



Why Goodfood Stock Recovered 12% on Wednesday

Description

Goodfood Marketplace ([TSX:FOOD](#)) shares recovered 12% on Wednesday, with the meal-kit delivery service seeing shares [comeback](#) from 52-week lows.

What happened?

Goodfood stock seems to be flipping back and forth over the last week, gaining 12%, losing it, and gaining it back once more. And unfortunately, it really doesn't have much to do with what the company has been doing lately.

Most recently, Goodfood stock seems to have experienced a solid [recovery](#) after hitting 52-week lows, followed by a stronger market sentiment. The Asia-Pacific markets came out strong on Wednesday, leading to growth in many areas of the market. This positive outlook led to investors wanting in on these potential growth stocks once more.

So what?

While it's important to note that there haven't been any developments for Goodfood stock, it's not that you should ignore it altogether. In the case of this company, analysts continue to weigh in on the stock. Most recently, two analysts announced target prices for Goodfood at \$3 and \$4.25. Both prices are far higher than the current \$2.30.

That being said, many investors (me included) have been burned in the past. True, no one could have predicted the Ukraine crisis that now hurts the market. However, we couldn't have predicted the pandemic growing the stock either.

Now what?

Goodfood stock may see growth eventually, hitting those targets by analysts. But it's going to take

some time. The pandemic isn't over, but, unfortunately for the company, many Canadians don't see the purchase of a Goodfood meal kit as necessary anymore. Instead, they're heading back to in-store shopping or even picking up their groceries online.

Goodfood stock does have a few tricks up its sleeve, rolling out on-demand delivery across the country, with even more options and fulfillment centres. But only time will tell how much this will help. For now, even after this growth, I'd recommend watching the company from a safe distance.

Goodfood stock is up 11.5% as of writing, trading at 2.59 times book value.

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