



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

Description

The TSX Index was a little less volatile last week. Thankfully, markets were spared from any significant macro events, and the S&P/TSX Composite Index inched out a 0.5% gain.

Unfortunately, not all stocks enjoyed an uneventful week. With that in mind, here are the worst-performing stocks on the TSX last week. Has the recent downtrend created a buying opportunity, or should investors stay clear? Let's take a look.

CannTrust Holdings

The hammer finally came down on **CannTrust Holdings** (TSX:TRST)(NYSE:CTST) last week. Health Canada announced that it was suspending the company's production and processing licences. The news was a blow to bulls and contrarian investors who were hoping for a positive outcome.

Hope is not an investment strategy, and news of licence suspensions sent its stock crashing as it lost 19.64% last week. Health Canada's announcement was not unexpected. The company has been accused of illegal growing operations, insider trading, and selling products on the black market.

Has the company hit rock bottom? Considering the company is still under criminal investigation by the RCMP and OSC, there is no reason to own this stock. The risk simply isn't worth the reward, and investors should stay away at all costs.

Lithium Americas

Shareholders of **Lithium Americas** ([TSX:LAC](#)) has once again been left scratching their heads. Last week, the company lost 16.85% of its value. Typically, double-digit losses are a direct result of unfavourable news. What prompted the sudden drop?

Nothing. There was no company news, and lithium prices closed the week relatively unchanged. The move appears to be related to some profit taking. The week prior, Lithium Americas was one of the

index's top gainers after it jumped 13.27%. That move was a direct result of a healthy 6% jump in lithium prices.

Lithium Americas's stock price tracks the price of lithium quite closely. In 2019, [lithium prices have dropped](#) by 6.95%, and Lithium Americas stock has dropped a comparable 7.8%.

Is now the time to buy? If you are a long-term lithium bull, then it appears to be a good time to enter the space. However, expect considerable volatility.

Aurora Cannabis

The decimation of the cannabis industry continues. The Canadian Marijuana Index lost another 6% last week. Other than the aforementioned CannTrust, **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) led the way with a 15.25% loss.

The move comes on the heels of disappointing quarterly results in which the company missed its own revenue guidance. Management also warned of a longer path to profitability. It does not expect to achieve positive EBIDTA until at least 2020, whereas the company previously expected to achieve this milestone this past quarter.

Since reporting earnings, the company's stock price has dropped by 22%, and several analysts have since come out with downgrades.

The roll-out of recreational cannabis has been nothing short of disappointing. Fraught with logistic issues and supply shortages, marijuana companies have struggled with efficiency. Negative headlines have also dominated the news. As such, pot stocks are expected to have a more difficult time raising capital to support growth efforts.

At today's prices, Aurora Cannabis provides decent value. However, the industry is still speculative at best. In the past year we have seen **Canopy Growth** fire its CEO and founder, **Aphria** come under fire for acquisitions that lined insider pockets, and the fall of one of the most respectable industry players (CannTrust).

For its part, Aurora Cannabis has done a good job staying out of the limelight. For that alone, it has separated itself from its peers and may be [worth a speculative buy](#).

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1. Cannabis Stocks
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3. TSX:LAC (Lithium Americas Corp.)

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mlitalien

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