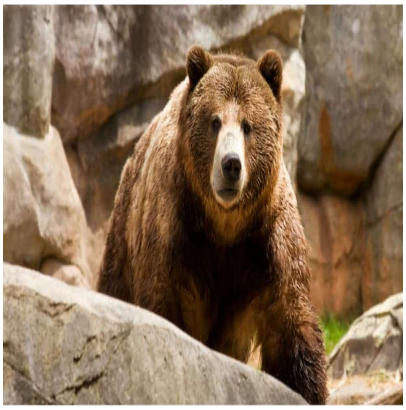

Top TSX Stocks That Lost 70% in the COVID-19 Bear Market

Description

It's been more than two months now since the epic COVID-19 market crash. The **TSX Composite Index** has soared almost 35% since then. However, despite the recent market rally, some TSX stocks are still trading significantly lower from their early 2020 levels.

default watermark

Among these losers, I have filtered out two TSX stocks that stand out from peers. Let's see whether investing in these two makes sense.

Restaurant stocks to zoom soon?

Quick-service restaurant operator **MTY Food Group** (TSX:MTY) stock has fallen more than 65% in the recent market crash. However, it has been trading range bound since then, indicating that the weakness has already priced in.

I don't see any meaningful changes in people's spending habits on eating after the pandemic. As lockdowns will be released in phases, there will again be increasing footfall at MTY's leading banners.

Notably, MTY operates 80 brands in over 7,440 locations in 39 countries.

Peer restaurant stock **Restaurant Brands International** was comparatively quick to recover and has surged more than 80% since March. Thus, MTY stock looks relatively cheaply valued at the moment against top TSX stock Restaurant Brands.

Hospitality is one of the worst-hit industries amid the pandemic. These restaurant companies will likely take a hit on their financials for a couple of quarters.

However, I would still bet on MTY for a couple of reasons. For one thing, the stock is still cheap. Also, it is growing faster than its large-sized peer Restaurant Brands. Its average revenue growth in the last three years was 41%, while for Restaurant Brands, it was just 10%. A high-growth stock at a cheaper valuation is indeed a worthy bet.

TSX stock Husky Energy continues to underperform

TSX energy giant **Husky Energy** (TSX:HSE) has lost almost 70% in the coronavirus bear market. While many energy stocks have seen a sharp comeback recently, Husky stock has notably lagged and continued to underperform peer TSX energy stocks.

This has been a nasty year for energy players and investors so far. The pandemic-driven lockdowns took away a quarter of global oil demand while storage issues added to the woes. Weaker crude oil prices forced Husky Energy to cut dividends by as steep as 90%. It also reported a significant loss in the first quarter, further dampening the investor sentiment.

The energy sector at large continues to look gloomy as the crude oil rally seems to be dissipating. The oil rally failed to uplift Husky stock in the last two months. But a falling oil might push it downward in the near future. Thus, Husky Energy stock remains a risky bet given the expected pressure on its upcoming quarterly earnings.

Top TSX stock **Canadian Natural Resources** is one attractive option in the Canadian energy space. Its low-cost diverse energy product mix helps it weather the energy market downturns.

While many big oil companies cut their dividends this year, CNQ raised its payouts by 13% in March. Its juicy dividend yield and a fair valuation make it a lucrative proposition for long-term investors.

default watermark

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:MTY (MTY Food Group)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Investing

Date
2025/08/26
Date Created
2020/05/27
Author

vinitkularni20

default watermark

default watermark