Canadian tax loss selling season approaching – An opportunity for Europeans?

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This gives UK and European investors an edge over our Canadian investor peers, as we can buy at the height of their selling, when share prices on the TSX and particularly the TSX Venture Exchange, are quite depressed.

Monitoring the action in previous years has confirmed that picking the right stocks during the tax loss selloff can be quite rewarding, and in a very short space of time too, as buying resumes in January, and share prices can quickly rise, and regain the ground they lost during the tax loss selling.

I have often noticed prices quickly doubling, so this is certainly a situation that merits our attention.

Looking at the current market, clearly a lot of very junior companies are in a distressed situation,and unable to raise funds, or can only raise sufficient funds to pay wages and

keep the lights on. These are unlikely to be candidates that will be bought and rise quickly in January, in my opinion.

There are however, some companies in production, or close to it, prudently run, with a good treasury, and these will probably be the ones that will provide good returns for the shrewd investor, as they always do every year.

This year the likely profits will come from companies in production or very close to it.

I am looking at a few companies that I think may do well, and am open to any suggestions from anyone that think they can see potential in a company that may benefit from the tax loss selling situation.

I will follow up in a future article, please address any emails to **andrew@city-investors-circle.com**