



What to Watch for in the TSX Today

Description

The **S&P/TSX Composite Index** fell 181 points on Thursday, September 22. That was the [third triple-digit point retreat](#) on the [Toronto Stock Exchange \(TSX\)](#) over the past four days. Today, I'm going to look at two sectors that struggled mightily yesterday. Moreover, I want to explore how a coming recession could spell further trouble for the top Canadian market. Let's jump in.

Cannabis stocks are back in the TSX doghouse

The **S&P/TSX Capped Health Care Index** dropped 2.30% as of close on Thursday, September 22. As has been the case in recent months, it was the cannabis space that dragged down this sector.

Aurora Cannabis is still one of the [top cannabis producers](#) in North America. However, the stock has struggled mightily, as the shine quickly wore off the Canadian cannabis market following recreational legalization in October 2018. Shares of this TSX stock dropped 4.6% yesterday. This stock has plummeted 77% in the year-to-date period.

Canopy Growth ([TSX:WEED](#))([NASDAQ:CGC](#)) is another top cannabis producer. This company gained momentum on the hopes that it could vault into a great position in the burgeoning United States market due to some sly moves it made in the prior decade. Unfortunately, federal legalization south of the border has not arrived. Instead, Canopy has struggled to hit its stride in a middling Canadian market. Its shares plunged 7% on Thursday. The stock is down 67% in 2022.

I'm not eager to buy the dip in either of these cannabis stocks today or in the weeks ahead. The Canadian cannabis space is looking more like a cautionary tale rather than the success story that it could have been when recreational legalization first got on track after the Trudeau Liberals took power in 2015.

Tech stocks are reeling: Should you take advantage?

In previous years, technology equities have been a fantastic source of growth for ambitious investors. [Tech stocks](#)

have been sent reeling in North America in the face of broader volatility. The **S&P/TSX Capped Information Technology Index** declined 2.75% on Thursday, September 22.

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a Waterloo-based company that provides intelligent security software and services to enterprise and governments around the world. This TSX tech stock dropped 3.54% on Thursday, September 22. Meanwhile, its shares have plunged 40% in the year-to-date period.

This company holds promise due to its exposure to burgeoning sectors like cybersecurity and automotive software. However, it also faces intense competition from other tech companies in these spaces. If BlackBerry remains a middle of the road player in these fields, it will be hard for its stock to properly reward shareholders.

Kinaxis ([TSX:KXS](#)) is an Ottawa-based company that provides cloud-based subscription software for supply chain operations in North America and around the world. It has attracted marquee clients like **Ford, Toyota Motors, Unilever**, and others. Shares of this tech stock have dropped 22% so far in 2022. The stock is down 32% year over year.

The supply chain management software market is geared up for big growth going forward. Kinaxis is a big reason Canada has become a leader in this niche space. I'm looking to snatch up this promising tech stock on the dip in late September.

Recession odds are rising, and the TSX is getting choppier

This week, the World Bank released a report that predicted rate-tightening cycles across the developed world could potentially push us into a global recession. The Bank of Canada (BoC) has aggressively raised the benchmark rate in recent months. It now sits at 3.25% — the highest since before the Great Recession. Rate tightening has already wreaked havoc on the Canada housing market.

Predictably, the TSX has been hit by turbulence in the face of these pressures. It has surrendered most of its 2021 gains. **Maple Leaf Foods** president and chief executive officer Michael McCain said, "This chaotic and unpredictable operating environment is unprecedented in my 40-year career in the food industry." Shares of Maple Leaf have fallen 29% in 2022.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:CGC (Canopy Growth)
3. NYSE:BB (BlackBerry)
4. TSX:BB (BlackBerry)
5. TSX:KXS (Kinaxis Inc.)
6. TSX:WEED (Canopy Growth)

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