3 Top TSX Stocks That Have Fallen More Than 20% in 2022

Description

It has been a brutal start to the new year, where tech stocks have been the prime laggards. After having a roll almost throughout the pandemic, they are now reverting to pre-pandemic levels with interest rate hikes fast approaching. Although rate hikes were not unexpected, some growth names have fallen terribly. Here are some of the top TSX stocks that have shown terrible weakness in 2022.

Shopify

Canada's biggest tech stock **Shopify** (TSX:SHOP)(NYSE:SHOP) has been one of the biggest laggards in the ongoing turmoil. Canada's once largest stock by market cap has lost 35% this year and is currently trading close to its 20-month lows.

Shopify stock has almost always donned an ultra-stretched valuation measure all these years. The stock, which used to trade well above 100 times earnings during the pandemic's peak is now available at 33 times earnings.

SHOP was among the very few heroes amid the pandemic. The e-commerce giant helped brick-and-mortar stores to set up shop online when lockdowns emerged. Apart from that, market participants poured easy money into riskier assets like SHOP, which fueled its solid rise.

However, things have turned. Now, after a decent economic recovery post-COVID-19 dent, it's time to put a plug on easy money, raise rates back up, and work from the office. High-growth stocks that trade at higher multiples are more vulnerable in a rising rate environment. That's why we are seeing an above-average impact on stocks like SHOP.

Importantly, its growth outlook remains intact. So, if you are not holding SHOP yet, it's a great time to start building your position into it. As e-commerce spending continues to increase, Shopify will most likely be one of the biggest beneficiaries of the trend.

Shopify is still a small fish in a big pond! Its merchant base expansion, healthy product mix, and supporting macro picture could drive superior financial growth in the future. The stock has fallen almost

50% from its all-time highs and presents an attractive opportunity.

Lightspeed Commerce (TSX:LSPD)(NYSE:LSPD) is another name that's fallen 25% this year. In fact, the decline has been unstoppable since September 2021. A short report coupled with valuation concerns has brought the stock down by a massive 77% in the last four months.

Lightspeed will release its fiscal Q3 numbers early next month. Better-than-expected numbers could change investor sentiment to some extent.

Aurora Cannabis

Cannabis stock **Aurora Cannabis** (TSX:ACB)(NYSE:ACB) had an awful 2021, and 2022 also seems to have started on a bitter note. The stock has fallen 25% so far this year and 60% in the last 12 months. However, that's not the only problem.

Well, Aurora Cannabis investors are dealing with a host of problems from declining financial growth to brutal competition in saturated markets. Notably, pot stocks had a solid run in early 2020, mainly in the hopes of marijuana legalization in the United States. However, there have been no developments on that front, and it seems that this will continue in 2022.

Like Aurora, many marijuana companies are loss-making ventures and are eagerly waiting for legalization in the United States. How pot stocks play out in such challenging times remains to be seen.

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1. NASDAQ:ACB (Aurora Cannabis)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:ACB (Aurora Cannabis)
5. TSX:LSPD (Lightspeed Commerce)
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Date
2025/06/28
Date Created
2022/01/24
Author
vinitkularni20