



COVID-19: 2 Earnings Reports to Watch

Description

It's only been a few weeks since the lives of Canadians have been turned upside down with the recent outbreak of COVID-19. The virus has swept across the world, making its way from China back in December to the doorsteps of Canadians in the past month. Yet one area Canadians may not have expected a virus to infect is their bank accounts.

Markets around the world have taken a nose dive from COVID-19. Now, with earnings reports for the last quarter expected to come in soon, many are waiting anxiously about what comes next. But according to analysts, investors probably shouldn't be looking at these reports as a be-all-end-all.

"I think any guidance that was given at the end of last quarter is pretty well meaningless," said Christine Poole, CEO of GlobalInvest Capital Management.

Meaningless or not, investors are likely to take earnings to heart over the next few months. So, while there may have been a surge in the market recently, analysts believe investors should expect more and more drops in the months ahead as earnings come in.

The first opportunity to see how COVID-19 has affected companies comes next week, when companies like **Dollarama** ([TSX:DOL](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) will be sending out earnings reports. Here's why you'll want to pay close attention as an investor if you're looking to get in on the market in the next few months.

BlackBerry

BlackBerry will be an important stock to watch, as it is in the tech industry. If the tech industry goes down, big stocks like BlackBerry are sure to scare investors. BlackBerry's earnings report comes out March 31 and could spell out how this industry will likely be hit by the current crisis. The company has fallen 40% since January, and currently sits at about \$5 as of writing, about *half* of its fair value according to analysts.

That's because in its past reports, the company has been showing it is well on the [path to profit](#).

BlackBerry moved away from creating a product and is now in the space of creating cybersecurity for businesses. The company's revenue spiked 18% from the prior year during its most recent results due in a large part to its Cylance sales. Yet BlackBerry is only in the beginning of its long-term goal of introducing artificial intelligence cybersecurity solutions.

In fact, while BlackBerry is sure to suffer in the short term, in the long term, BlackBerry is an excellent buy during the COVID-19 crisis. More and more people are working from home, leaving businesses sorely in need of cybersecurity to ensure data is kept safe. So, while strong performance isn't likely during the next report, I would watch out for companies like BlackBerry. Today's price could be a great buy and is almost considered oversold at these prices.

Dollarama

Another stock to keep an eye on will be Dollarama, a company that could represent how the retail market will fair in the coming months. Canada is on the verge of practically a lockdown, and companies such as Dollarama could suffer as COVID-19 prevents customers from entering stores. The company is already down 20% from January and is likely to sink lower when results come out April 1.

Yet Dollarama could also be a great buy if you're willing to [wait out the storm](#). As the COVID-19 crisis drags on, Canadians will need to stretch their bank accounts as far as they can go. That means value stores like Dollarama could see a surge in customers who need to gather groceries on the cheap.

As for the long term, Dollarama continues to expand its presence, including in Latin America. That means now could be a great price to buy up this stock as it brings in customers today, and expands its presence tomorrow.

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