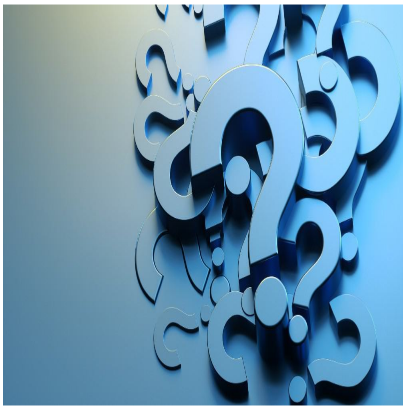

2 TSX Stocks That Corrected up to 80% Recently: Should You Buy?

Description

Canadian markets are up more than 50% since last year's epic crash. That's nothing when we see TSX stocks that have more than doubled or tripled in the same period. However, at the same time, some stocks have continued to struggle and are on a consistent decline. Here are such Canadian names that have been trading immensely weak this year. Do they offer any growth prospects after a steep correction? Let's check.

default watermark

Ballard Power Systems

The $6 billion fuel cell maker **Ballard Power Systems** (TSX:BLDP)(NASDAQ:BLDP) has been a notable underperformer this year. Early this year, the stock rose more than 170%, only to tumble in the subsequent months. After peaking to $54 in January, it has fallen 65% so far and is currently trading at $19.6.

Ballard Power makes fuel cells for heavy-duty vehicles, which contributes almost half of its consolidated revenues. The rest of its revenues comes from licensing and technology solutions. While the road to profitability still seems like a distant dream, Ballard's revenue growth has also been a big question. In the last two quarters, its revenues fell almost 30% compared to the same period in 2020.

Moreover, its premium valuation does not give an encouraging picture at all. Ballard dons a market cap of nearly $6 billion currently with total annual revenues of close to US$100 million.

Though fuel cells are environmentally friendly, there has not been significant traction for them against lithium-ion batteries. It seems like the pressure on Ballard's top-line growth could continue, at least in the short to medium term, which could weigh on its stock.

Facedrive

The ride-sharing stock **Facedrive** (TSXV:FD) has been terribly weak in 2021. The stock rose almost 3,000% from January 2020 to February this year. However, after peaking in February to $60, FD stock has been on a consistent decline. It is currently trading close to $11, representing an 82% correction since February.

Facedrive has entered multiple ventures in the last few months. The climate-friendly, ride-sharing company now boasts a number of verticals like food delivery, health tech services, and an e-commerce platform.

Facedrive's mainstay — ride sharing — saw handsome operational growth early last year. It addressed the growing carbon emission issue with its clean energy fleet. However, in Q1 2021, Facedrive's revenues from the ride-sharing business fell by 72% against the same period in 2020. Its food delivery and EV subscription verticals, which it acquired last year in an all-stock deal, formed the rest of its revenues.

Facedrive's operational growth will be vital to watch in the next few quarters. However, FD could be a highly speculative bet for investors with overvalued stock and its uncertain revenue growth.

Bottom line

Both these FD and BLDP stocks might continue to trade weaker, at least in the near future. Instead, discerned investors could consider stable, dividend-paying stocks for the long term. Those will stand tall in volatile markets and also create a passive-income stream for your sunset years.

default watermark

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)
2. TSX:BLDP (Ballard Power Systems Inc.)
3. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. kduncombe
2. vinitkularni20

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date
2025/07/21
Date Created
2021/07/27
Author
vinitkularni20

default watermark

default watermark