



Top Brokers Name 3 TSX Shares to Sell Today

Description

One of the best earnings announcements of a Canadian company on Thursday was **Lululemon**. Unfortunately, LULU doesn't trade on the TSX, because analysts continue to love its business.

On the downside, analysts downgraded three TSX stocks in the past couple of days that are worth noting. Here's a little bit about each one of them.

North West Company

North West Company ([TSX:NWC](#)), the Winnipeg-based retailer best known for its general merchandise stores in northern Ontario and other northern Canadian outposts, got downgraded Thursday by Industrial Alliance Securities analyst Neil Linsdell.

Linsdell has noticed that the company is continuing to have trouble controlling expenses, which are eating into its profitability. While the retailer had better-than-expected revenues in the first quarter of \$494.5 million, its adjusted earnings were \$37.3 million — \$2 million short of his estimate for the quarter.

As a result of its expense challenges, Linsdell lowered his rating on the stock from buy to hold. Also, he cut its target price by \$1.50 to \$31.

Shaw Communications

Citigroup analyst Adam Ilkowitz lowered his earnings projections for Western Canada cable company **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) on Thursday.

Ilkowitz, who has a sell rating on Shaw and a \$24 target price, more than 10% below where it's currently trading, lowered his future earnings estimates for the company. In each of the next three years, the analyst has reduced its full-year earnings per share by a nickel to \$1.36 in 2019, \$1.45 in 2020, and \$1.55 in 2021.

"Our sell rating is largely based on an expensive valuation relative to peers without superior growth or capital returns to shareholders. However, a reduced valuation or better growth than expected could lead us to revisit our thesis."

Great-West Lifeco

On Wednesday, Barclays analyst John Aiken downgraded the life insurance company **Great-West Lifeco** ([TSX:GWO](#)) from equal weight to underweight while also cutting his target price by \$1 to \$32.

The downgrade was part of a series of changes by Aitken of Canadian financial services companies. The analyst believes that insurance companies with greater exposure outside Canada are a safer bet in terms of delivering above-average earnings.

Great-West Life is 67.8% owned by **Power Financial**, which in turn is majority owned by **Power Corporation**. Aitken cut Power Financial to equal weight from overweight and Power Corporation from equal weight to underweight.

Barclays likes insurance companies more than banks and asset managers at this point.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:NWC (The North West Company Inc.)
4. TSX:SJR.B (Shaw Communications)

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1. Investing

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