



3 TSX 60 Components Down Over 20% in 2021

Description

While the TSX Index has gained close to 20% this year, there are a few stocks that are trailing the broader markets. In fact, stocks such as **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC), **Kinross Gold** ([TSX:K](#))(NYSE:KGC), and **Agnico Eagle Mines** ([TSX:AEM](#))(NYSE:AEM) have each lost over 20% in the first nine months of 2021.

Let's see if these TSX stocks will continue to trail the broader markets going ahead.

Canopy Growth stock is down 44% YTD

One of the worst performers on the TSX, Canopy Growth stock is down over 40% in 2021. Similar to its peers, Canopy Growth continues to report unimpressive financial metrics, as the company grapples with a high cash-burn rate and mounting losses.

In the fiscal first quarter of 2022 that ended in June, Canopy's net sales rose 23% year over year to \$136.2 million. Its revenue, however, declined from \$148.4 million in fiscal Q4 of 2021. This decline should concern investors, as it points to a fall in market share for Canopy Growth across verticals, while the Canadian cannabis segment grew for the fourth consecutive month in terms of total sales this June.

As Canopy Growth has focused on expanding its product portfolio to drive sales higher, it has resulted in several slow-moving products and impairment charges of almost \$90 million in Q1. Comparatively, these charges stood at just \$12.8 million in the year-ago period.

The pot heavyweight used close to \$166 million in cash to fund its operating activities in Q1, higher than \$118.5 million in the prior-year period. While the company ended the quarter with almost \$560 million in cash, it will have to raise capital in the near future, which might dilute shareholder wealth or result in increased interest expenses in case of an increase in its debt balance.

Kinross Gold stock is hit by falling gold prices

Shares of Kinross Gold have fallen by 27.5% in 2021, primarily due to a decline in the prices of gold. A mining company [valued at a market cap](#) of \$8.41 billion, Kinross Gold stock is currently trading [close to its 52-week low](#). The gold miner was also impacted by rising costs that can be attributed to the ongoing pandemic.

In 2021, Kinross aims to produce 2.4 million gold equivalent ounces. Production numbers are also forecast to rise to 2.7 million in 2022 and 2.9 million in 2023. The higher mining costs should reverse next year, which suggests Kinross Gold's all-in sustaining costs will also decline from \$1,110 per ounce estimated in 2021. Kinross is well poised to generate significant profits and improve its bottom line going forward, especially if prices of the yellow metal gain pace.

Agnico Eagle Mines might move higher by end of 2021

Another gold miner that makes the list is Agnico Eagle Mines, which is also down over 27% in 2021. Agnico Eagle has operations in North America, Europe, and Mexico and has a solid pipeline of mining projects that will drive revenue as well as earnings higher in the upcoming quarters.

Similar to Kinross, Agnico Eagle Mines will also benefit from rising gold prices as it already [boasts of an industry-leading cost structure](#), allowing the company to ensure robust cash flows that support dividend increases. In the last five years, Agnico has increased payouts at an annual rate of 8% and offers a forward yield of over 2% today.

The Foolish takeaway

Gold mining stocks should stage a rebound if gold prices rise over \$2,000/ounce, given the underlying stock market volatility and increasing inflation rates. However, Canopy Growth remains a high-risk bet due to several structural issues surrounding the Canadian cannabis market.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:AEM (Agnico Eagle Mines Limited)
3. NYSE:KGC (Kinross Gold Corporation)
4. TSX:AEM (Agnico Eagle Mines Limited)
5. TSX:K (Kinross Gold Corporation)
6. TSX:WEED (Canopy Growth)

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