



11 Top TSX Stock Picks for September 2021

Description

We asked our Foolish writers for their top ideas for September. Here are their picks:

Chris MacDonald: Manulife

My top stock for September is **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)). This top insurance player is among the biggest players in Canada, with a growing market share in key growth markets abroad, particularly China.

Given a resurgence in higher bond yields, the longer-term earnings prospects of Manulife have improved. This insurance player currently trades at a significant discount to peers in the financials space, providing great value for long-term investors.

As far as top value stocks with excellent leverage to the pandemic recovery, Manulife remains a top pick of mine. This is a stock I think has tremendous value in September and beyond.

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

Amy Legate-Wolfe: NorthWest Healthcare Properties REIT

The economic recovery may be slow, but it's there. **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) continues to run strong. The company saw revenue skyrocket during the pandemic, as one of the very few real estate investment trusts (REITs) that provided essential services. NorthWest then used the low interest rate environment to renew lease agreements and bring in new properties — even an Australian healthcare REIT!

Yet despite this and its dividend yield of 6.16%, shares are only up 7% year to date, and it continues trade at a P/E ratio of 9.28. Given that healthcare REITs are immune to global inflation, that makes them in high demand moving forward. And NorthWest currently boasts a global 97% occupancy rate with a 14.3 year average lease agreement! So, while investors may have to be patient for share

growth, it won't be for long. Meanwhile, you can bring in this solid dividend yield for guaranteed passive income.

Fool contributor Amy Legate-Wolfe owns shares of NorthWest Healthcare Properties REIT.

Ambrose O'Callaghan: Suncor Energy

My top stock for September is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Shares of this Canadian energy heavyweight had dropped 7.6% month over month as of close on August 26. However, it has delivered much-improved earnings in 2021. The rise of the Delta variant remains a concern when it comes to demand, but I'm bullish on the energy sector going forward.

Suncor posted a profit of \$868 million in Q2 2021. Meanwhile, its production enjoyed a significant uptick, even in the face of planned maintenance. This stock last had a price-to-earnings ratio of 23, putting it in solid value territory relative to its industry peers. It offers a quarterly dividend of \$0.21 per share, representing a 3.5% yield. I'm looking to snatch up this super energy stock on the dip before the summer ends.

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

Nicholas Dobroruka: goeasy

My top stock for the month of September is **goeasy** ([TSX:GSY](#)).

This \$3 billion company might be one of the best-kept secrets on the TSX. Shares are up close to 100% year to date and more than 800% over the past five years.

Some investors may be hesitant to buy during such a strong bull run, but I'm as bullish as ever on goeasy. The reopening of the country could send the [growth stock](#) surging even higher over the next couple of months.

goeasy is a consumer-facing financial services company. It provides Canadians with all types of home, auto, and personal loans. So, if consumer spending begins to rise as the country slowly reopens, I think it's a safe bet to say that goeasy revenue will be rising too.

The best part is, goeasy stock is trading at a discount compared to many other Canadian growth stocks right now. Shares are trading at a [bargain price](#) of a forward price-to-earnings ratio of just 15.

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

Jed Lloren: Nuvei

My top stock for September is **Nuvei** ([TSX:NVEI](#)). This is a stock that has intrigued me since its IPO. Of all the industries to invest in, I am most fascinated by the potential growth of the e-commerce industry. While Nuvei doesn't operate in that industry per se, it is highly exposed to it due to its business as a payment processor. As more retail spending continues to flow into these online streams,

Nuvei is poised to benefit.

In its latest earnings presentation, the company reported that its total volume processed in Q2 2021 was 146% greater than its processed volume in Q2 2020. This translated into a 114% year-over-year increase in Nuvei's quarterly revenue. Already present in 200 global markets, Nuvei is well positioned for continued growth in the future.

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

Robin Brown: Sangoma Technologies

Sangoma Technologies (TSXV:STC) is a one-stop shop for unified communications-as-a-service solutions across the world. This stock has pulled back 38% from highs set earlier this year.

Yet this company is in excellent shape. It just acquired a similar-sized peer in the United States. This should significantly broaden its cloud services platform. Likewise, Sangoma expects to see higher gross margins and expanded recurring revenues (over 70%).

The company expects to grow revenues and EBITDA in fiscal 2021 by 26% and 40%, respectively. Despite strong growth and profitability, this stock trades at fraction of larger, unprofitable peers. Hence, this stock could enjoy the double-edged combination of rising earnings and higher valuation multiples in years to come.

Fool contributor Robin Brown owns shares of Sangoma Technologies.

Kay Ng: Canadian Net REIT

Nothing beats having the reassurance of earning safe passive income every month. **Canadian Net REIT** ([TSXV:NET.UN](#)) is a Canadian Dividend Aristocrat with a track record of cash distribution increases.

Recently, it had shown signs of accelerated dividend growth. Its five-year dividend-growth rate is 13%, including this year's cash distribution hike of 17%.

Canadian Net REIT maintains a high occupancy rate of 99%. It has benefited from a low interest rate environment. Last quarter, its weighted average interest rate on fixed loans and mortgages was 3.4% versus 3.7% a year ago.

It's still a small REIT with \$232 million of assets and lots of room to grow. With a safe yield of about 3.9%, the undervalued monthly dividend stock is a great buy for [passive income](#) in a TFSA.

Fool contributor Kay Ng owns shares of Canadian Net REIT.

Stephanie Bedard-Chateauneuf: Spin Master

Spin Master ([TSX:TOY](#)) is my top TSX stock for September.

The toymaker posted higher earnings for its most recent quarter, as revenue climbed 39% on better-selling products from Paw Patrol, Gabby's Dollhouse, and Present Pets as well as strong revenues for its digital games.

The Toronto-based company reported a net profit of US\$33.5 million (US\$0.32 per share) for the quarter ended June 30 compared with a net loss of US\$14.9 million (US\$0.15 per share) in the prior-year quarter.

According to Spin Master's president and CEO Max Rangel, the company is well positioned for the second half of 2021, with a strong toy lineup, growth in its digital game franchises, and the release of the movie *Paw Patrol: The Movie*. Spin Master's first foray into the film business is expected to boost toy sales as well as licensing and merchandising revenue.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any of the stocks mentioned.

Puja Tayal: Suncor Energy

My top TSX stock pick for September is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). This stock has [dipped](#) 22% since July 5, as rising Delta variant cases created hiccups in the global recovery. Moreover, a decline in oil price and production issues at Suncor's Fort Hills oil sands mine put downward pressure on the stock.

But these are temporary issues. There is pent-up demand for travel, and it is reflected in Suncor's second-quarter earnings. As the fourth wave eases, the recovery could return. Suncor stock could recoup the two-month loss and surge more than 20% back to the July level of over \$30.

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

Vineet Kulkarni: Canadian Natural Resources

Shares of **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), Canada's biggest energy company by market cap, have been on a downtrend for the last few months. Fears of reopening delays weighed on energy commodities and on CNQ stock as well. However, this could be a valuable opportunity for discerning investors.

Canadian Natural will likely see stellar earnings growth in the second half of 2021, driven by higher production and [higher oil prices](#) as against last year. Moreover, its lower breakeven costs allows huge free cash flow growth even at current oil prices. So, once the Delta variant fears subside, CNQ stock should resume its upward climb.

Apart from its superior capital gain prospects, CNQ offers a juicy yield of nearly 5%. Investors can expect consistent dividend growth from the energy giant driven by its robust balance sheet and strong financial growth.

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

Demetris Afxentiou: Fortis

The growing need to diversify your portfolio to counter volatility has never been greater. That's just one reason why my pick for this month is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is one of the most defensive picks on the market. In terms of size, the utility behemoth is one of the largest on the continent, with operations across 10 different operating regions. Fortis also boasts over 3.4 million utility customers across both electric and gas segments. If that weren't enough, keep in mind that utilities generate a stable revenue stream backed by long-term regulated contracts.

Fortis's immense size coupled with a very reliable and stable business model make it a great defensive pick in an increasingly volatile market.

Adding to that appeal is Fortis's dividend. The current yield works out to a juicy 3.52%. Even better, Fortis has provided investors with annual bumps to that dividend for over 47 consecutive years. The company is also extending that guidance through 2025, making Fortis a perfect defensive option (and a future Dividend King) for your portfolio.

Fool contributor Demetris Afxentiou owns shares of Fortis.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:MFC (Manulife Financial Corporation)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:FTS (Fortis Inc.)
7. TSX:GSY (goeasy Ltd.)
8. TSX:MFC (Manulife Financial Corporation)
9. TSX:NVEI (Nuvei Corporation)
10. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
11. TSX:STC (Sangoma Technologies Corporation)
12. TSX:SU (Suncor Energy Inc.)
13. TSX:TOY (Spin Master)
14. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

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