



Why Baytex Energy (TSX:BTE), Reitmans (TSX:RET.A), and Canfor (TSX:CFP) Raced Higher Today

Description

The European Central Bank's president got the markets moving before the markets opened on news the ECB would lower interest rates this summer to protect against inflation.

Here in Canada, investors hoped that the U.S. Federal Reserve would follow suit, sending markets higher on the **TSX**, with all 11 sectors showing gains midway through the day's trading. Energy and mining stocks saw the most significant gains on the day, but other sectors shared in the good fortune.

Here are three stocks from three sectors that raced ahead on Tuesday.

Baytex Energy ([TSX:BTE](#))(NYSE:BTE)

Although Baytex was up as much as 4.5% in midday trading, it cooled off in the afternoon, finishing up 5.0% on Tuesday.

The gains were likely investors speculating that the federal government would give the go-ahead to the Trans Mountain pipeline expansion, which would be good news for the oil producer, who has operations in Saskatchewan and Alberta that would benefit from the increased capacity the Trans Mountain expansion would provide.

In 2019, Baytex will generate 62% of its oil from its Western Canada operations, with the remainder from the Eagle-Ford basin in Texas.

Reitmans (TSX:RET.A)

The long-suffering Canadian retailer announced that it would repurchase up to 15 million of its Class A non-voting shares at \$3 a share, 27% higher than its June 17 closing price. Although its shares only gained 22.9% on Tuesday, closing at \$2.90, it was a good sign of support by its management.

Reitmans announced a \$12.6 million loss on June 4, sending its stock to a 52-week low of \$1.85. As it closes stores, Reitmans' revenues continue to shrink. During the first quarter, it shut 43 stores,

resulting in a \$22.4 million reduction in revenues year over year.

If the full 15 million shares are repurchased as part of its stock buyback, Reitmans would be cutting its outstanding share count by 30%.

Canfor ([TSX:CFP](#))

The lumber producer's shares have been gaining ground since announcing a 200 million board foot temporary curtailment June 10. Despite the cost savings from this temporary cutback in production, Canfor and the other big producers of lumber still trade at steep discounts to replacement value.

As a result of the news, CIBC World Markets analyst Hamir Patel upgraded Canfor stock Tuesday from "neutral" to "outperformer" with a \$14 target price. Canfor stock closed up 7.5% on the news.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:CFP (Canfor Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Energy Stocks
2. Investing

Date

2025/09/29

Date Created

2019/06/19

Author

washworth

default watermark

default watermark