



Why TMAC Resources, SunOpta and Premium Brands Raced Ahead on the TSX Wednesday

Description

The markets were crushed Wednesday as the **TSX** lost 1.86%, the **S&P 500** was down 2.93%, and the **Dow Jones Industrial Average** lost 3.05%.

Investors panicked Wednesday as the bond market sent a strong signal that we're headed for a global recession. For a brief time on Wednesday, the 30-year U.S. Treasury bond yielded less than the two-year bond. When this happens, history suggests a recession is imminent.

Despite the total lack of confidence from investors, these three stocks raced ahead on the TSX Wednesday.

TMAC Resources

TMAC Resources Inc. (TSX:TMR) jumped 13% Wednesday on double the average daily volume.

Maverix Metals announced that it acquired an additional 1.5% net smelter return (NSR) royalty from TMAC's Hope Bay gold mine in Nunavut. Maverix paid US\$40 million for the additional NSR royalty. It now has a 2.5% NSR royalty on the gold mine operated by TMAC.

Also, TMAC reported Q2 2019 results Wednesday, with 38,520 ounces of gold produced during the quarter generating \$66.1 million in gross revenue at an average gold price of US\$1,751 an ounce.

In 2019, TMAC expects to produce as much as 170,000 ounces of gold at an all-in-sustaining-cost (AISC) of US\$950-1,050.

SunOpta

The natural organic food company has had a new CEO for just four months, but Joseph Ennen is already making progress on **Sun Opta's** ([TSX:SOY](#))([NASDAQ:STKL](#)) latest corporate priorities.

"We're taking a more focused approach toward evaluating what businesses we want to be in and what businesses we don't want to be in," Ennen said during an August 7 conference call with analysts. "We are developing clear, long-term points of difference for how we're going to win in each of our businesses."

The company has not been performing well as of late. In the second quarter, it lost US\$11.1 million, more than double its loss a year earlier.

However, in a show of confidence, Ennen recently bought US\$100,000 worth of SunOpta stock on the open market for prices between US\$2.29 and US\$2.21 a share. He now holds a total of 319,000 shares.

Premium Brands

Premium Brands Holdings ([TSX:PBH](#)) raced ahead 2.9% Wednesday on news that Industrial Alliance Securities analyst Neil Linsdell raised his target price on the food company's stock by \$3 to \$98 on better than expected second-quarter results. Linsdell has a "buy" rating on PBH.

Premium Brands delivered revenues of \$945.5 million in the quarter, up 24%, on adjusted earnings per share of \$1.03, 13 cents higher than the consensus estimate.

"As PBH continues to execute on its growth strategy, its share price should deliver some tasty returns for investors seeking long-term capital and dividend growth," Linsdell said in a note to clients. "We continue to see considerable organic growth and acquisition opportunities for PBH and reiterate our Buy rating."

After losing some of its momentum in 2018, Premium Brands stock appears to have gotten back on its feet and should be a strong performer through the end of 2019 and into 2020.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PBH (Premium Brands Holdings Corporation)
2. TSX:SOY (SunOpta Inc.)

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1. Msn
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Category

1. Investing

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