeking guaranteed income through dividends. I would take those for long-term returns over the potential for losses any day. And right now, **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) has the highest yield at 7% as of writing.

But it gets better for today's investor. The stock is a steal with a 10.41 P/E ratio. Yet shares trade up about 91% this year alone! That comes from the expected soaring revenue, as the pandemic ends and its diverse $88 billion in assets get back to work. Patience pays — not risk. But picking up this stock as a long-term buy will pay as you hold for decades.

Fool contributor Amy Legate-Wolfe has no position in any of the stocks mentioned.

Puja Tayal: Descartes Systems

My top TSX stock pick for June is **Descartes Systems** (TSX:DSG)(NASDAQ:DSGX). This stock is often neglected, as it works on the backend, providing logistics and supply chain management solutions. As the economy reopens, people are travelling again, industries are restarting, and e-commerce continues to see strong volumes. Descartes will see a surge in volume in the travel and business-to-business space. Moreover, it would benefit from the holiday season rally. The stock has already surged 22% in June, and it has the potential to ride the recovery and holiday season rally.

Fool contributor Puja Tayal has no position in any of the stocks mentioned.

Sneha Nahata: Goodfood Market

The correction (about a 39% drop in price on a year-to-date basis) in **Goodfood Market** (TSX:FOOD) stock has provided an opportunity for investors to buy this high-growth company at the current levels. The unseasonably warm weather and economic reopening negatively impacted its active subscriber base and, in turn, its stock price.

However, I believe most of the issues hurting Goodfood Market stock are transitory, and the company remains well positioned to deliver strong financial and operating performance in the long run. The growing adoption of online grocery services, higher order rates, increased basket size, and Goodfood's strategy to expand product selection and lower delivery time augur well for future growth.

Furthermore, the online grocery provider could continue to benefit from its robust delivery capabilities, the launch of same-day delivery services, and mobile app. Also, its investments in technology and targeted marketing are likely to drive its subscriber base and drive its stock higher.

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

Jed Lloren: Nuvei

My top stock for July is **Nuvei** (TSX:NVEI). The company provides an omni-channel payments solution used by merchants across more than 200 global markets. Currently, Nuvei's platform is compatible with 450 different payment types, and it accepts 150 currencies. Recently, Nuvei has also integrated cryptocurrency payments into its software, showing that the company is forward-thinking.

I have been a fan of Nuvei since its IPO, when the company made history as the largest tech IPO in Canadian history. Since its first day of trading, Nuvei stock has gained more than 115%. However, it still trades at a market cap below $14 billion. If Nuvei can reach the size of its peers in the payments space, investors could be looking at major returns.

Fool contributor Jed Lloren has no position in any of the stocks mentioned.

Karen Thomas: Western Forest Products

Western Forest Products (TSX:WEF) ranks well on all measures of financial health and valuation. It's a company that's characterized by strong cash flow and earnings growth. This growth has been accompanied by a track of record of beating expectations. The company is backed by a strong balance sheet and a stellar ESG record. Yet Western Forest Products stock remains severely undervalued.

The COVID-19 pandemic has caused lumber supply issues, which has resulted in soaring lumber prices. This has been good for Western Forest Products, and its stock price has rallied from its lows. Going forward, as the economy opens up again, Western Forest Products stock should continue to perform well.

Fool contributor Karen Thomas owns shares of Western Forest Products.

Cindy Dye: Power Corporation of Canada

With profits up almost three times higher than a year ago, **Power Corporation of Canada** (TSX:POW) is my top stock pick for July.

The company is nearing its 100th anniversary as an international management and holding company. With operations in North America, Europe, and Asia, POW operates through three business segments: **Great-West Lifeco**, **IGM Financial**, and GBL.

Thanks to significant gains in its life insurance business, POW's third-quarter profit showed a dramatic increase. The company's profit was $556 million in the first quarter of 2021 compared with $200 million at the same time last year. Great-West Lifeco net earnings increased 107% to $707 million from $342 million a year earlier.

Fool contributor Cindy Dye owns shares of Power Corporation.

Andrew Walker: Algonquin Power

Algonquin Power (TSX:AQN)(NYSE:AQN) owns utility and renewable energy businesses primarily located in the United States and Canada.

The company has a strong track record of growth through acquisitions and organic projects. This has enabled the board to raise the dividend by at least 10% per year over the past decade.

The current capital program of US$9.4 billion through 2025 should deliver steady revenue and cash flow increases to support ongoing dividend hikes.

The stock had a nice run off the lows last year but has since pulled back to an attractive level and currently offers a solid 4.3% dividend yield.

Fool contributor Andrew Walker owns shares Algonquin Power.

Vineet Kulkarni: Toronto-Dominion Bank

Among the six big Canadian banks, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) looks well placed to deliver handsome dividend growth this year. It has some of the largest surplus cash and better asset quality compared to its peers. Moreover, its large U.S. presence and impending economic recovery could fuel significant growth in the post-pandemic world.

TD Bank stock currently yields 3.5%, which is in line with the industry average. It is up almost 50% in the last 12 months.

Once the Canadian banking regulator allows dividend increases and share buybacks, TD Bank will likely create enormous shareholder value. Its secure dividend profile and ample growth prospects make it an attractive bet for long-term investors.

Fool contributor Vineet Kulkarni has no position in any of the stocks mentioned.

Aditya Raghunath: WELL Health Technologies

My top stock for July is Canadian company **WELL Health Technologies** (TSX:WELL). The health-tech giant has already delivered exponential gains to long-term investors and is up a staggering 8,000% since its IPO in early 2016.

However, given its stellar growth estimates, WELL Health can be considered undervalued, as its peers south of the border are trading at significantly higher valuations. Analysts tracking WELL stock expect sales to increase from $50.24 million in 2020 to $423 million in 2022. It means WELL Health is trading at a forward price-to-2022-sales multiple of 3.9, which is very reasonable.

The company continues to focus on accretive acquisition that will help it improve revenue and profit margins at a healthy pace, making a top growth stock on the TSX.

Fool contributor Aditya Raghunath has no position in any of the stocks mentioned.

Jitendra Parashar: Keyera

Keyera (TSX:KEY) is my top pick for July. It's a Calgary-based integrated energy infrastructure firm with a market cap of $7.3 billion. Its stock is currently trading with about 46.4% year-to-date gains. After witnessing a consistent weakness in its sales — partly due to COVID-19-related operational challenges, Keyera recently increased its 2021 marketing segment guidance in May. The company's improved financial performance in the latest quarter, and its negotiations for the future natural gas liquids supply agreements were two of the reasons for its raised guidance. Bay Street analysts now expect KEY's 2021 revenue to rise by 34% YoY to nearly $4 billion.

These positive factors justify why Keyera's stock has consistently been surging for the last three months. I expect its ongoing stock rally to extend in the second half of the year, as its earnings-growth outlook continues to improve.

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

Demetris Afxentiou: Bank of Nova Scotia

I'm a big fan of discounted stocks that can provide growth and dividends for years to come. That's just one reason why my pick for the month is **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS).

Canada's banks are often seen as superb long-term picks. That being said, there's a real opportunity with Bank of Nova Scotia at the moment. Specifically, Scotiabank still trades at a discount to many of its peers and offers one of the best dividends on the market. That's an incredible statement considering that the bank has already soared over 16% year to date.

Part of the reason for that potential stems from the bank's focus on expanding into Latin America. The long-term growth potential there is huge and should continue to its impressive dividend. The bank currently boasts a quarterly dividend carrying a yield of 4.45%, which beats out all of Bank of Nova Scotia's Big Five peers.

Fool contributor Demetris Afxentiou owns shares of Bank of Nova Scotia.

Andrew Button: Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) has had a great run in 2021, rising 36% for the year so far. Yet, if it is to reach the prices it was at in 2018 ($56 at the highs for the year), it still has $27 or so to climb. There is no reason to think that SU can't reach such prices.

The price of oil has been rising this year, and it may rise more, as the post-COVID travel rebound increases demand. This will have a positive impact on Suncor's earnings.

In its most recent quarter, Suncor had $2.1 billion in funds from operations, $746 million in operating earnings, and $821 million in net income. All of these figures were vastly improved from the prior year quarter. So, the oil recovery is already showing up in Suncor's earnings, and that should soon be reflected in its stock price.

Fool contributor Andrew Button has no position in any of the stocks mentioned.

CATEGORY

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2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BNS (The Bank of Nova Scotia)
4. NYSE:SHOP (Shopify Inc.)
5. NYSE:SU (Suncor Energy Inc.)
6. NYSE:TD (The Toronto-Dominion Bank)
7. TSX:AC (Air Canada)
8. TSX:ADW.A (Andrew Peller Limited)
9. TSX:AQN (Algonquin Power & Utilities Corp.)
10. TSX:BNS (Bank Of Nova Scotia)
11. TSX:BPY.UN (Brookfield Property Partners)
12. TSX:DSG (The Descartes Systems Group Inc)
13. TSX:FOOD (Goodfood Market)
14. TSX:HLS (HLS Therapeutics Inc.)
15. TSX:HOM.U (BSR Real Estate Investment Trust)
16. TSX:KEY (Keyera Corp.)
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