



Top Brokers Name 3 Shares to Sell Today

Description

The TSX Index hit record highs in September. This is a promising development in the face of a turbulent global trade situation, but it also means that investors should take extra care with valuations rising higher. Enthusiasm can give way to overconfidence, so today we are going to look at three stocks that brokers are low on in September.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has climbed 3% in 2019 as of early afternoon trading on September 20. Earlier this month, I'd discussed reasons why BlackBerry looked like a [buy-low opportunity](#). Others are more skeptical of the company in late 2019.

GlobalInvest portfolio manager Christine Poole is not sold on BlackBerry's comeback story just yet. The company has transitioned from a hardware-oriented company to one focused on software, and it has carved out a footprint in the fast-growing cybersecurity and automated vehicle software space. "I don't have the visibility on how they're going to grow their top line at this point," Poole said to *BNN Bloomberg* earlier this month. "... we've just stayed away."

The stock possesses a high price-to-earnings ratio of 37 and a price-to-book ratio of 1.5. BlackBerry still has much to prove in the coming quarters, although it is forecasting a hefty increase in revenue in 2019.

DHX Media

DHX Media ([TSX:DHX](#))([NASDAQ:DHXM](#)) stock has dropped 26.3% in 2019 so far. This company has also undergone a strategic shift in response to the changing media landscape. It is [betting big on streaming](#) in a bid to propel growth in the next decade. However, its WildBrain platform still makes up a small proportion of its total revenue.

Echelon Wealth Partners analyst Rob Goff cut DHX Media's price target in the first half of September.

Goff expects DHX Media's realignment to take time before it can produce the kind of results that will please investors. "We have lowered our aggressive \$3.25 PT to \$2.50 reflecting heightened uncertainty at WildBrain given recent YouTube changes and the consideration that DHX's focus on premium production over mass production may take longer to surface value as OTTP providers spend more."

I like DHX Media's push into the streaming space, but this strategy will require patience in what is turning into a highly competitive space.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been a growth monster in 2019, but shares have retreated 10% over the past month. The company has been the target of short-sellers in recent years, but the stock continues to blow away expectations. Skeptics are still circling this high-powered tech stock.

Barry Schwartz of Baskin Wealth Management invoked the dreaded Nortel comparison in a September conversation with *BNN Bloomberg*. "We all know bad things happen to companies that have the highest market caps and you're not a bank," Schwartz said. "BlackBerry, PotashCorp, Valeant, Nortel — so this is scary." Schwartz said that there is no justification for Shopify's current valuation. The company has yet to achieve profitability.

Investors who have put their faith in Shopify have been richly rewarded in 2019. New buyers do not want to be late to this party, so this stock should be considered a high-risk play in September.

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3. TSX:BB (BlackBerry)
4. TSX:SHOP (Shopify Inc.)

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aocallaghan

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