



## 2019 Stock Losers: Can These 3 Disappointing Stocks Rebound in 2020?

### Description

Three well-known names have shown dismal performances on the stock market this year. Shares of **Encana** (TSX:ECA)(NYSE:ECA), **SNC-Lavalin** (TSX:SNC), and **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)) tanked.

Can these bottom performers rebound in 2020?

### Goodbye Canada

Encana earned the ire of the federal government and investors when it made a surprising [decision to pack up](#) and relocate to the U.S. When a Canadian company moves across the border, it will lose shareholders in the short term.

However, it remains uncertain whether Encana made a wise decision. This \$7.7 billion oil and gas E&P company was once a core holding in Canadians' portfolios. Management said the sudden relocation was to attract institutional investors in America.

Encana made the announcement amid a struggling Canadian oil industry, and there are fears that other homegrown energy companies might follow suit.

As of this writing, Encana is trading at \$5.94 and down 32.65% year to date. Many analysts are saying that the company is not likely to attract more U.S. investors.

One irate analyst said the CEO who joined doesn't have the confidence in the stock. He's earning \$70 million, yet bought only \$1 million worth of shares.

### Integrity issues

SNC-Lavalin was caught in the middle of a [political drama](#) amid charges of fraud against its former executives. The stock nosedived and is now losing by 46.75% year to date. The loss of integrity and

unsound business practices are the problems with SNC-Lavalin.

The axe is certainly falling. Sami Bebawi, a former SNC-Lavalin executive, has been found by the jury guilty of paying off foreign officials and pocketing millions. His worked was instrumental in securing contracts for this Canadian engineering company in Libya.

Bebawi was guilty of five charges, including fraud, corruption of foreign officials and laundering proceeds of crime. It was said that he crafted the “business model” that involved payoffs and kickbacks to foreign agents to secure lucrative deals for the engineering giant in Libya. The scheme began in the late 1990s.

Earlier this year, former SNC-Lavalin CEO Pierre Duhaime pleaded guilty to a single charge of bribery involving the construction of a \$1.3-billion Montreal hospital. He is now serving 20 months of house arrest.

## Transitioning

There’s a lot of pressure on Sierra Wireless at the moment. The tech stock has fallen by 31.42% year to date. This \$455 million company is a manufacturer and seller of cellular wireless devices.

Sierra also provides services in the wireless communications and information technology industry in the Americas, Africa, Europe, the Middle East, and the Asia-Pacific.

However, the business has slowed due largely to the U.S.-China trade and some management miscues. The protracted trade war was the main cause of the downturn in the technology hardware industry. Sierra has significant exposure in the automotive industry that’s also experiencing a slump due to trade disputes.

According to Kent Thexton, Sierra President and CEO, the company is transforming from an IoT connectivity, software and managed service offerings from a mostly hardware-only company to an IoT Solutions company with recurring revenue-driven.

Sierra reported \$24.6 million in net losses in 2018. Based on the current run rate, the company should be posting higher losses this year.

## Stock to avoid in 2020

Encana, SNC-Lavalin, and Sierra are the stocks to avoid in 2020. There are uncertainties surrounding the respective businesses, and the chances of recovery are slim.

### CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:SW (Sierra Wireless)

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