



Warning! 3 Stocks to Watch as We Approach Tax Loss Selling Season

Description

As November approaches, it's time to start thinking about tax loss selling season. Even if you don't think you have any stocks you'll want to sell and you're happy with your long positions, tax loss selling could still affect you, as it's the time of the year that can usually offer some of the best [buying opportunities](#).

The reason tax loss selling is so popular is that you can write off some of your losses realized when you [sell](#) your down stocks to offset some taxes owed on stocks that you've made a profit on.

As you can't buy the shares back for 30 days, or lose the tax incentive, many investors wait till the end of the year, with plans to possibly buy the stocks back early in the following year.

However, as investors know what's coming, it's likely that tax loss selling can start as early as November, because if you know other investors may be planning to sell the same stock as you, you'll obviously want to sell first in order to capture a higher price for your shares, as the price should drop while investors rush to sell it.

Three stocks to consider that could be strong tax loss selling candidates this year are **Husky Energy Inc**, **SNC-Lavalin Group Inc**, and **Hexo Corp**.

Husky

Husky is the first company to watch, as its stock has lost more than a third of its value so far this year. Husky has had its fair share of problems recently and just announced a round of layoffs this week.

The layoffs were part of a larger organizational effort for Husky to reposition itself while reducing its capital spending.

Husky didn't release the number of jobs affected so it's unclear how much of an impact these cuts will make. Nonetheless, it's a top candidate for tax loss selling this year, so investors should tread carefully in the coming months.

SNC-Lavalin

SNC has had a tough year riddled with controversy and issues with its business. Although its stock did pop slightly after the election, it's still down more than 50% this year.

It's unclear how investors feel about SNC long term, as its stock has had so much movement as a result of headlines this year.

It should be watched carefully though over the next few weeks, as many investors could finally say enough is enough and look elsewhere to invest their cash.

Hexo

Hexo, a licensed producer of cannabis may be one of the top cannabis stocks to watch this tax loss selling season. While its stock is not down as much as some of the others, at roughly 28%, the stock could be at risk of a bigger sell-off as investors may want to shift their exposure to other cannabis stocks.

Some of the largest industry leaders have also come well off their highs this year, so as investors sell to realize the tax consequences, they could reweigh their portfolio to another cannabis stock essentially instantly.

This makes Hexo a main target, as it's had one of the largest sell-offs, albeit it doesn't compel as much investor money as the likes of a **Canopy Growth** or **Aurora Cannabis**.

Bottom line

There are a number of other possibilities, but these stocks are the main ones to watch that span a number of industries. It may come as no surprise that a lot of the potential stocks are in the oil and gas industry, as it's been another abysmal year for energy companies out west.

Knowing which stocks to sell to protect the stability of your portfolio is crucial, so it's important to review your portfolio and take advantage of any possible tax break.

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