



4 High-Growth TSX Stocks That Dropped on Monday: Should You Buy?

Description

Almost all global equities started the week on a weak note on the rising COVID cases. Apart from the fears of the new variant, rising inflation and upcoming tightening monetary policy also weighed on stocks. TSX stocks at large fell 1% on Monday, while stocks south of the border witnessed a similar weakness.

Interestingly, some high-growth names saw substantially higher weakness to start the week. For example, cannabis stock **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) fell 9%, and fintech stock **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) continued its losing spree. It fell 5% on December 21. **Bombardier** ([TSX:BBD.B](#)) stock fell 6%, while **Lundin Mining** ([TSX:LUN](#)) dropped a notable 17% on Monday.

Canopy Growth

On Monday, Canopy Growth shares tanked 9% after **Piper Sandler** [cut](#) its rating from neutral to underperform. The analyst stated that the company's sales are "under pressure" and is losing market share in the recreational space. The analyst's new rating indicates 20% downside from its current levels.

Cannabis stocks have had an awful year in 2021. Canopy Growth shares tumbled 65%, while pot stocks on average dropped 25% so far this year.

Excess supply and lower demand amid the pandemic dented marijuana companies' sales. Also, raging black markets have been another major concern weighing on cannabis sales. As a result, it's better to stay away from these pot names until we see sustained financial growth.

Nuvei

Canadian payment-processing stock Nuvei seems to be struggling to find the bottom. The stock has fallen more than 60% from its all-time high of \$180 in September. Valuation concerns and short-seller report fueled the fall, while Monday's broader market weakness weighed on Nuvei recently.

However, [NVEI stock](#) should stabilize in the near future. The company issued a positive earnings outlook for the long term. Upbeat guidance and a relatively cheaper valuation should help NVEI stock gain some momentum from its current levels. Nuvei's scale, enormous addressable market, and competitive advantage over peers should help it outperform in the longer term.

Lundin Mining

Lundin Mining stock dropped 17% yesterday after it announced to buy sister firm **Josemaria Resources** for \$625 million. LUN is a \$6.5 billion base metal mining company that derives 70% of consolidated sales from copper.

Lundin will own a marker Josemaria copper-gold project in Argentina with its recent acquisition. The project is forecast to increase Lundin's total production substantially in the long term. The stock dropped to almost 14-month lows and is currently trading at \$8.8.

Bombardier

This year's top-gainer TSX stock Bombardier was another stock that tumbled big on Monday. The shares fell 6% and brought them down close to four-month lows. However, BBD stock is still sitting on a stellar gain of 215% for the year, despite the recent drop.

Bombardier stock has been weak since September due to the likely impact of the Swedish corruption probe. In addition, [high-growth stocks](#) have seen a remarkable profit booking since September amid mounting inflation.

Bombardier is in a turnaround phase and is now focused on making business jets. While its revenue growth in the last couple of quarters is quite encouraging, long-term sustained profitability still seems a distant dream for now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:BBD.B (Bombardier)
4. TSX:LUN (Lundin Mining Corporation)
5. TSX:NVEI (Nuvei Corporation)
6. TSX:WEED (Canopy Growth)

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