



These 2 TSX Stocks Sank in 2019 but Could Rise 20% or More in 2020

Description

2019 was a great year for the Canadian markets, although some individual sectors delivered less-than-stellar results. Cannabis stocks had a notably terrible year in 2019, while bank stocks mostly treaded water.

After a year of solid gains, the TSX is starting to get pricey. However, that doesn't mean there aren't still great buys. Particularly if you're willing to look at stocks that underperformed in 2019, you may find picks that have a solid chance of outperforming in 2020. With that in mind, here are two stocks that sank in 2019, but could rise 20% or more in 2020.

Aphria

Aphria (TSX:APHA)(NYSE:APHA) was by far the most prosperous of Canada's marijuana companies in 2019, having [posted two consecutive profitable quarters](#). For the marijuana industry, that's a rare feat. Even though many of these companies aren't young anymore, they're still posting huge losses, with **Canopy Growth** in particular having posted a whopping \$1.23 billion loss in a single quarter. Not only that, but when marijuana companies do post positive *net* income, their operating income is usually negative.

Aphria is the rare cannabis stock to buck that trend. Not only did it get two profitable quarters in a row, but it's also posted positive net *and* operating income a few times now. This is arguably a bigger feat than having two consecutive quarters of positive net income.

Despite the underlying company's solid results, Aphria's stock was a loser in 2019, having shed about 19% of its value. If the company can keep growing and posting solid profitability metrics, expect its stock to rebound next year.

SNC-Lavalin

SNC-Lavalin (TSX:SNC) was another big loser in 2019.

Owing to the fallout from the company's eponymous scandal, which threatened to derail not only this company but the Trudeau government, SNC stock took a nosedive.

In January, when the SNC-Lavalin scandal started to break, the company's stock slid 27% in just a few days. After that, it continued falling for a while before rebounding in the fall.

Since the SNC-Lavalin scandal broke, a number of new developments have occurred, which could be good news for the company.

For one, the company won a massive \$10 billion contract doing nuclear cleanup in the United States. This is a huge deal that shouldn't be affected too much by whatever legal or political fallout the company endures in Canada.

For another, the company recently [reached a plea deal](#) that will see it keep its ability to win public contracts in Canada. When the SNC-Lavalin scandal was ongoing, one of the big concerns was that the company would end up being unable to bid on the juicy government contracts that powered its growth. Now that that appears to be off the table, SNC could be set for a comeback. The markets seem to agree, having sent the stock up 91% since September.

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Author

andrewbutton

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