



3 Things to Watch on the TSX Index on Thursday

Description

The U.S. stock futures were extremely volatile Thursday before the markets opened.

However, China's comments about working with the U.S. on trade could deliver gains Thursday, rebounding nicely from a disastrous Wednesday.

Here's what to watch on the TSX on Thursday.

Canopy Growth delivers anything but...

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) stock dropped by 14% in pre-market trading Thursday after Canada's largest cannabis company delivered a stinker of an earnings report Wednesday. Analysts were anything but complimentary about its slowing growth.

The company was expected to generate \$107.1 million in revenue in Q1 2020. It was only able to produce \$90.5 million in sales in the quarter. On the bottom line, analysts expected it to lose \$0.70 in the quarter; it actually lost \$1.28 a share, 83% worse than the consensus.

There were two positives from the quarter.

First, revenues were up 249% from the \$25.9 million last year. Second, Canopy harvested more than 40,000 kilograms of cannabis in the second quarter, a company record, 183% higher than in the fourth quarter.

It will be interesting to see how Canopy's stock trades on Thursday now that investors have had a chance to digest the numbers.

Bombardier looks attractive

Bombardier ([TSX:BBD.B](#)) traded four cents lower on Wednesday, closing the day's trading at \$1.71, just 12 cents off its 52-week low.

Citi analyst Stephen Trent characterized Bombardier's stock as "fairly battered" but believes its long-term prognosis is good.

"Is Bombardier done with asset sales? Only management could answer that question with certainty.

That said, Bombardier now seems well focused on its business jet and transport segments," Trent wrote in a note to clients Wednesday. "Our forecast does not assume any asset sales, beyond what has already been announced, such as the Q400 and CRJ commercial aircraft programs."

Trent's target price for Bombardier is \$2.75, below the average analyst price of \$3.36, but still providing 61% upside based on current prices.

Canada Goose looks ready to fly

Talk about stocks that have taken it on the chin in 2019.

Canada Goose ([TSX:GOOS](#))([NYSE:GOOS](#)) reported Q1 2020 results Wednesday. Investors weren't happy with its results or outlook sending its stock down by more than 7.5%.

However, if investors take a closer look at Canada Goose's results, D.A. Davidson analyst John Morris believes the company is one of the best names out there, doing everything it can to continue growing.

"We continue to view GOOS as well-positioned given the company's growth initiatives, global expansion opportunities, and continued investments in IT and infrastructure to support flexibility and scalability opportunities," Morris said in a note to clients.

The analyst has a "buy" rating on Canada Goose with a US\$48 target price.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:GOOS (Canada Goose)
3. TSX:BBD.B (Bombardier)
4. TSX:GOOS (Canada Goose)
5. TSX:WEED (Canopy Growth)

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