# 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?



**1. Vicwest**

Producer of exterior building products **Vicwest** (TSX: VIC) fell to a new 52-week low of $8.97 on May 27, 2014. The company's most recent stock slump was spurred by another quarter that posted a net loss. With a $3.1 million deficit in the past quarter, this was an improvement over last year's quarter, when Vicwest posted a $5.6 million net loss.

Despite this loss, there is still lots of potential for the company, as revenue rose in the quarter to $84.9 million from $72.9 million and the company's backlog of orders jumped to $121 million, compared to a backlog of $48.8 million at the same time last year. Supply issues and a bitter winter held back profits, but with summer arriving shortly, Vicwest's agricultural division should expect a boost from farmers still sitting on last year's harvest.

Investors who picked up the stock at its low positioned themselves for a nice quick turnaround, as IKO Enterprises announced that it would be purchasing an additional 2.3% of Vicwest's total shares, bringing IKO's (plus its partners') total stake in the company to 11.3%. This has sparked rumors of a takeover as it echoes previous pre-purchase maneuvers by IKO. Analysts have determined a probable price tag of $11.25 per share. Since the announcement by IKO Enterprises, the stock has quickly recovered and closed last Friday at $10.73

**2. First Majestic Silver**

Things have been far from majestic for **First Majestic Silver** (TSX: FR)(NYSE: AG)**,** as it hit a new 52-week low of $8.90 on May 29, 2014.

Q1 results came out three weeks ago, and total ore processed fell in the quarter to 637,663 tonnes from 730,357 tonnes in Q1 2013. Total silver produced did increase, however, to 2.8 million ounces from 2.4 million ounces. When it comes to hard numbers things become a tad tarnished though, with revenue in the quarter falling to $65.3 million from $67.1 million in Q1 2013. Net earnings took a 77% plunge to $6 million, far from the $26.5 million the company saw in the quarter last year. This quarterly report combined with three projected earnings reductions in the past 30 days has pushed the stock down.

Analysts are remaining optimistic toward the company with an average target price of $15.90. The stock closed at $9.09 on Friday. If the analysts are correct, this could be a good high-risk opportunity for some quick gains.

### 3. Just Energy Group

Our final biggest loser of the week is **Just Energy Group** (TSX: JE)(NYSE: JE). The company sells natural gas and electricity to 4.5 million residential and commercial customers under long-term contracts. The stock fell off a cliff on May 13, 2014, (two days before its quarterly report was released) when it went from trading at $8.70 to $6.54 on May 15, 2014. It hit the ground and continued to roll around until reaching its newest 52-week low of $5.98 on May 29, 2014. Just Energy fell well below analysts' expectations in its latest quarterly report; it also announced a lower-than-expected year end guidance.

On paper the company looks quite appealing, with an annual dividend payout of $0.84 and a 13% yield, a dividend that was just reduced in April. Several analysts believe the dividend is not sustainable under current conditions, recommending a 20%-50% cut to its payout. This is highlighted by the decision by Just Energy to sell non-core assets to deal with its $982 million debt.



The latest average price target for the company is $6.11, with some analysts going as low as $5.00. Just Energy also carries an F rating from the Better Business Bureau with 577 closed complaints in the past three years, mainly dealing with dishonest sales practices.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:AG (First Majestic Silver)
2. TSX:FR (First Majestic Silver)

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