



Why Corus Entertainment Stock Has Tumbled 35% in September

Description

What happened?

Corus Entertainment's ([TSX:CJR.B](#)) stock price has seen a sharp correction in September. At the time of writing, Corus stock was trading with nearly 35% month-to-date losses at \$2.42 per share, extending its year-to-date losses to around 49%. If the stock ends the month at current price levels, it would be its worst monthly performance since March 2020. By comparison, the **TSX Composite Index** has seen a 4.4% value erosion so far this month.

So what?

Corus Entertainment is a Toronto-based media and content company with a [market cap](#) of about \$476.4 million. Based on its 2021 revenue figures, the company generated nearly 94% of its total revenue from its television segment, while the remaining 6% came from its radio segment.

Corus Entertainment's share prices have been falling for the last six weeks in a row, as rising inflationary pressures and fears of a near-term recession are continuing to raise investors' fears about a looming recession. This selloff in Corus stock intensified on September 9 after the company [warned](#) investors of the ongoing macroeconomic uncertainties affecting its advertising revenues in the near term.

In a press release, the Canadian media company also blamed other factors like recent changes in consumer behaviour patterns and continued supply chain disruptions for affecting its product as well as service advertising categories. These warnings badly hurt investors' sentiments, leading to a massive selloff in Corus stock.

Now what?

Falling share prices tend to make a stock's dividend yield appear more attractive. After its recent declines, Corus Entertainment stock's annual dividend yield now stands at around 9.9%. However,

investors shouldn't solely look at a stock's dividend yield to make any investment decision and should also take other [fundamental](#) factors into account. Clearly, the ongoing macroeconomic issues may extend Corus Entertainment's operational struggle and delay its post-pandemic financial recovery. This is one of the key reasons I expect Corus stock to remain highly volatile in the short term.

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