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. Ainsworth Lumber

Our first company this week is Vancouver-based **Ainsworth Lumber** (TSX: ANS). The company hit a new 52-week low of $2.66 on June 4, 2014. This forestry company specializing in particle board panels has seen its stock slide since plans for the company to be acquired by **Louisiana-Pacific** (NYSE: LPX) fell through. The deal was originally set for $1.1 billion, or $3.76 per outstanding Ainsworth share, but the deal faced mounting anti-competition issues on both sides of the border, leading both sides to end negotiations.

Investors could be in line for some bargain prices for Ainsworth as the stock's target price remains at $3.69, which is just shy of its defunct acquisition price.

2. Calian Technologies

Next up is business and technology services company **Calian Technologies** (TSX: CTY). The stock fell to a new 52-week low of $17.79 on June 6, 2014. The company has a variety of programs available to customers such as information technology, training, operations and maintenance, systems engineering, and contract manufacturing. Its customers operate in varying sectors such as business, industry, the government, and defense.

The stock has been slipping since the company announced its second-quarter results, which showed a drop in revenue and net earnings. Revenue in Q2 came in at $51.2 million compared to $58.9 million during the same period last year. Net earnings were $2.4 million, or $0.32 per share, down from $3.44 million, or $0.44 per share, a year earlier.

With a 52-week high of $22.60 and a price target of $20.00 there appears to still be some life left in this stock. Another interesting tidbit is the company's annual dividend of $1.12 coupled with a yield of 6.2%, which deserves some further research.

3. Le Chateau

Last and technically least in terms of stock price is mall staple **Le Chateau** (TSX: CTU.A). Its stock hit a new 52-week low of $1.84 on June 6, 2014. The stock has hit its third 52-week low in three weeks following continued net losses. In 2013, the company posted a total net loss of $16 million compared to a net loss of $837 million in 2012, with revenue remaining flat at $274.8 million both years.

Now Le Chateau's Q1 report has come out of the changing room and things are looking the same, with a net loss of $13 million compared to a net loss of $8.2 million in Q1 2013. Revenue fell to $53.3 million in the quarter from $56.9 million during the same period last year.Le Chateau assigned blame for its Q1 performance to poor weather and increased promotional activity in its stores. In response, the company has shed some square footage and is now at 1.25 million square feet, compared to 1.28 million at the end of Q1 2013.

CATEGORY

1. Investing

Category

1. Investing

Date
2025/08/27
Date Created
2014/06/09
Author
cameronconway