Revealed: The Mind-Boggling Returns Of The TSX 30's Top Stock

Description

The first-ever edition of the TSX 30 list is a flagship program of the Toronto Stock Exchange. It recognizes the 30 top-performing TSX stocks over a three-year period based on dividend-adjusted share price appreciation. The 2019 winners feature companies that are operating in the traditional and newly defined sectors.

According to the program's proponent, the list highlights the power and diversity of investment opportunities on the TSX. Likewise, the stocks may fly under the radar of retail investors if the success stories of the companies are not made known.

The winner comes from a newly defined sector, which is cannabis. **Canopy Growth** (TSX:WEED)(NYSE:CGC) places no.1 because of its mind-boggling returns over the last three years. Canopy's return during the period is twice that of second-place **Shopify**.

Industry giant

The release of the TSX 30 list coincides with the current slump of cannabis companies, including Canopy. Interestingly, three other pot stocks made it to the top 10. It was the mining sector that had the most representation with eight companies joining the list. The TSX has a basis for choosing.

A company should be listed on the TSX for at least three years. If a company is a graduate of the TSXV, it should be trading on the TSX for at least one of three years on the TSX. The market cap and adjusted share price should be $50 million and $0.50, respectively, as of June 30, 2016.

Canopy Growth's total return for the three-year period was a whopping 1,823% or a difference of 940% versus Shopify's 883%. Pot stock **Village Farms** comes in third with 868%.

Marquee pot stock

Canopy Growth is the cannabis industry leader and an international pot icon. Unfortunately, WEED has been slumping for months now. So far this year, the stock performance is dismal. From a high of $67.22 in late January, WEED is down to $25.67 at present, which is a sharp drop of 61.81%.

Investors were expecting the industry's biggest names to deliver quadruple-digit gains. Unfortunately, it did not happen. Instead, Canopy Growth has seen almost 50% of its market value dissipate since April. As of August 15, the company no longer holds large-cap status.

As a whole, the industry is undergoing birth pains. For Canopy Growth, losses are mounting at an alarming rate. In Q1 2020 alone, the company lost $1.28 billion. But because Canopy Growth also has the lowest gross margin among the large producers, it might be the last cannabis company to generate a recurring profit.

No boost from TSX 30

When the TSX 30 list came out on September 26, WEED was trading at $32.85. Unfortunately, ranking no. 1 did not help the stock any. The stock further slid to its current price of $25.67.

Investors' skepticism is growing and they are losing interest in the largest marijuana company. Canopy Growth is hoping against hope that investments in the U.S. will pay off. However, the chances of legalization there are slim and won't happen in 2020.

The near-term outlook is not rosy for Canopy Growth. It's best that you avoid the marquee pot stock for now.

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2. TSX:WEED (Canopy Growth)

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