



Why Goodfood Stock Climbed 12% on Wednesday

Description

Goodfood Market ([TSX:FOOD](#)) shares recovered 12% on Wednesday, as it looks like the market finally agrees that the stock suffered enough.

What happened?

Goodfood stock became one of the latest companies to recover some losses on Wednesday. Growth stocks have been hammered over the past few months, and the Ukraine crisis sent shares [down](#) even further. While volatility certainly isn't gone, there is at least some hope on the horizon — even for this company.

I say that, because Goodfood stock has suffered horribly during the first part of 2022. Shares hit 52-week highs of \$10.89 and then fell into free fall. Shares hit a low of \$2.14 this week but have [gone up](#) since then by 12%, reaching \$2.40 as of writing.

So what?

Investors seem to be looking for growth opportunities, so it's a fair question to wonder if Goodfood stock could be one of them. After all, the company continues to expand and has peers around the world to look to for inspiration in the meal-kit industry.

The company gained popularity during the very early days of the pandemic, providing a safe way to bring in meals. Since then, it's expanded to breakfasts, lunches, groceries, and on-[demand](#) delivery services. It continues to expand its fulfillment network, aiming for small fulfillment centres across the country to provide these on-demand services.

Now what?

Analysts cut their targets for Goodfood stock again and again these last few months. It now remains at

about \$4 per share, which is still a potential upside of 67% as of writing. Furthermore, it's within oversold territory, trading at a relative strength index of 32.

Now, granted, I don't think this stock is going to make a sudden turnaround to double digits once more. That being said, I also don't think it's going to remain at \$2.40. Long-term investors should therefore consider the stock as the market starts to rebound, as they could certainly recover a lot of losses suffered this year alone.

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Author

alegatewolf

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