



3 Beaten-Down Stocks That Could Rally This Week

Description

On October 8, 2021, the **TSX** finished stronger than expected to post a triple-digit week-over-week gain of 265.40 points (+1%). It has been sliding since the start of the week, so investors expected the index to close below 20,000. Now, the year-to-date gain is back to more than 17%.

However, some stocks didn't advance as much or were beaten down. **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)) seems undervalued, while **Goodfood Market** ([TSX:FOOD](#)) and **AcuityAds Holdings** ([TSX:AT](#))([NASDAQ:ATY](#)) are surprisingly in negative territory. Nevertheless, the three names could mount a [comeback](#) and rally this week.

A significant player in the connected economy

Sierra Wireless rose to as high as \$24.47 on August 10, 2021, but has lost momentum in the last two months. Although investors are still up 4.27% year to date, the share price is down to \$19.31 as of this writing. The \$718.18 million provider of device-to-cloud Internet of Things (IoT) solutions could soon appear on investors' radars due to improving financial results.

In Q2 2021, revenue rose 19% to US\$132.78 million versus Q2 2020. Sierra's net loss versus the same period last year went down 36% to US\$9.95 million. According to management, the demand for Sierra's products remains strong.

However, production interruptions in its contract manufacturing facility in Vietnam due to COVID-19 could hamper production and shipment of cellular embedded modules in Q3 2021. Sierra has a long growth runway ahead in the connected economy, so investors need to be patient.

Back-to-back TSX30 winner

Goodfood Market is a back-to-back TSX30 winner, ranking 19th and 20th in 2021 and 2020. The [growth stock](#) has returned 219.93% (47.14% compound annual growth rate) in the last three years, although it's losing by 25.83% year to date. If you're a growth investor, you can buy on weakness

before the price soars again.

Market analysts recommend a buy rating and forecast a return potential of 35% in the next 12 months. The current share price of \$8.99 could climb to \$12.11. Goodfood is one of TSX's success stories. Today, it has a market capitalization of \$662.44 million and is Canada's leading online grocery company.

Goodfood's fresh meal delivery services also became very popular during the pandemic. Active subscribers have grown 59% to 317,000 from the level in Q4 fiscal 2019. Moreover, revenue has been growing in the last eight quarters and stood at \$107.8 million in Q3 fiscal 2021 (quarter ended May 31, 2021).

Goodfood President and COO Neil Cuggy said as the growth of the online grocery market accelerates, management will also deploy capital at an accelerating pace to enhance operations across Canada.

Niche market

AcuityAds trades at a [deep discount](#). At \$7.70 per share, the trailing one-year price return is 86.89%, although the year-to-date loss is 46.12%. However, market analysts are bullish based on their 12-month average target of \$20.19 (+162%). If their forecasts are correct, a \$10,000 investment could grow to \$26,220.78.

The \$465.45 million technology company provides digital media solutions that help advertisers and marketers connect with their audiences better. The medium could either be an online display, video, social, and mobile campaign. Acuity's nearly 75% revenue growth in Q2 2021 versus Q2 2020 is proof that business is thriving. Net income was \$3.36 million compared to the \$1.6 million net loss.

Excellent entry points

Sierra Wireless, Goodfood Market, and AcuityAds have been beaten but should recover lost ground quickly. Their share prices today are excellent entry points.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. OTC:ILLM.F (Illumin)
3. TSX:FOOD (Goodfood Market)
4. TSX:ILLM (AcuityAds)
5. TSX:SW (Sierra Wireless)

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