



3 Most Shorted TSX Stocks to Buy or Sell Today

Description

The **S&P/TSX Composite Index** was up 125 points in early afternoon trading on February 4. North American indexes have bounced back nicely after a volatile final week of January. The week was dominated by the **GameStop** craze. Today, I want to zero-in on some of the [most shorted stocks](#) on the TSX today. Are these TSX stocks worth buying in a red-hot market? Let's dive in.

This shorted TSX stock also looks like a value pick

Westshore Terminals ([TSX:WTE](#)) is a Vancouver-based company that operates a coal storage and loading terminal in its home province. I'd suggested that investors should jump on Westshore last year as it offered [favourable value](#). This TSX stock has climbed 10% year over year.

In Q3 2020, the company reported a drop in revenue and profit from the prior year. Coal loading revenue dropped 17% to \$85 million. Westshore has managed to continue normal operations in the face of the COVID-19 pandemic. However, broader economic pressures have the potential to apply downward pressure on its earnings going forward. It expects volumes in 2021 to mirror its performance in 2020.

Westshore remains one of the most shorted TSX stocks when we take short interest as a percentage of its float. Shares of Westshore still possess a favourable price-to-earnings ratio of 8.5. It also offers a quarterly dividend of \$0.16 per share, representing a 3.7% yield.

A dividend all-star under a short assault

Great-West Lifeco ([TSX:GWO](#)) is a financial services holding company that is engaged in the life and health insurance, wealth management, and reinsurance businesses in North America and Europe. Its shares have dropped 8.9% year over year. This TSX stock continues to attract interest among short sellers on the TSX.

The company reported total base earnings of \$697 million in the third quarter of 2020 – up \$2 million

from the prior year. Net earnings per share rose to \$0.89 – up from \$0.79 in Q3 2019. Great-West has a very strong record as a dividend payer. Moreover, the stock last possessed a favourable P/E ratio of 11. It also offers a quarterly dividend of \$0.438 per share. That represents a strong 5.9% yield. I still like Great-West as a long-term addition to any portfolio.

Cannabis stocks are surging and attracting short sellers

The Biden administration and the democrats, who now boast a majority in the House and Senate, have expressed interest in federal cannabis legalization, sparking a new surge for cannabis TSX stocks. At the same time, short sellers have also jumped at the chance to bet against the resurgent sector. No legislation will be forthcoming until the stimulus is hammered out. However, cannabis industry leaders have expressed confidence that we will see U.S. legalization within the next two years.

Aphria (TSX:APHA)(NASDAQ:APHA) has attracted significant short interest. Shares of this TSX stock have soared 141% in 2021 as of mid-afternoon trading on February 4. The stock last had an RSI of 78, putting Aphria well into technically overbought territory. The future of cannabis looks promising in the United States. However, Aphria looks overheated in early February.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)
2. TSX:WTE (Westshore Terminals Investment Corporation)

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aocallaghan

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