Which TSX Stocks Hit 52-Week Lows This Week?

Description

Much is being written about a V-shaped recovery at the moment. However, a glance at the 52-week high and low lists this week showed that the rally was cosmetic. The trends of the pandemic are still dominating the TSX and will likely continue to do so until the situation finds a backstop — most likely a vaccine. Let's take a look at which areas are still getting battered right now and which are staying afloat.

Why this market is about safety in numbers

The Second Cup hit a year-long low this week, as did **Indigo Books**. Investors looking for alternatives should consider **Restaurant Brands** as a safer play on the coffee-and-danish model, due to its Tim Hortons exposure. **Shopify** remains a stronger play for retail right now than brick-and-mortar retailers. However, the reverse is equally true, depending on your investment strategy, since value investors have a cheaper play on these themes with Second Cup and Indigo.

Indeed, value for money has never been better in these two names. Second Cup has never traded at a lower price than its current $0.74 per share. Speaking of all-time lows, the same goes for book-and-homeware retail outfit Indigo, selling for $1.30 a pop. However, both names look like falling knives in the current market with flashing "sell" signals. After all, as the old adage goes, lost sales are lost forever.

Investors may indeed be better off, therefore, by sticking with bigger names. A larger market capitalization is a surefire indicator of a more defensive pick. And while retail is still a no-go area, the thesis for buying disrupting names like Shopify is increasingly strong. After all, why buy names that are experiencing declines in potential when there are higher-momentum alternatives?

Retail-disrupting stocks are here to stay

Selling shares in retail names like Indigo is a good way to trim dead wood from a stock portfolio right now. At the end of the day, with tech platforms like Shopify, practically anybody can build a bookstore. E-commerce has made retail industry disruption a game-changing investment thesis. And with a certain element of physical distancing likely to persist even after the pandemic, digitalization stocks are looking increasingly attractive.

Meanwhile, a perusal of the 52-week high charts told a familiar story midweek. Investors weren't pushing many names to new heights beyond the usual low-risk and pandemic-specific themes. Stocks that did hit year-long highs, however, included **Guyana Goldfields** and the **Horizons Robotics Automation IDX ETF**. Pharma stocks also got a look in, such as **ImmunoPrecise Antibodies**.

Though the markets were somewhat flat at the start of the week, investors are clearly still seeking solutions to the pandemic. Automation in the workplace is a strong theme, from supply chain management to logistics software. Robotics investment is a slant on this, reflecting the combination of business automation with the efficacy of industrial machines. The latter is a key theme to keep an eye on for growth in an increasingly topsy-turvy market.

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