



## 3 Stocks Trading at 52-Week Lows: Is Now the Time to Buy?

### Description

The market is full of highs and lows, and savvy investors know when to jump on a good deal. Could these three companies with 52-week lows be a good bet?

#### Silvercorp Metals

Vancouver-based **Silvercorp Metals** ([TSX: SVM](#))(NYSE: SVM) hit a new 52-week low of \$1.95 on May 23, 2014. This new low came a day after the company posted its Q4 results, which revealed a decreased output of 191,122 tonnes of ore and net income results in the red. Revenue for the quarter was \$16 million, down from \$33 million, while year-end revenue came in at \$108 million, down sharply from \$181 million in 2013. Production of silver fell 38%, lead 47%, and zinc 54%.

The income for Silvercorp looks just as dismal, with a Q4 loss of \$4.6 million compared to a net profit of \$8.3 million in Q4 2013. The year-end results were quite shocking, with a net loss of \$48 million compared to the net profit of \$42 million in 2013. Part of this loss is due a 31% decrease in the price of silver during the quarter.

#### Absolute Software

Digital security company **Absolute Software** (TSX: ABT) hit a new 52-week low of \$5.85 on May 22, 2014. The stock has been slipping since its Q3 report came out two weeks ago. Revenue managed to climb by 15% to \$24.1 million, from \$20.9 million last year. Net income totaled \$1.4 million, which, while not much, is better than the \$500,000 loss in Q3 2013. Absolute may be in a position for some growth as it has just released its newest software, which enables full “bring your own device” capabilities for Mac, Windows, and Cisco Identity Service Engine. This will allow employees to connect their own devices to their business’ digital infrastructure.

#### Karnalyte Resources

Potash project developer **Karnalyte Resources** ([TSX: KRN](#)) fell to a new 52-week low of \$1.05 on May 23, 2014. The company had two instances of bad news break a couple of weeks ago. First, on May 14, 2014, the company abruptly replaced its CEO; the next day it released its Q1 results,

which reported a net loss of \$1.2 million. This Q1 loss was a slight improvement over the \$1.6 million loss the company saw in Q1 2013. Net working capital also took a slip to \$45.9 million from \$59.5 million, and cash on hand also dropped by \$16 million from this point last year.

The stock fell off a cliff back on July 28, 2013, and has been riding out a steadily lowered price floor ever since. When you compare the 52-week high of \$7.46 that the stock saw last May to its most recent price target of \$1.10, this shows a company in need of some changes.

For these companies, a week like this could turn into an opportunity for investors if they can ride out the turbulence of the markets.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:ABST (Absolute Software)
2. TSX:KRN (Karnalyte Resources Inc.)
3. TSX:SVM (Silvercorp Metals Inc.)

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## Date

2025/08/19

## Date Created

2014/05/26

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