What to Watch for in the TSX Today

Description

The **S&P/TSX Composite Index** plunged 193 points on Tuesday, September 20. Today, I want to discuss what investors should be looking out for on the Toronto Stock Exchange (TSX), as we officially move into the fall season. Let's jump in.

TSX posts another triple-digit loss

Last week, the TSX Index suffered three separate triple-digit losses. Canada was not alone, as United States indexes were also hit hard by volatility. Some TSX stocks were throttled more than others. For example, equities linked to the reeling Canada housing market have been punished in recent weeks.

EQB (TSX:EQB) is a Toronto-based alternative lender that has gorged on the strong housing market over the past decade. In the first half of fiscal 2022, the company delivered adjusted earnings growth of 10% to $153 million. However, shares of EQB have plunged 11% month over month as of close on September 20. The stock is down 32% in the year-over-year period.

The financial sector is the largest on the TSX. Unsurprisingly, many Canadian bank stocks have struggled in recent months. **Laurentian Bank** (TSX:LB), a Quebec-based regional bank stock, has seen its shares drop 20% so far in 2022. That has pushed the stock into negative territory in the year-over-year period. Like EQB, Laurentian Bank has also posted adjusted net income growth of 10% in the year-to-date period to $179 million.

Investors will have a hard time finding refuge in this increasingly turbulent market.

Tech stocks take a tumble

The **S&P/TSX Capped Information Technology Index** suffered a 2.21% decline on Tuesday, September 20. This index reached a five-year peak in the autumn of 2021. Unfortunately, it has suffered a steady decline since the middle of November.

Open Text (TSX:OTEX)(NASDAQ:OTEX) is a Waterloo-based company that is engaged in the design, development, marketing, and sale of information management software and solutions. Shares of this TSX tech stock have dropped 37% in the year-to-date period. The stock is down 41% from the same time in 2021.

In fiscal 2022, the company delivered total revenue growth of 3.2% to $3.5 billion. Meanwhile, annual recurring revenues increased 4.5% to $2.9 billion. This tech stock possesses a favourable price-to-earnings (P/E) ratio of 19.

Shopify was one of the biggest stories in the technology space in the late 2010s and in the beginning of the COVID-19 pandemic. However, this tech stock has had a fall from grace that has rivalled Canadian horror stories like Nortel and Valeant Pharmaceuticals. Its shares are down 73% so far in 2022.

Inflation is still high: What TSX stocks will be impacted?

Yesterday, Statistics Canada revealed that inflation cooled to 7% in the month of August. The fall was driven primarily by plummeting gas prices that have given consumers a break at the pump. Unfortunately, food price inflation has worsened. Food prices have climbed 10.8% from the previous year. That is the fastest rate of food price growth since August 1981.

Investors looking for relief after grocery shopping may want to snatch up a TSX grocery retail stock like **Loblaw Companies** (TSX:L). This is the largest grocery retail operator in the country. In the second quarter of 2022, this company delivered revenue growth of 2.9% to $12.8 billion. Adjusted net earnings available to common shareholders increased 22% to $566 million.

Shares of this TSX stock still possess a solid P/E ratio of 19. It offers a quarterly dividend of $0.405 per share, which represents a modest 1.4% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EQB (EQB)
2. NASDAQ:OTEX (Open Text Corporation)
3. TSX:L (Loblaw Companies Limited)
4. TSX:LB (Laurentian Bank of Canada)
5. TSX:OTEX (Open Text Corporation)

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