



## WARNING: These 3 Canadian Stocks May Tank in 2020

### Description

The new year is just around the corner, and what better time to re-evaluate your portfolio?

With the start of a new year come many events relevant to investors, including the final few months to make RRSP contributions for the prior tax year.

Not only that, but the start of a new year is psychologically significant, a time when many people make resolutions for the year ahead.

For these reasons, the new year is one of the best times of year to re-evaluate, re-consider, and re-balance your portfolio. If you're thinking about doing that, the following are three stocks you may wish to drop before ringing in 2020.

### CannTrust

**CannTrust Holdings Inc** (TSX:TRST)(NYSE:CTST) was one of the worst-performing cannabis stocks of 2019. After a regulatory scandal that involved [unlicensed growing at one of its facilities](#), the company lost its license to grow adult-use cannabis.

The big question hanging over CannTrust is whether it will get its license back. The company is taking active steps to get it back, including voluntarily destroying product and complying with Health Canada rules, but so far, the jury is still out.

Until we get clear news on the license, CannTrust's ability to earn revenue is severely limited, and quarterly reports that come out while the suspension is still in effect will likely deliver bad news.

### Bombardier

**Bombardier Inc** ([TSX:BBD.B](#)) is one of the worst performing long-term **TSX** stocks, having hit its all-time high in 2002. Its stock has been cratering for years thanks to issues ranging from an over-

leveraged balance sheet, to cost overruns on the C Series jet, to persistent net losses.

Presently, Bombardier's biggest growth project is the Global 7500 jet, an ultra long range business aircraft. Orders are rolling in for the 7500, and Bombardier claims to be on schedule to fulfill all its orders in 2019.

This one project could be a boon to the company. On the other hand, the company is still relying on layoffs and cost minimization, strategies that can boost earnings in the short term but may impede growth in the long run.

## Baytex Energy

**Baytex Energy Inc** ([TSX:BTE](#))(NYSE:BTE), like Bombardier, is a stock that has seen better days.

Having peaked at \$58.43 in 2011, when oil was strong, the stock fell apart in the 2014/2015 oil price collapse and hasn't recovered since.

The Canadian oil & gas sector has generally struggled since 2015. However, Baytex has fared worse than most, having fallen nearly 97% since 2014.

One of the main culprits [has been debt](#). The company finished 2015 with over \$2 billion in debt, and as oil prices fell, this became a huge burden.

Since then, the company has been focused on paying this off, having reduced it by 13% in 2019, but it's still burdened with billions in liabilities while often posting net losses.

Running losses while being severely in debt is a recipe for staying indebted, which may explain why Baytex is still carrying around \$1.9 billion in debt despite repayment being one of its biggest stated goals.

### CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:BTE (Baytex Energy Corp.)

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