



The Top 3 Canadian Stocks on Wealthsimple Trade This Week

Description

Not all stocks listed on the **Toronto Stock Exchange** (TSX) are equal. Some happen to garner more interest from investors due to various catalysts that send them into a trading frenzy. A variety of events underlie these catalysts, including earnings reports (good or bad), industry changes, scandals, or sometimes even a high-profile, provocative tweet from a famous person (here's looking at you, Elon Musk!).

Trading in these high activity stocks can be exciting, albeit risky. Investors can use swing trading strategies, technical analysis, or sometimes pure luck to turn a profit in a short amount of time. With the advent of 0-commission trading for brokerages like [Wealthsimple Trade](#), the cost of starting has never been lower. With that in mind, let's take a look at the top three TSX stocks getting the most action on the Wealthsimple Trade app this week:

Air Canada

Air Canada ([TSX:AC](#)) had a rough year. After an amazing bull run from a low of \$7.79 in January 2016 to a high of 50.90 in January 2021, it was absolutely decimated by the start of the COVID-19 pandemic, falling to \$12.41 in the span of a few months by early March 2020. Since then, it has traded in a 52-week range of \$19.37-\$31.00, with numerous ups and downs as news of travel restrictions, vaccines, government bailout, and fuel shortages tested it.

Recently, news of the Omicron COVID-19 variant sent the price plummeting again. The stock dropped over 8% between Thursday, November 25 and Friday as shareholders panicked over the prospect of renewed travel restrictions and lost airline revenue. Should Omicron prove to be of less concern than anticipated and travel restrictions less heavy-handed, I expect the stock to rally given the heightened investor interest. Conversely, more turbulence and losses could be on the way if the opposite proves true.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is Canada's very own meme stock. After being pumped by r/WallStreetBets traders from \$7.65 to nearly \$31.50 in January 2021, it has since dropped to trade within a \$10-\$14 dollar range year to date. The stock is incredibly volatile and appears to be highly correlated with the movements of American meme stocks like **Gamestop** and **AMC Entertainment Holdings** frequently traded by the members of r/WallStreetBets.

The stock had a rough month. After a Reddit-fuelled pump drove the price up to 14.55 in early November, it has since dropped over 10% to \$12.56 as of November 29th. The heavy trading activity and the recent dump suggest that investors are rotating out after those who rode the pump took profits at the top. Moving forward, I expect more cycles of this to repeat, so if you're feeling brave and are lucky enough to hop in at a low price, this stock could be worth it.

Cineplex

Like the rest of the entertainment sector, **Cineplex** ([TSX:CGX](#)) stock was absolutely wrecked by the first wave of COVID-19. Its price plummeted from \$32.99 in February 2020 to a low of \$4.75 by October 2020, as theatres were shuttered and ticket revenues dried up. Since then, it staged a volatile, but steady recovery to \$13.12 by November 25th, 2021 before dropping more than 15% in a single day to a low of \$11.32 by November 26th.

From my point of view, investors are using news of the Omicron variant as a catalyst to express their views of the company's profitability, despite no restrictions being announced yet for the entertainment industry. Cineplex's fundamentals are a cause for concern, with a dismal third-quarter earnings report showing a \$33.6 million net loss, adjusted free cash flow of -\$5.8 million, and EPS of -\$0.53. With this in mind, it's entirely possible that the recent dip was priced in and investors expect more losses moving forward.

The Foolish takeaway

Want to get in early the next time a stock goes on a tear? Finding the most traded stocks is easy with Wealthsimple Trade. Simply log on to the app, click the search bar, then the "Top Lists" category, and scroll down to the "Top 100 on Trade" section. From there, you can easily see the average recent volume and review each stock in-depth on its dedicated page.

Trading stocks with the most activity can be an exciting way to profit in the market. However, ensure that you always practice good risk management: conduct thorough due diligence on the company, never invest what you can't afford to lose, have an exit plan and price to take profits at, and be ready to cut your losses should a trade move against you. Doing so will help keep the large losses at bay and your gains in the green.

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