



## 17 Top TSX Stock Picks for December 2021

### Description

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

### Andrew Walker: Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) reported strong Q3 2021 results, supported by record customer additions and very low mobile churn rates.

The business should see a rebound in revenue from roaming fees in 2022, as corporate and holiday travel recovers. Telus is investing in new 5G networks and continues to replace its legacy copper lines with fibre optic connections to drive growth.

Telus Health and Telus Agriculture have enjoyed strong revenue gains in 2021. The market might not fully appreciate the growth potential in the coming years of these divisions.

Telus recently raised the dividend by 5.2%. Income investors can now get a 4.4% yield.

*Fool contributor Andrew Walker owns shares of Telus.*

### Nicholas Dobroruka: Air Canada

My top pick in December is the Canadian airline stock **Air Canada** ([TSX:AC](#)).

Unlike many of its peers in the air travel space, Air Canada is no stranger to outperforming the market. Even with the selloff during this pandemic, shares of Air Canada are still up a [market-beating](#) 60% over the past five years. It's also more than a 20-bagger over the past decade.

With Air Canada stock still down 50% from all-time highs today, [long-term](#) investors may be interested in loading up on shares before the end of the year.

Predicting what the demand for international travel will look like next year is still very difficult. What we

do know, though, is that Canadians are gradually returning to their pre-COVID-19 lifestyles. And once you factor in all the pent-up consumer demand for travel, I don't think it will be long before Air Canada is back to all-time highs.

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

## Aditya Raghunath: Lightspeed Commerce

My top pick for December is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), a stock that's down 56% from all-time highs. Investors are worried about Lightspeed's decelerating revenue growth and the short-seller report published by Spruce Point Capital that accused the company of misleading investors.

However, the pullback offers investors an opportunity to buy a growth stock at a lower valuation. Lightspeed is part of a rapidly expanding addressable market that will allow it to grow top line at an enviable pace in the future. While still unprofitable, it is expected to narrow losses from \$1.16 per share in fiscal 2021 to \$0.21 per share in fiscal 2023.

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

## Amy Legate-Wolfe: Brookfield Renewable Partners

Investors still haven't realized the value that comes with investing in clean energy stocks. Yet the opportunity doesn't get much better than **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield Renewable reported record-setting earnings last month; specifically, it had record funds from operations of \$210 million.

But investors have a lot to look forward to. Besides the world moving towards clean energy, Brookfield is already creating value for shareholders. It made 19 power-purchase agreements in the last year, progressed a combined 36,000 megawatts of developments around the world, and invested about \$2.4 billion of equity across several projects. Further, it still has \$3.3 billion on its balance sheet.

Once the world catches up, Brookfield will be ahead of the game. Yet it trades at a valuable 16.43 EV/EBITDA. Plus, you get a dividend yield of 3.16% as of writing. And with a potential upside of 17% to its target price, it's a great short-term buy as well.

*Fool contributor Amy Legate-Wolfe owns shares of Brookfield Renewable Partners.*

## Puja Tayal: Enbridge

My top TSX stock pick for December is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), trading at a 5% discount from its November high, despite a recovery in earnings. The [global energy crisis](#) is creating an opportunity for the oil and gas sector. Several European countries and the United States are reaching out to natural gas exporters to fulfill their supply shortages. Canada's rich oil and natural gas reserves make it a promising candidate in the energy crisis. Enbridge is at the core, thanks to its pipeline infrastructure that connects Canada to the United States. The growing demand for natural gas to heat

cold winters will drive up volumes, bringing more toll money to Enbridge.

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

## Kay Ng: Manulife Financial

Income and total-return investors should take a closer look at **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) in December. At under \$25 per share at writing, the Canadian Dividend Aristocrat trades at a cheap valuation of about 7.8 times earnings.

Manulife's 18% dividend hike this month brings its annualized payout to \$1.32 per share, leading to a juicy initial yield of close to 5.3%. Its five-year dividend-growth rate of 9.6% provides a more normalized picture of its earnings and dividend-growth potential.

Additionally, interest rates are at historic lows and are expected to head higher over time. Higher interest rates should be a tailwind for the life and health insurance company, whose portfolio consists of about 83% of fixed-income assets.

*Fool contributor Kay Ng owns shares of Manulife.*

## Sneha Nahata: Shopify

With the ongoing shift in selling models towards omnichannel platforms and e-commerce's growing share of overall retail, I am bullish on **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). The strengthening of its fulfillment network, international expansion, multichannel selling, and partnerships with social media companies suggests that Shopify remains well positioned to capitalize on favourable industry trends.

Furthermore, the increased adoption of its payment solutions, new product launches, higher gross merchandise volume from existing customers, and operating leverage augur well for future growth. While the economic reopening could lead to normalization in the growth rate, Shopify expects to grow its revenues rapidly, which supports my bullish view.

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

## Vineet Kulkarni: Nuvei

Canada's top fintech stock **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) looks well placed to play the potential Santa Claus rally. The stock has corrected almost 35% in the last three months and seems ready for a decent bounce back.

The payment processing company Nuvei reported [handsome financial growth](#) this year. Driven by strong contributions from its e-commerce segment, the company saw its top line almost double relative to 2020. Nuvei could continue its superior revenue growth in the next few quarters, fueled by recently completed acquisitions.

Despite the recent fall, NVEI stock is sitting on handsome gains of 90% so far this year. Moreover,

strong growth prospects and overblown correction might drive the stock higher in December and in 2022.

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

## Jitendra Parashar: New Gold

The Toronto-based gold mining firm **New Gold** ([TSX:NGD](#))([NYSE:NGD](#)) is my top pick for December. This [Canadian gold stock](#) currently trades at \$1.87 per share with about 33% year-to-date losses.

The equities market seems to be entering a correction mode as concerns about high inflation, supply chain disruptions, labour shortages, and new COVID variants have started haunting investors. Due to these emerging concerns, I expect investors to flock to safe-haven assets like gold, leading to a rally in the yellow metal's prices. In such a scenario, buying some cheap gold stocks like New Gold could be the best bet. This precious metals mining company has crushed analysts' earnings estimates in the last couple of quarters, and its long-term earnings growth outlook remains strong. In addition, stronger gold prices are likely to help NGD stock soar in the near term.

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

## Andrew Button: Cargojet

My top stock for December is **Cargojet** ([TSX:CJT](#)). This stock benefits from a number of trends we're currently witnessing. First, there's the Christmas shopping season. As a cargo airline that ships e-commerce packages, CJT directly benefits from the surge in online shopping that occurs during the winter holidays. Second, it may benefit from the rise of the new South African COVID-19 benefit, as lockdowns and retail closures also lead to increased online shopping.

Unlike most airlines, Cargojet did well in 2020. As an airline that ships goods rather than people, it can survive — even thrive — amid the pandemic. In its [most recent quarter](#), Cargojet posted 17% year-over-year revenue growth and generated \$194 million in cash from operating activities. Net income was negative, but other metrics were solid. Overall, the stock is an intriguing play for the current market environment.

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

## Demetris Afxentiou: Algonquin Power & Utilities

Volatility is once again on the rise, leading investors to seek out defensive investments. That influenced on my top stock pick for December, which is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin operates a growing portfolio of renewable energy facilities and provides utility service to over one million customers in the U.S. and Canada. The defensive nature of that business means that Algonquin generates a stable and recurring revenue stream.

The all-renewable portfolio of facilities that Algonquin operates also means that the company isn't straddled with huge transition costs. This puts the company in a clear advantage over its fossil fuel-burning peers, allowing it to focus on growth.

In terms of a dividend, Algonquin's quarterly distribution works out to an impressive 4.85%. Despite the stable business and healthy yield, Algonquin is trading down over 12% year to date. This makes it an ideal to pick up a great stock at a discounted rate.

*Fool contributor Demetris Afxentiou owns shares of Algonquin Power.*

## Jed Lloren: Fortis

My top stock to buy this month is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). It's no secret that the stock market has been volatile over the past few months, and growth stocks have been hit hard. During times like these, I find it's a good idea to balance out your portfolio with defensive dividend paying companies. I don't believe there's a better dividend company on the TSX than Fortis. At 47 years, it holds the second-longest active dividend-growth streak in Canada and is a recession-proof business. The stock also offers a forward dividend yield of 3.81% as an added incentive.

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

## Robin Brown: Andlauer Healthcare Group

With the recent outbreak of new COVID-19 variants, demand for vaccine boosters could be very favourable for **Andlauer Healthcare Group** ([TSX:AND](#)). It is a leader in healthcare distribution across Canada. It has the scale, infrastructure, and fleet to hold a dominant position in a very specialized transportation niche.

Andlauer completed its initial public offering in late 2019, and its stock is up nearly 150%. For a boring transportation business, the company produces impressive +25% EBITDA margins. It has been growing by an annual compounded rate of 10% for the past five years.

It just completed some attractive acquisitions in the United States. These could open up a whole new business opportunity there. For a well-managed, owner-operated business, this looks like an intriguing compounder for the long term.

*Fool contributor Robin Brown has no position in any of the stocks mentioned.*

## Stephanie Bedard-Chateauneuf: Trulieve Cannabis

**Trulieve Cannabis** (TSX:TRUL) is my top stock for December. The American cannabis company dominates the medical cannabis market in Florida.

Revenue has increased sharply in the third quarter thanks to growing cannabis demand. Total revenue was US\$224.1 million for the quarter ended September 30, an increase of 64% from US\$136.3 million

in the previous year. Net income was US\$18.6 million in Q3 2021, up 7% from US\$17.4 million in Q3 2020.

The multi-state cannabis operator completed the Harvest acquisition in fewer than five months while simultaneously achieving expansion goals in multiple markets.

For fiscal 2021, revenue is expected to increase by 134.8% to US\$1.22 billion, while EPS is expected to grow by 117% to \$1.15.

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

## Daniel Da Costa: WELL Health Technologies

My top stock for December is **WELL Health Technologies** ([TSX:WELL](#)). With the high-potential healthcare tech stock reaching a new 52-week low recently, it's easily one of the best Canadian stocks you can buy in this environment.

In addition to the fact that it's growing rapidly both by acquisition and organically, the stock is now extremely cheap. WELL hasn't traded below \$6 a share since the summer of 2020.

And now, with the resurgence of the coronavirus around the world, and fears picking back up about the new highly infectious variant discovered in South Africa, these healthcare tech stocks could come roaring back into favour, which is why WELL is at the top of my buy list.

*Fool contributor Daniel Da Costa owns shares of WELL Health Technologies.*

## Karen Thomas: Baytex Energy

**Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) is a \$2.3 billion Canadian oil and gas producer. It has a high-quality, diversified asset base with a targeted value-creation strategy. Essentially, Baytex's capital efficiencies are improving dramatically. This has been driving margins and cash flows higher. On top of all this, oil and gas prices have been soaring.

Baytex is my top pick for December, because it's one of the most undervalued oil and gas stocks out there. In fact, it trades at a very depressed 1.4 times cash flow. This valuation, coupled with Baytex's newly diversified asset base and strengthening returns, make this stock a top pick.

*Fool contributor Karen Thomas does not own shares in any of the companies mentioned.*

## Ambrose O'Callaghan: Kinaxis

My top stock for December 2021 is **Kinaxis** ([TSX:KXS](#)). The Ottawa-based company provides cloud-based subscription software for supply chain operations to an international client base. Kinaxis stock has performed well since debuting on the TSX back in 2014.

North America is currently battling a supply chain crisis that threatens to hurt retailers this holiday

season. Kinaxis's software is in high demand, as companies aim to modernize their supply chain and operations planning capabilities. In Q3 2021, the company delivered adjusted EBITDA growth of 22% to \$12.3 million. It also won a record number of customers in the quarter. This tech stock is one of my favourite targets right now, especially considering the current climate.

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

## **CATEGORY**

1. Investing
2. Top TSX Stocks

## **TICKERS GLOBAL**

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BEP (Brookfield Renewable Partners L.P.)
4. NYSE:ENB (Enbridge Inc.)
5. NYSE:FTS (Fortis Inc.)
6. NYSE:LSPD (Lightspeed Commerce)
7. NYSE:MFC (Manulife Financial Corporation)
8. NYSE:SHOP (Shopify Inc.)
9. NYSE:TU (TELUS)
10. NYSEMKT:NGD (New Gold Inc.)
11. TSX:AC (Air Canada)
12. TSX:AND (Andlauer Healthcare Group Inc.)
13. TSX:AQN (Algonquin Power & Utilities Corp.)
14. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
15. TSX:BTE (Baytex Energy Corp.)
16. TSX:CJT (Cargojet Inc.)
17. TSX:ENB (Enbridge Inc.)
18. TSX:FTS (Fortis Inc.)
19. TSX:KXS (Kinaxis Inc.)
20. TSX:LSPD (Lightspeed Commerce)
21. TSX:MFC (Manulife Financial Corporation)
22. TSX:NGD (New Gold Inc.)
23. TSX:NVEI (Nuvei Corporation)
24. TSX:SHOP (Shopify Inc.)
25. TSX:T (TELUS)
26. TSX:WELL (WELL Health Technologies Corp.)

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