



What to Watch for in the TSX Today

Description

The **S&P/TSX Composite Index** rose 36 points on Wednesday, August 24. Today, I want to discuss what investors should be on the lookout for on the [Toronto Stock Exchange \(TSX\)](#) right now. Let's dive in.

Cannabis TSX stocks surged on Wednesday

The **S&P/TSX Capped Health Care Index** jumped 3.91% to close out Wednesday's trading session. Interestingly, cannabis stocks were the key driver for growth on the day. What was behind this rally?

Canopy Growth ([TSX:WEED](#))([NASDAQ:CGC](#)) remains one of the premier cannabis stocks on the TSX. Its shares jumped 13% on August 24. However, the stock is still down 55% in the year-to-date period. Canopy Growth has plunged 77% compared to the same time in 2021. This stock will need to put together many more rallies to recoup the steep losses it has suffered this year.

In the first quarter (Q1) fiscal 2023, Canopy Growth reported flat revenue compared to the fourth quarter of the previous year. Meanwhile, it maintained its top position for combined premium flower and pre-rolled joints in Canada. The top cannabis company is still chasing profitability.

Tilray ([TSX:TLRY](#))([NASDAQ:TLRY](#)) is another top cannabis stock that rose 5.17% on Wednesday, August 24. Shares of Tilray are still down 46% in 2022. This top cannabis company reported a steep net loss of \$457 million in the fourth quarter of fiscal 2022. That was down from net income of \$33.6 million in the prior year.

There were no big moves to suggest that the upward move was anything more than a blip at the time of this writing. Indeed, investors may be hunting for discounts and potential buy-low targets in a turbulent market. Cannabis stocks have struggled for many months, which makes them an intriguing subject.

Canada's housing officially enters a bear market

This week, **Bank of Montreal** chief economist Doug Porter declared that the Canada housing market had entered [bear territory](#) in the late summer. Aggressive rate tightening from the Bank of Canada (BoC) has put significant pressure on a sector that has thrived on historically low interest rates and a friendly credit climate. Home inventories have spiked over the past eight months, which has led to a far more balanced market.

Will the bloodbath continue for housing TSX stocks? **EQB**, a top alternative lender, has seen its stock drop 22% in 2022 as of close on August 24. A tight credit market and a sharp drop in sales will undoubtedly make the coming quarters a lot tougher for this company.

That all said, a recent **Canadian Imperial Bank of Commerce** report suggested that the BoC may be set to abandon rate hikes in September. The real estate space will still be faced with much higher rates than they have been used to over the past decade. Still, a halt to the rate hikes could provide some relief and pave the way for a potential move southward in the event of a recession.

Top Canadian banks suffer a slowdown: Which TSX stocks are suffering?

Scotiabank was the first of the Big Six Canadian banks to release its third-quarter 2022 earnings. **Royal Bank** ([TSX:RY](#))([NYSE:RY](#)), the top Canadian bank and the largest TSX stock by market cap, unveiled its Q3 2022 results on August 24. It delivered net income of \$3.6 billion, which was down 17% from the previous year. Net income in its Personal and Commercial Banking segment fell 4%.

Royal Bank's drop in year-over-year earnings may be a sign of struggles to come for Canada's banking sector. Investors should be prepared for volatility, as a recession still looks likely.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:TLRY (Tilray)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TLRY (Aphria)
6. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin

4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/06/28

Date Created

2022/08/25

Author

aocallaghan

default watermark

default watermark