



Why You Should Sell Westport Innovations Inc. and Bombardier Inc. Right Away

Description

As we near the end of 2014, there are some tasks that many investors need to complete in the next six weeks. For example, if you have an RESP or TFSA, you have until the end of the year to make your contribution.

There's another task that's a little more pressing: tax-loss harvesting. For those of you unfamiliar with the phrase, you can sell any of your losing investments to offset gains from the past three years, or carry them forward indefinitely. This is something you should be taking advantage of. Because even if you believe these stocks will rebound, you only have to wait a month before buying them back again.

And you should be selling these stocks right away. Because once December hits, other investors will likely be doing something similar. And that could drive stock prices down, right before you sell.

Below we take a look at two stocks that will face a flurry of selling activity in the weeks ahead. Your best bet is to sell them now.

1. Westport Innovations

It's fair to say that practically everyone who holds **Westport Innovations Inc.** (TSX: WPT)([Nasdaq: WPRT](#)) has lost money on the name. The shares, at \$6.53 (as of this writing), trade near their 52-week low of \$5.97. And less than a year ago, they traded above \$25. What's gone wrong?

Well, a few things have gone against the company. For one, rising natural gas prices have made the company's natural gas engine technology less competitive. More recently, falling diesel prices have exacerbated this trend. Westport has also faced slowing growth; in fact, this year revenue is expected to decline, and the company remains unprofitable.

There's another reason the shares have plummeted: they were far too expensive to begin with. And even today, they remain pricey.

So you should definitely sell the shares right away. And even when the new year hits, you should think long and hard before buying them back.

2. Bombardier

Like Westport, not much has gone right for **Bombardier Inc.** ([TSX: BBD.B](#)) this year. The company has been plagued by CSeries hiccups, cash flow issues, and geopolitical tensions in Russia. Along the way, its shares are down by nearly 20% this year and by more than 40% since mid-2011.

The news could easily get a lot worse. Many analysts think more delays are coming for CSeries, and that would put tremendous pressure on the Bombardier's cash flow. Worst of all, the company's balance sheet is overstretched, with \$7.7 billion in debt.

So once again, this is a stock you should sell right away. And you may not want to buy it back.

Instead, you should focus on companies you can actually count on. In the free report below, we reveal five such names.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:WPRT (Westport Fuel Systems Inc.)
2. TSX:BBD.B (Bombardier)

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Date

2025/07/04

Date Created

2014/11/06

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