



## 3 Losing TSX Stocks Not to Buy in October 2020

### Description

Airlines and oil companies have been hit the hardest this year, as travel demand sank after the COVID-19 pandemic began in March 2020. Some investors might be considering putting some of their spare cash in these stocks in hopes of a rebound. However, that might not be the best strategy for October.

Here are three losing Toronto Stock Exchange stocks to avoid in October 2020. Instead of buying these stocks, you might want to consider financials instead. They seem to be making a comeback.

### Air Canada: The number one losing stock not to buy in October

**Air Canada** ([TSX:AC](#)) fell to \$9.26 during the March market sell-off from a 52-week high of \$52.71. At the time of writing, investors are trading the airline stock for \$15.78 per share. The company currently isn't issuing any dividends.

With the COVID-19 pandemic still underway, we don't know when air travel demand will return to normal. Thus, this is one TSX stock that you should avoid in October.

Warren Buffett famously sold all of his holdings in airline stocks this year. If you are sitting on large, unrealized capital gains from airline stocks, you have two choices: sell and find profit elsewhere or wait until a rebound.

Arguably, eventually, the world will return to normal. Therefore, if you are sitting on unrealized capital gains, then you might want to just wait a couple of years if you can.

If you don't have that much patience, then there is also nothing wrong with cutting your losses and maybe putting your money into some rebounding sectors like financials.

### Baytex Energy: A cheap energy investment

**Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) fell to \$0.27 during the March market sell-off from a 52-week

high of \$2.10. At the time of writing, investors are trading the energy stock for \$0.47 per share. The company isn't issuing any dividends at this time.

Baytex Energy is an oil and gas company that produces light oil, crude oil, shale, and natural gas in Canada and the United States.

Now might not be the best time to invest in [oil and gas companies](#) either. Geopolitics are volatile, like we saw with the Saudi Arabia price war with Russia. Worsening the outlook, OPEC continues to cut demand forecasts for gas due to the continuing health crisis.

There may come a time to take advantage of the lower stock prices in the energy sector. Now, however, doesn't seem to be the best time to buy energy stocks.

Then again, Baytex Energy stock is trading at less than \$1 per share. If you do want to bet on rising oil prices over the next two years, then Baytex Energy would be a cheap way to satisfy your inner speculator.

## Cenovus Energy: Financials might be a better option

**Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) fell to \$2.06 during the March market sell-off from a 52-week high of \$13.66. At the time of writing, investors are trading the energy stock for \$5.24 per share. Cenovus Energy also doesn't issue any dividends.

Cenovus Energy develops crude oil, natural gas liquids, and natural gas in Canada and the United States.

Again, Cenovus Energy is another stock that you should probably avoid in October. Energy prices are still depressed, as the COVID-19 pandemic continues. Until consumer and business travel gains greater upward momentum, buying stock in oil and gas firms is probably [not the best idea](#).

Worse still, a bet on Cenovus Energy would require that you risk more money than, say, cheaper oil stocks like Baytex. At \$5.25 per share, that money is safer in cash than in this energy stock.

From a bullish perspective, if you take a long-term mindset to the investment, you could see some decent capital gains in the next few years. Then again, there are better investments to make today with that money.

Instead of investing in energy, there are other sectors making rebounds on the Toronto Stock Exchange including bank stocks. Those stocks are likely better options to look into than energy.

### CATEGORY

1. Coronavirus
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### TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:AC (Air Canada)
3. TSX:BTE (Baytex Energy Corp.)
4. TSX:CVE (Cenovus Energy Inc.)

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