Don’t Give Up on These 2 Stocks Yet

Description

When investors think of sectors with high-growth potential, many will naturally drift to technology and cannabis. The latter is very new, but cannabis stocks have been explosive since the Liberals paved the way for legalization after the 2015 election. Technology is a small sector on the TSX, but the back half of this decade has seen the rise of stocks like **Shopify** and **Kinaxis**.

Today, I want to look at two stocks in these respective sectors that have had a disappointing 2019. Both have been frustrating this year, but I’m not ready to give up on either one just yet. Let’s dive in and take a snapshot of them in early November.

Aurora Cannabis

Aurora Cannabis (TSX:ACB)(NYSE:ACB) is the second-largest cannabis stock by market capitalization on the TSX. Shares have plunged 46% over the past three months as of close on November 7. The stock is down 55% year over year.

The company is set to release its first-quarter fiscal 2020 results next week. I’d discussed the state of Aurora ahead of the report. Investors should be looking for a push towards profitability after a disappointing conclusion to fiscal 2019. Aurora has said that the glacial pace of Canada’s retail rollout has hindered its growth. The rollout of Cannabis 2.0, which will see Aurora launch a slew of new cannabis-infused products, should provide a boost in the coming weeks.

Shares of Aurora dropped another 4.27% on November 7. The stock last had an RSI of 36, putting it just outside technically oversold territory. Aurora expects to post profitability by the second quarter of fiscal 2020, and this will be welcomed, as the company is still struggling with a precarious cash position. Still, Aurora’s retreat provides an opportunity for investors to jump in on a stock with high-growth potential in an industry that is experiencing predictable growing pains.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) has had a volatile decade, but as we look ahead to 2020, the company has achieved some measure of stability in its transition to software. Early last month, I'd discussed why BlackBerry stock was pummeled in September. I'd suggested that BlackBerry should be targeted after falling well into technically oversold territory.

Shares of BlackBerry have climbed 7.5% over the past month as of close on November 7. The stock took a hit after it revised down its revenue guidance in Q2 fiscal 2020, but it is still projecting revenue growth between 23% and 25% for the full year. CEO John Chen said that earnings softened due to internal "retooling," but its Cylance, QNX, and Licensing businesses all exceeded expectations.

BlackBerry stock is still trading close to its 52-week low at the time of this writing. The company boasts an adequate balance sheet and has worked to deepen its footprint in the automated vehicle software and cybersecurity markets. These sectors hold high-growth potential in the coming years. BlackBerry is still worth a look after its earnings setback.

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Date
2025/08/27
Date Created
2019/11/09
Author
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