

3 Stocks to Hold Off On During Tax Loss Selling Season

Description

Now that we are in the middle of November, it is time to start thinking seriously about tax loss selling season. Whether or not you have stocks to sell yourself, tax loss season will affect everyone.

For starters, if you own any of the potential tax loss selling candidates, your portfolio could take a slight hit over the next few weeks, while investors sell off their losers and realise the tax advantage.

Meanwhile if you are in the market for certain stocks or have some cash that you feel needs to be invested, this could create the perfect buying opportunity, as the stocks that are most likely already down significantly on the year, get sold off even more.

While the main industries to watch will be in the energy sector and cannabis, two of the worst performing industries this year, you will be able to find a potential candidate in almost any industry.

So, let's look at three stocks to watch over the next few weeks: **Western Forest Products Inc** ([TSX:WEF](#)), **Canada Goose Holdings Inc** ([TSX:GOOS](#))([NYSE:GOOS](#)), and **Cameco Corp** ([TSX:CCO](#))([NYSE:CCJ](#)).

Western Forest Products

Western Forest Products, a lumber company based in BC has had a tough year. Year-to-date its stock is down almost 40%, due to weaker markets and other industry headwinds.

While the lumber industry can be profitable, at the end of the day the products are still commodities, and the companies that are selling them, such as Western Forest, have little control over the price of the goods.

This has troubled Western Forest, and investors may finally decide enough is enough and offset some capital gains by selling.

It's still a well-run company though, so look for it to rebound in the new year once tax loss selling season is over, and investors begin to go bargain hunting.

Canada Goose

Canada Goose, the luxury apparel company has also had a tough year. Its stock is down more than 20% this year, due to slower growth than the market was hoping.

It has also been affected by the U.S.-China trade war, since a lot of the growth it's trying to achieve is in foreign markets, specifically China.

This could cause some investors who are down on the stock to give up and sell their shares to realize the tax advantage, although long term, [Canada Goose](#) is still a top company, and the fact that colder weather lasted longer in the spring and has arrived early in the fall, can only help the company's sales.

Once we are through the tax loss selling season look for Canada Goose to rebound, as it's still one of the top growth stocks in Canada until proven otherwise.

Cameco

Cameco is a uranium producer that has a ton of upside and growth opportunities within its company but also within the industry it operates in.

The uranium industry is being driven by increased demand worldwide for cleaner energy. Nuclear energy is some of the cleanest energy available, and uranium is needed to fuel the nuclear reactors.

Over time, as more countries bring nuclear reactors online and more people are getting energy from cleaner sources, the demand for uranium will increase substantially. Cameco is the largest uranium producer in the world.

Its stock has come down roughly 20% so far in 2019, so look for it to be sold off further into December, before rebounding late in the year and into 2020.

Bottom line

All three of these companies are actually solid [long-term](#) holds, it's just that due to their performance in this calendar year, they are vulnerable to being sold off over the next five weeks.

What's positive about that is if you are considering buying them, showing a little patience could go a long way and when they are sold off, you can pick them up at a sweet little discount once tax loss selling season is over.

CATEGORY

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