



TSX Today: Why Canadian Stocks Could Fall on Tuesday, October 11

Description

The Canadian [stock market selloff](#) intensified on Friday ahead of the long Thanksgiving Day weekend. The **TSX Composite Index** slid by 396 points, or 2.1%, for the session to close at 18,583, marking its third consecutive day of losses, despite better-than-expected domestic employment change data for September. While intraday gains in West Texas Intermediate crude oil futures prices limited losses in Canadian [energy stocks](#), all other key sectors fell sharply, mainly led by shares of healthcare, metals mining, consumer cyclicals, and [technology](#) companies due mainly to growing concerns about an economic slowdown.

Top TSX movers and active stocks

[Cannabis stocks](#) like **Canopy Growth (TSX:WEED)**, **Tilray Brands**, and **Cronos Group** tanked sharply on October 7, making them the worst-performing TSX stocks for the day. While Canopy Growth stock plunged by nearly 26% for the session, Tilray and Cronos fell by at least 16% each. These big losses in the shares of marijuana companies came a day after they witnessed a massive rally on Thursday after U.S. president Joe Biden ordered federal officials to review marijuana classification while granting a pardon for the offence of simple marijuana possession.

Apart from broader market uncertainties, continued speculations about this review could be responsible for recent heightened [volatility](#) in cannabis stocks. On a year-to-date basis, Canopy Growth stock now trades with 65.3% losses.

Shares of **Lithium Americas**, **Shopify**, **Lightspeed Commerce**, and **Endeavour Silver** were also among the worst performers Friday, as they tanked by more than 9% each.

On the positive side, **Headwater Exploration** and **Ero Copper** were the top-performing TSX stocks for the session, as they inched up by more than 3% each.

Based on their daily trade volume, Canopy Growth, **Cenovus Energy**, Tilray Brands, and **Baytex Energy** were the most active stocks on the exchange.

TSX today

While the Canadian market remained closed for Thanksgiving, U.S. tech stocks witnessed renewed selling pressure on Monday amid continued worries about a near-term recession. Yesterday, the American billionaire and **JP Morgan Chase's** chief executive officer Jamie Dimon apparently [warned](#) investors about an upcoming recession, suggesting that the U.S. economy could be "in some kind of recession six to nine months from now" in an interview with *CNBC*.

Early Tuesday morning, commodity prices across the board were trading on a bearish note. Given these negative indications, I expect the main TSX benchmark to open lower today with an expected sharp drop in tech stocks. While no major economic releases are due today, Canadian investors may want to remain cautious ahead of the latest U.S. Federal Open Market Committee's meeting minutes, which are scheduled to be released on Wednesday.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:WEED (Canopy Growth)

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