



## 3 Heavily Shorted TSX Stocks to Watch This Summer

### Description

The **S&P/TSX Composite Index** was up 40 points in early afternoon trading on June 28. In the middle of June, the TSX Index suffered a series of retreats that drove it into an official bear market. It should come as no surprise that short interest has increased in this market correction. Today, I want to look at three TSX stocks that have attracted major [short interest](#) to kick off the summer. Should you avoid these equities or look to make a contrarian pick? Let's jump in.

### This reeling electric vehicle TSX stock is still one of the most shorted

According to recent data released by S3 Partners, **Lion Electric** ([TSX:LEV](#))(NYSE:LEV) is one of the three most shorted TSX stocks. This Montreal-based company designs, develops, manufactures, and distributes purpose-built all-electric medium- and heavy-duty vehicles in North America. Shares of this TSX stock have dropped 24% month over month at the time of this writing.

This company released its first-quarter 2022 results on May 3. It delivered 84 vehicles in Q1 2022, which was 60 more vehicles than the previous year. Meanwhile, revenues were reported at \$22.6 million — up from \$6.2 million in the first quarter of 2021. However, its adjusted EBITDA loss worsened to \$11.3 million compared to an adjusted EBITDA loss of \$5.9 million in the prior year.

Lion Electric is still geared up for big earnings growth going forward. However, investors should anticipate further volatility in the near term, as it wrestles to achieve profitability.

### Canada Goose has many detractors after falling sharply so far in 2022

**Canada Goose** ([TSX:GOOS](#))(NYSE:GOOS) is another one of the 10 most shorted stocks on the TSX at the time of this writing. This Toronto-based winter clothing manufacturer managed to rebound nicely in 2021. However, it has succumbed to broader turbulence this year. Shares of this TSX stock have

plunged 46% in the year-to-date period.

Investors got to see its fourth-quarter and full-year fiscal 2022 earnings on May 19. Total revenues increased 6.8% year over year to \$223 million. It still posted a net loss of \$9.1 million, or \$0.09, in the final quarter of fiscal 2022. Canada Goose is still positioned to deliver strong earnings growth, as it has widened its international reach. The company also boasts an immaculate balance sheet. I'm looking to buy the dip in this winter clothing stock in the summer heat.

## Crypto-focused TSX stocks are also among the most shorted right now

The cryptocurrency market has suffered a major crash in recent weeks. **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)) is a top crypto miner in Canada. Unsurprisingly, it has attracted significant short interest during the crypto collapse. This TSX stock has plunged 81% so far in 2022.

Hut 8 Mining is heavily reliant on crypto prices, especially in top currencies like **Bitcoin** and **Ethereum**. That means the stock will be hard to trust, as faith has been severely shaken in the crypto space. A rebound in the future is not out of the question, but I'm avoiding Hut 8 Mining and its industry peers right now.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:HUT (Hut 8 Mining)
2. NYSE:GOOS (Canada Goose)
3. OTC:LEVG.Q (Lion Electric)
4. TSX:GOOS (Canada Goose)
5. TSX:HUT (Hut 8 Mining)
6. TSX:LEV (Lion Electric)

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