



## What to Watch for on the TSX Today

### Description

The **S&P/TSX Composite Index** rose 150 points on Thursday, August 25. Utilities was the only sector to suffer a retreat in yesterday's trading session. This is the third straight day I've covered Canada's top market index. Today, I want to discuss what investors should watch out for on the [Toronto Stock Exchange \(TSX\)](#) to close out this week and in the weeks ahead.

## Cannabis stocks put together another strong trading session

Yesterday, I'd discussed the strong stretch cannabis stocks enjoyed on August 24. Cannabis stocks were able to extend their gains on Thursday. **Horizons Marijuana Life Sciences ETF** aims to track the performance of cannabis stocks in North America. Shares of this ETF rose 4.37% on Thursday, August 25. The ETF has shot up 140% in the year-to-date period.

**Aurora Cannabis** ([TSX:ACB](#))([NASDAQ:ACB](#)) is still one of the top cannabis producers in Canada. This Edmonton-based TSX stock increased 8.4% in yesterday's trading session. Its shares are down 70% so far in 2022.

Investors can expect to see the company's final batch of fiscal 2022 earnings in late September. In the third quarter (Q3) of fiscal 2022, Aurora Cannabis reiterated that it expected profitability by the end of the first half of fiscal 2023. Aurora's Medical Cannabis segment delivered net revenue growth of 8% to \$39.4 million. That provided the bulk of Aurora's consolidated revenues and 92% of its adjusted gross profit.

Shares of this cannabis stock are trading in favourable value territory compared to its industry peers. That said, I want to see Aurora come closer to its profitability goal before betting on this struggling stock.

## Base and battery metal TSX stocks are on fire

The **S&P/TSX Global Base Metals Index** climbed 2.60% on August 25. Meanwhile, the **S&P/TSX Battery Metals Index**

jumped 2.43% to close out the same trading session. The only sector to outpace these [metals indexes](#) was health care on Thursday.

**Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) is a Vancouver-based company that is engaged in the exploration, acquisition, development, and production of natural resources in North America and around the world. This stock jumped 3% on August 25. Its shares are up 28% in the year-to-date period.

In Q2 2022, Teck delivered record adjusted profit of \$1.8 billion or \$3.30 per share. This metal stock currently possesses a very favourable price-to-earnings (P/E) ratio of 4.6. It offers a quarterly dividend of \$0.125 per share. That represents a modest 1% yield.

**Standard Lithium** is another Vancouver-based company. However, this stock is listed on the TSX Venture Exchange. It is engaged in the exploration, development, and processing of lithium brine properties in the United States. This lithium stock has plunged 32% in 2022. Lithium stocks have built nice momentum to start this decade, as electric vehicle (EV) production has ramped up significantly around the world.

## Some TSX stocks can benefit from a stronger Canadian dollar

The Canadian dollar has strengthened over the past week ahead of a key Federal Reserve meeting south of the border. Interestingly, the Canadian dollar still looks undervalued considering the aggressive rate hikes undertaken by the Bank of Canada (BoC). **Canadian Tire** ([TSX:CTC.A](#)) is a TSX stock that is worth targeting as a top [Canadian retailer](#) that also rakes in profits from its gas station sales.

Shares of Canadian Tire have dropped 14% in 2022 as of close on August 25. The stock is still up 6.1% in the year-over-year period. In Q2 2022, the company delivered consolidated comparable sales growth of 5%. Meanwhile, revenue rose 9.9% to \$5.36 billion.

This TSX stock possesses an attractive P/E ratio of nine. It offers a quarterly dividend of \$1.625 per share, representing a solid 4% yield.

### CATEGORY

1. Investing

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2. NASDAQ:ACB (Aurora Cannabis)
3. NYSE:TECK (Teck Resources Limited)
4. TSX:ACB (Aurora Cannabis)
5. TSX:CTC.A (Canadian Tire Corporation)
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