



4 TSX Darling Stocks That Dug a Deep Hole in Investors' Pockets in 2020

Description

TSX stocks at large exhibited one of the fastest recoveries on record in the last five months. While some recovered, some stocks dug a deep hole in investors' pockets.

Let's see which ones offer growth prospects and which ones could tumble more.

Bombardier: -80%

Once top train and plane maker **Bombardier** saw its troubles multiplying amid the pandemic this year. It has been struggling with a hoard of debt and a weak operational efficiency for years. The lower demand amid the virus outbreak only shoved it further into debt.

Bombardier stock has fallen from close to \$2 levels at the beginning of 2020 to \$0.4 today. Its asset divestiture like the Alstom deal could provide some relief in the short to medium term. However, improved demand in the post-pandemic world could play a bigger role in its recovery.

Interestingly, despite such a vertical drop in its stock, there is no telling whether Bombardier has hit bottom. It still remains a risky bet amid the surrounding uncertainties and its immense debt burden.

Cineplex: -70%

Entertainment giant **Cineplex** ([TSX:CGX](#)) was another laggard on the TSX this year. The stock has been immensely volatile this year and has lost more than 70% so far.

The stay-at-home orders amid the pandemic significantly dented its business. Its revenues in the second quarter fell 30% compared to the same period last year.

Interestingly, Cineplex announced that it would open all of its theatres last month. Even though fear might dominate patrons initially, it could at least start getting things back in action.

But that does not make Cineplex stock an attractive bet. A potential second wave of the outbreak could deter those re-opening efforts. The stock has so far rallied almost 60% since its record lows in March. However, that should not be perceived as a lasting recovery. Near-term uncertainties driven by the pandemic will likely make the stock more volatile.

Cenovus Energy: -50%

Integrated oil company **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) has lost more than 50% so far in 2020, underperforming TSX energy stocks by a wide margin.

Volatile crude oil prices significantly dented the global energy industry this year. Cenovus was no different. The company [lost](#) more than \$2 billion in the first six months of 2020. It suspended dividends in April as cash retention became a necessity.

Cenovus Energy stock was among the top gainers among the relief rally in the second quarter. It has soared more than 200% since falling to record lows in March.

However, the outlook for the entire energy sector continues to remain gloomy. Cenovus Energy's debt burden could be an added worry for investors, even if oil prices recover toward the end of the year.

Air Canada: -65%

The year 2020 flipped the fortunes for the country's biggest airline company **Air Canada** ([TSX:AC](#)). Two subsequent quarters of losses and a significant cash burn have brought Air Canada stock to \$17 today from \$52 levels earlier in the year.

While travel restrictions in Canada were expected to ease in August, the government recently extended the curbs till September 30. That simply means the airline will likely operate at a trivial capacity, leading to more losses and a continued cash burn.

However, if we put aside pandemic worries for a moment, its market share, scale, and operational efficiency significantly differentiate itself from peers. Air Canada stock was among the top performers in the last decade, returning almost 3,500%. A faster-than-expected vaccine launch and easing travel restrictions could notably fuel [Air Canada's rally](#).

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:AC (Air Canada)

3. TSX:CGX (Cineplex Inc.)
4. TSX:CVE (Cenovus Energy Inc.)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

Date

2025/08/21

Date Created

2020/09/01

Author

vinitkularni20

default watermark

default watermark