



These Were the Worst-Performing Stocks on the TSX Last Week

Description

The S&P/TSX Composite Index was up 0.43% last week, while the performance of the S&P 500 wasn't nearly as good, down 0.29%. Here are three of the worst TSX stocks from last week.

The TSX is now up 14.09% year to date through August 9 — 108 basis points higher than the S&P 500.

Except for the announcement of existing home sales for July, not much is happening in Canada on a macroeconomic level in the week ahead. Down south, both the Consumer Price Index for July and the University of Michigan Consumer Sentiment Index for August are out.

In the meantime, here are three of the worst-performing stocks on the TSX last week.

CI Financial

CI Financial ([TSX:CIX](#)) continues to face significant headwinds, as it tries to win over Canadian investors. Last week, it reported net redemptions of \$2.47 billion in the second quarter, its seventh consecutive quarter with net redemptions. Since Q4 2017, CI has seen \$15.4 billion in assets walk out the door.

CI stock lost 8.8% on the news. In four days of trading last week, it lost 9.8%. It's off more than 50% since peaking in May 2014.

To turn around the company, CI announced that it had hired Kurt MacAlpine as its CEO. Starting with the company September 1, MacAlpine was executive vice president of **WisdomTree Investments** in New York.

Until MacAlpine can come up with a new strategy for the company, investors will have to make do with cost-cutting measures. In its latest quarter, it took a \$35 million charge to account for senior staff cuts.

Linamar

Auto parts company **Linamar** ([TSX:LNR](#)) lost 11% last week after reporting a mixed bag when it comes to its second-quarter results.

On the downside, Linamar reported both a 3.3% drop in sales and a 15.8% decline in normalized earnings. Its industrial segment, which includes its Skyjack and MacDon product lines, saw revenues drop 7.9%, primarily due to weakness in the agricultural sector as a result of the U.S./China trade war.

Linamar CEO Linda Hasenfratz mentioned in its quarterly conference call that farmers are suffering badly from the dispute between the two countries. The sooner the trade dispute is resolved, the better.

However, on a positive note, despite declines in the global light vehicle market, Linamar's transportation division's revenues were flat for the quarter while it managed to generate \$179 million in free cash flow, despite the decline in overall earnings.

In the second half of 2019, it expects EBITDA to resume growing. Linamar stock is now down 15.8% year to date and 28.9% over the past year.

Badger Daylighting

Badger Daylighting (TSX:BAD) lost 9.7% last week. Although it was down for the week, including dividends, it's managed to gain 30.2% on the year.

The primary reason Badger stock lost some momentum last week had everything to do with missing analyst estimates for its Q2 2019 results.

Analysts were expecting \$166 million in revenue from the largest hydrovac excavation fleet in North America; it delivered \$161 million. The consensus estimate for adjusted EBITDA was \$43 million. Badger came in \$4 million below that estimate.

The good news: the average target price by analysts is \$52.75 — 27% higher than where it's currently trading.

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2. TSX:CIX (CI Financial)
3. TSX:LNR (Linamar Corporation)

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