



Market Rally or Crash? 3 Canadian Giants Rose up to 40% Last Week

Description

Markets continued to rally last week, despite growing tensions on the pandemic front. The **TSX Composite Index** rose almost 2% last week. But notably, this Canadian broad market index has soared almost 30% from its recent lows last month. While stocks have risen on the hopes of the U.S.'s plans of opening its economy, quarterly earnings will largely shape TSX stocks in the short term.

Interestingly, there were some Canadian bigwigs that substantially outperformed market rally recently. For instance, top tech giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) surged almost 40% last week. Among other top gainers, cannabis giant **Aphria** (TSX:APHA)(NYSE:APHA) rose 16%, while leading gold producer **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) soared 10% last week.

Stocks that are beating the market rally: Shopify

Shopify stock has defied any pressures from coronavirus jitters or lockdowns recently. It has soared in nine of the last 10 trading days. The top e-commerce retailer Shopify has soared almost 70% in April so far, making it the third-biggest company in Canada by market cap.

As of writing, Shopify is valued close to \$97 billion, behind only **Royal Bank of Canada** and **Toronto-Dominion Bank**.

While businesses are struggling to stay operative amid the lockdowns, many are opting to go online, thus reaching Shopify. The company's CTO Jean-Michel Lemieux [tweeted](#) last week, "our platform is now handling Black Friday level traffic every day! It won't be long before traffic has doubled or more."

It is notable that while almost all corporations are trimming their outlook for the rest of 2020, Shopify could stand tall and even report record top-line growth in the coming quarters.

Aggressive investors could enter in Shopify for further upside given its expected strong revenue growth. However, investors should note that the stock looks extremely expensive after its recent market rally.

Aphria

Aphria, a top pot stock of Canada, was one of the top gainers, surging more than 15% last week. It has soared more than 85% since its 52-week low of \$2.65 a month ago.

Aphria reported yet another strong quarter that mainly drove the stock last week. While many cannabis stocks are struggling with revenue headwinds and difficulties raising new capital, [Aphria looks substantially better placed](#) on these fronts.

Its net revenues rose almost 100% in Q3, making its ninth consecutive quarter of close to 100% or higher revenue growth. Aphria reported earnings of \$5.7 million in the recently reported quarter.

Despite its recent rally, Aphria stock is trading almost 50% lower to its 52-week high of \$10.7. Unlike peers, its growth prospects look fairly good mainly due to its strong balance sheet and a distribution network in entire Canada.

Aphria is looking to expand internationally, particularly in Germany, which could notably accelerate its earnings growth in the medium to long term.

Barrick Gold

One of the largest gold producers, Barrick Gold stock surged approximately 10% last week. The yellow metal has been on a remarkable upward climb this year amid broad market uncertainties.

Rallying gold prices bode well for gold miner stocks, as higher realized gold prices improve their profit margins. At the same time, rallying gold prices push gold miner stocks up as well.

Barrick Gold stock has been trading substantially strong so far this year. It has surged almost 60% since its recent lows last month, beating market rally by a wide margin. Its improving debt profile and strong dividend growth have put it well ahead of peers in the industry.

Many market pundits are expecting recession this year, which could bode well for a traditional safe haven — gold. Barrick Gold will likely be one of the undisputed winners if gold prices continue to rally.

However, conservative investors should look to buy the dips, as the stock looks to be trading at a high premium after the market rally.

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:ABX (Barrick Mining)
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