



These Were the Worst-Performing Shares on the TSX Last Week

Description

Markets rallied last week on optimism towards rekindled trade talks between the United States and China, the world's two largest economies.

The TSX Index, Canada's benchmark index for publicly traded securities, gained 0.57% for the week and now trades just a few points off its all-time highs.

However, it wasn't a good week for everyone, here were three of the worst-performing shares to trade on the TSX last week.

Perhaps because of the renewed optimism towards the possibility that the U.S. and China will be able to work out a [trade deal](#) in the near future, it wasn't such a hot week for gold stocks.

Traditionally, gold has tended to trade in the opposite direction of asset prices, viewed as a safe haven that will maintain its "real value," even during times of market distress.

That's led gold to playing a valuable role in societies going back for centuries, if not millennia, but by the same token (no pun intended), during periods where investor confidence is improving, that function tends to lose some of its moxie.

Take **Sandstorm Gold** ([TSX:SSL](#))([NYSE:SAND](#)) for example.

SSL shares fell 7.6% in last week's trading, marking their [second straight week of sharp declines](#), outpacing gold bullion's 0.9% decline for the week.

I'm no gold speculator myself, but looking at the chart for gold right now, I'd tend to suggest that this latest pullback could extend for at least a little while longer.

For that reason, I'd probably want to steer clear of investing in Sandstorm's stock until things start to improve again.

Another gold company that suffered a similar fate last week was **McEwen Mining** ([TSX:MUX](#))([NYSE:MUX](#))

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I actually really like the idea of investing in MUX stock because its founder, Rob McEwan maintains such a large stake in the company.

Before starting McEwen Mining, Rob was the founder, former chairman, and CEO of GoldCorp, which merged recently with Newmont Mining to form **Newmont Goldcorp**.

Under Rob's leadership, Goldcorp and its shareholders enjoyed a tremendous run of investment returns; however, at present, MUX sits closer to the top than the bottom in terms of the gold mining cost curve, making MUX shares a highly levered investment within the space, with a reported 2.9 times beta to the underlying price of gold.

That could make it a terrifically rewarding play when gold prices are headed in the right direction, but for now, at least, they're not, and that is probably a large part of the reason why the company's share price dropped by 9.9% last week.

However, for those that still feel like they need exposure to gold markets but are in search of a less-speculative avenue to do it, **Barrick Gold** might prove to be a better option.

ABX shares declined during the week also, by 8.8%, but because of ABX's relative advantages in terms of size, scale, strength, and stability, this would be where I'd put my money right now, if I had to be invested in gold.

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2. TSX:MUX (McEwen Mining Inc.)
3. TSX:SSL (Sandstorm Gold Ltd.)

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Date

2025/08/20

Date Created

2019/09/09

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