



3 Things to Watch on the TSX Index Friday

Description

The big macroeconomic headline Thursday on the TSX was the 2% increase in oil prices after an oil tanker was attacked near Iran.

However, there were also several earnings hits and misses that could carry into Friday's trading. With that in mind, here are three things to watch on the TSX today.

Dollarama delivers the goods

Canada's largest discount store reported first-quarter earnings June 13, and they were stronger than expected to send **Dollarama** ([TSX:DOL](#)) stock higher by more than 10% on the news.

Not only did the company deliver same-store sales growth of 5.8% in the quarter, double the consensus estimate, but it also raised its same-store sales projection for fiscal 2020 by 50 basis points to between 3% and 4%.

"We like the industry's gear toward a value-conscious consumer, notably during a softer macro environment, which will increase the allure of bargain hunting," said Camilla Yanushevsky, an analyst with CFRA Research.

Although Friday trading is generally lighter, investors can expect higher than usual trading for Dollarama stock.

Hexo failed to wow investors

Quebec-based cannabis producer **Hexo** ([TSX:HEXO](#)) reported its Q3 2019 results Thursday, and both its earnings and revenues missed analyst estimates.

On the top line, analysts were expecting \$14.73 million in sales; Hexo delivered \$12.96 million, significantly higher than the \$1.24 million in sales a year earlier. On the bottom line, it lost \$0.06 a share in the third quarter — a penny worse than analyst expectations and \$0.05 worse than a year earlier.

Hexo remains on track to generate \$400 million in revenue by the end of 2020. Thursday's weakness should invite some buying Friday if the markets cooperate and move higher.

Hudson's Bay's sales slump

Hudson's Bay (TSX:HBC) announced a larger first-quarter loss than expected Thursday due to poor sales at its Lord & Taylor chain.

The best news at HBC continues to be the performance of Saks Fifth Avenue, which saw same-store sales grow by 2.4% for an industry-leading two-year stacked comp of 8.4%. On the downside, Hudson's Bay, the firm's legacy brand here in Canada, had same-store sales of -4.3

On Friday, investors could learn more about the company's privatization plans and whether any other bids are forthcoming.

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2. TSX:HEXO (HEXO Corp.)

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