



Why Corus Entertainment Stock Has Lost 20% in the Last 20 Sessions

Description

What happened?

Shares of **Corus Entertainment** ([TSX:CJR.B](#)) have been under pressure lately, as the stock has lost more than 20% of its value in the last 20 sessions. CJR.B stock fell sharply by 11.2% in the week ended on September 9, marking its fourth consecutive week in red territory. In contrast, the **TSX Composite Index** rose by 2.6% last week.

So what?

Corus Entertainment is a Toronto-based media and content company with a [market cap](#) of about \$619 million and continues to be among the TSX Composite components. Its stock has been falling lately as slowing economic growth and the possibility of a near-term recession continue to dim its [fundamental](#) outlook.

The ongoing selloff in Corus stock intensified last week after the company apparently [confirmed](#) investors' fears by warning about a meaningful softness in its television advertising segment revenue on a YoY (year-over-year) basis. The Canadian media firm blamed "the complex macroeconomic environment and ongoing pandemic-related impacts" for its warnings.

In addition, Corus said that the advertising demand and spending have seen a contraction across North America recently due mainly to negative factors like "heightened risk of recession, persistently high inflation, and continuing supply chain constraints." These warnings hurt investors' sentiments and drove a sharp selloff in Corus stock last week.

Now what?

After the COVID-19 pandemic-driven operational challenges drove Corus Entertainment's adjusted earnings per share down by 11.8% YoY in its fiscal year 2020, the company registered a strong

financial recovery in the fiscal year 2021 (ended in August 2021).

While its revenue has grown positively in the first nine months of its fiscal year 2022, its adjusted earnings have slipped by 28.3% YoY during the three quarters to \$0.60 per share, as inflationary pressures and the global supply chain crisis continued to affect advertising. Given these challenges, Corus stock may continue to trend downward in the near term.

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Author

jparashar

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