



These 4 Canadian Stocks Tanked Over 10% Last Week: Should You Buy?

Description

Amid higher oil prices and better-than-expected fourth-quarter gross domestic product numbers, the **S&P/TSX Composite Index** rose 1.8% last week. However, few Canadian stocks witnessed huge selloff. This article will look at the four such companies that corrected over 10% last week and examine whether buying opportunities exist in any of these companies.

Facedrive

Amid the series of favourable announcements, **Facedrive** (TSXV:FD) had witnessed a massive rally this year, driving its valuations higher. However, as investors' euphoria waned out, the company's stock price corrected close to 40% last week. Despite the pullback, the company still trades 57.4% higher for this year. So, should you buy this stock right now?

Amid the rising demand, Facedrive expanded its food-delivery services to 19 Canadian cities and has plans for service extension and geographical expansion. Last month, it also launched Steer, an electric vehicle subscription service, in Canada. Its other business verticals, such as Facedrive Rideshare, Facedrive Marketplace, Facedrive Social, and Facedrive Health, also offer high-growth prospects. Despite these growth prospects, I would suggest avoiding Facedrive right now, given its expensive valuation and the downward momentum in its stock price.

Lightspeed POS

Many small and medium-scale retailers shifted to omnichannel solutions due to the pandemic, which benefitted **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)), driving its financials and stock price. However, the company lost 15.1% of its stock value last week amid the pullback in high-growth tech stocks. [The correct provides an excellent buying opportunity for the long-term investors](#), as the secular shift to online-shopping has created long-term growth prospects for Lightspeed POS.

Its customer base is growing at a higher rate and earns significant revenue from recurring sources, which is encouraging. Its recent acquisition of ShopKeep and Upserve has well-positioned the

company to expand its market share as an omnichannel commerce platform provider for small- to medium-sized businesses in the United States. With its cash and cash equivalents standing at \$232.6 million, the company could also carry out future acquisitions to expand geographically.

Cargojet

After delivering an impressive 107.9% returns in the last year, **Cargojet** ([TSX:CJT](#)) has been under pressure this year, with its stock price falling 22.3%. In the last week alone, the company corrected 12.7% amid the expectation of a slowdown in its growth prospects due to increased vaccination. However, I believe the company's long-term growth prospects remain intact, given its unique overnight delivery service to 16 major cities in Canada.

Cargojet recently [raised](#) around \$365 million for fleet and route expansion amid rising demand for its services domestically and internationally. Further, the company earns around 75% of its revenue from long-term contracts, which provides stability to its financials. With the e-commerce industry expected to boom in the coming years, I believe the demand for Cargojet's services could only rise.

Aphria

Amid the fears of speculative trading and high-valuations, the cannabis stocks were under pressure last week, with the bench market index, **Horizons Marijuana Life Sciences Index ETF**, falling 8.8%. Amid the selloff, **Aphria** ([TSX:APHA](#))([NASDAQ:APHA](#)) corrected 12.8%. Meanwhile, this correction provides an excellent buying opportunity, given the cannabis industry's growth prospects and Aphria's growth initiatives.

BDSA projects the global cannabis sales to grow at a CAGR of 22% over the next five years to reach \$47.2 billion. So, the sector offers strong growth prospects. Meanwhile, Aphria has acquired a significant market share in the Canadian recreational cannabis market and looks to strengthen its position globally through its proposed merger with **Tilray**. Aphria's management expects to close the transaction by late April or early May.

Further, Aphria has already reported positive adjusted EBITDA for the last seven consecutive quarters while many of its peers are struggling to become profitable.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CJT (Cargojet Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSXV:STER (Facedrive Inc.)

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Author

rnanjapla

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