



TSX Weekly Recap: What Happened in the Markets This Week?

Description

The **iShares S&P/TSX 60 ETF** ([TSX:XIU](#)) is down 0.54% in the last five trading sessions. Despite the marginal pullback, the index has gained 29% year to date. Let's see what impacted the TSX this week.

Shopify downgraded by Loop Capital

Shares of Canadian e-commerce giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) were downgraded by Loop Capital on Monday. Loop Capital analyst Anthony Chukumba downgraded SHOP stock from "Buy" to "Hold" but reiterated a price target of US\$1,600. While Chukumba confirmed that Shopify's growth story remains compelling, the absurd valuation surrounding the company led to the downgrade. Shopify has a forward price-to-2022-sales multiple of 28, which is extremely steep. The stock ended trading at \$1,681.30 on Thursday.

Cannabis stocks continue to underperform

Canadian cannabis stocks continued to underperform the broader markets this week. Shares of **Canopy Growth**, **Cronos Group**, **Tilray**, **Aurora Cannabis**, and **HEXO** fell by 11.4%, 15.8%, 13.5%, 9.4%, and 23%, respectively, in the last five trading sessions.

On Thursday, Barclays analyst Gaurav Jain initiated coverage on three cannabis stocks. Jain assigned an "underweight" rating to Tilray and Cronos while providing an "equal-weight" rating to Canopy Growth.

According to the analyst, the upside potential for Canadian cannabis companies is limited due to the small size of the country's domestic marijuana market.

In addition to access to a smaller market, Canadian cannabis producers have been impacted by a slew of structural issues in the last three years. Most companies operating in this industry have been hit by widening losses, shareholder dilution, rising competition, a decline in market share, and billion-dollar write-downs.

Real Matters fell 14% following fiscal Q4 results

In the fiscal Q4 of 2021 that ended in September, **Real Matters** ([TSX:REAL](#)) [reported net revenue](#) of \$35 million, which was a year-over-year decline of 25.5%. Its adjusted net income per share fell by 50% to \$0.09 in Q4. Comparatively, Bay Street forecast the company to report sales of \$42.46 million with adjusted earnings of \$0.10 per share in the quarter.

Real Matters shares were down 14% following its less-than-impressive results in Q4. The stock is now down close to 60% year to date, trailing the broader market by a wide margin.

Definity Financial is Canada's largest IPO in 2021

Yesterday, **Definity Financial** disclosed an underwriting agreement for its IPO. The company offered 63.63 million shares at a price of \$22, raising \$1.4 billion in the public issue. According to a report from [BNN Bloomberg](#), this is Canada's third-largest IPO in the last five years and the largest one in 2021.

The company also sold \$700 million worth of shares via a private placement to the Ontario Pension Plan and Swiss Re, bringing the total capital raised to \$2.1 billion. Definity is the seventh-largest player in Canada in the property and casualty-insurance segment with a market share of 4.6%. In the first nine months of 2021, its gross premiums were close to \$2.4 billion — an increase of 16% year over year.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:REAL (Real Matters Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:XIU (iShares S&P/TSX 60 Index ETF)

PARTNER-FEEDS

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

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/07/19

Date Created

2021/11/19

Author

araghunath

default watermark

default watermark