



TSX Today: Top 7 Canadian Stocks to Watch on Wednesday, September 29

Description

[Canadian stocks](#) plunged Tuesday, as globally rising long-term treasury bond yields worried investors. The **TSX Composite Index** tanked by 1.4%, or 289 points, to settle at 20,174 in the last session. Also, the declining commodity prices pressurized Canadian stocks further. While shares across industries saw a sharp selloff, most high-flying tech stocks took the worst beating, as investors worried about their lofty valuations. Apart from tech, consumer cyclicals, healthcare, industrials, and real estate were among the worst-performing sectors on the TSX benchmark.

On Wednesday, TSX investors may want to keep a close eye on weekly changes in the U.S. crude oil inventories. This data could give direction to oil prices and Canadian energy stocks today. Now, let's take a look at the top seven stocks that you may want to watch on the TSX today.

Kirkland Lake Gold stock

Yesterday, [the shares of Kirkland Lake Gold](#) (TSX:KL)(NYSE:KL) tanked by nearly 8%, as it announced a merger with its home market rival **Agnico Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)). After the announcement, Agnico Eagle stock also shed 1.2%. With this deal worth about \$13.5 billion, Agnico expects to become the world's one of the top senior gold producers with low unit costs and high margins. This merger will also likely drive synergies and help the combined company save costs in the long run.

While investors might have reacted negatively to this deal in the last session, I expect the deal to boost the combined company's long-term financial growth prospects.

Aurora Cannabis stock

The shares of Canadian cannabis firm **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) posted nearly 7% gains for the second consecutive day. ACB stock opened the Tuesday session on a negative note after [reporting](#) much weaker-than-expected Q4 revenue Monday evening. But the stock reversed by the afternoon to settle at \$8.64 per share. Analysts MKM Partners upgraded their rating on Aurora

Cannabis stock a day after Aurora CEO made positive comments about its EBIDTA profitability during its Q4 earnings conference call. This upgrade could be the [primary reason for ACB stock's recent rally](#).

Nonetheless, I find Aurora's declining consumer segment demand and contracting gross margins worrisome. That's why I recommend investors avoid buying ACB stock — at least for now.

TSX tech sector selloff

Some of the tech shares like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), **Nuvei** ([TSX:NVEI](#)), and **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) were among the worst-performing TSX tech stocks in the last session. While Nuvei and Shopify shed nearly 5% yesterday, Lightspeed stock dived by about 4.6%.

A recent increase in long-term bond yields is seemingly making investors exit risky bets and take profits in high-flying tech shares. Notably, stocks like Shopify, Nuvei, and Lightspeed have outperformed the broader market by a wide margin lately, as they've yielded about 31%, 99%, and 89% positive returns in the last 26 weeks.

Nuvei's remarkable sales and earnings growth in the last few quarters could be the reason for its big rally lately. Similarly, Shopify and Lightspeed have seen massive financial growth in the last couple of years — including during the pandemic phase — driving their stocks higher. However, concerns about their high valuations might trigger a short-term correction in these tech stocks. But it could be an opportunity for long-term investors to buy these [fundamentally strong tech stocks](#) at a bargain.

Canadian earnings today

The Canadian gold miner **NovaGold Resources** ([TSX:NG](#))(NYSE:NG) will release its August quarter results Wednesday evening. Street analysts expect the company to report adjusted net loss of US\$0.04 per share in the third quarter of its fiscal year 2021 — higher than compared to its adjusted net loss of US\$0.03 per share in the previous quarter.

NovaGold stock is currently trading with 31% year-to-date losses after yielding positive returns in the previous three years in a row. Its far better-than-expected Q3 results could help NG stock recover.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NYSE:AEM (Agnico Eagle Mines Limited)
3. NYSE:LSPD (Lightspeed Commerce)
4. NYSE:SHOP (Shopify Inc.)
5. NYSEMKT:NG (NovaGold Resources Inc.)
6. TSX:ACB (Aurora Cannabis)
7. TSX:AEM (Agnico Eagle Mines Limited)

8. TSX:LSPD (Lightspeed Commerce)
9. TSX:NG (NovaGold Resources Inc.)
10. TSX:NVEI (Nuvei Corporation)
11. TSX:SHOP (Shopify Inc.)

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