



Why Did Xebec Adsorption Stock Drop up to 10% Today?

Description

Xebec Adsorption ([TSX:XBC](#)) was founded in 1967. It provides clean energy solutions for renewable and low-carbon gases used in energy, mobility, and industrial applications. For example, in its last earnings release, the company reported seeing an increasing number of quotes to convert renewable natural gas to green hydrogen, for which it possesses world-leading technology.

What happened?

The Xebec Adsorption stock price dropped as much as 10% today, but there was no company-specific news. The industrial company last reported its third-quarter 2021 financial results on November 11. So, investors can expect an update on the company's performance sometime in February.

As of writing, the stock is still down more than 8% on the day. The reason for the big drop is likely related to the negative market sentiment has around [growth stocks](#) and especially ones that aren't profitable right now. In the trailing 12 months, the stock increased its revenues by 32%, it booked net loss of \$54.1 million.

So what?

Bruce Campbell, president and portfolio manager at StoneCastle Investment Management, last commented about Xebec Adsorption stock in October 2021 on *BNN*. He believed there is a tailwind behind renewable natural gas, and the company is positioned well for this. The company had a number of issues with the company and projects. It is now subsiding, and the company should have a tailwind for decades. The stock did rally about 33% to \$4 after his comments.

Now what?

The [TSX stock](#) trades at \$1.75 per share at writing with the analyst consensus 12-month price target, across 11 analysts, at \$4.37 for 150% near-term upside potential. Even the most bearish analyst thinks the stock can trade at \$3 again for 71% upside. There's no doubt that Xebec is a speculative stock,

though, because it hasn't turned a sustainable profit yet. Interested investors should wait for at least a consolidation in the stock before taking a position and size their positions accordingly.

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Date

2025/07/26

Date Created

2022/01/24

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