



## 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. Difference Capital Financial

First up this week is merchant bank **Difference Capital Financial** (TSX: DCF), which hit a new 52-week low of \$1.78 on June 12. The stock has been steadily slipping for the past year and is a far cry from its 52-week high of \$4.10 last June. Difference Capital's holdings include BuildDirect.com, Technologies Inc., Thunderbird Films, SHOP.CA, and Benev Capital Inc.

Difference Capital recently posted its Q1 2014 report and showed some improved numbers as net income came in at \$2.8 million, or \$0.07 per share, up from \$870,000 in Q1 2013. These results are far better than the \$19.3 million loss in Q4 2013. Total assets in the quarter also rose to \$169 million from \$93 million in Q1 2013. Although the stock has a price target of \$3.40 with an outperform rating, it is trading dangerously close to the five-year low of \$1.50 it saw in December 2011.

#### 2. CanWel Building Materials

Next up is building material distributor **CanWel Building Materials** (TSX: CWX). The company's stock hit a new 52-week low of \$4.58 on June 10. The stock has been in steady decline since late March following a brutal winter that crippled the construction and transportation industries in Canada. Before the winter set in, the stock was trading at a 52-week high of \$6.44 in November.

In mid-April CalWel released its Q1 results, which have not helped the crumbling stock price. Revenue fell to \$150 million from \$162 million last year, EBITDA fell to \$1.2 million from \$3.5 million, and net earnings came in at a loss of \$1.1 million compared to a profit of \$1 million in Q1 2013. However, the few analysts that cover the stock remain optimistic, with an average price target of \$5.38 and a "hold" rating. What is most intriguing is that its annual dividend of \$0.56 that carries a yield of 11.5%.

#### 3. FP Newspapers

Our final company this week is Winnipeg-based **FP Newspapers** (TSX: FP). The publisher hit a new 52-week low of \$4.05 on June 11. The company has a variety of divisions such as the *Winnipeg Free Press*, *Brandon Sun*, and a 49% interest in FP Canadian Newspapers Ltd. Partnership.

Fighting against the growing digitization of news and media has taken its toll on the company's books, with revenue in the past quarter falling to \$23 million from \$25 million the year before. The bulk of the loss came from its print advertising division, which fell to \$15 million from \$17 million. Net earnings also fell in the quarter to \$1.6 million from \$2.9 million in Q1 2013. Much like CanWel, FP Newspapers offers an unusually high dividend yield of 14.4% and an annual dividend payout of \$0.60 per share.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:DBM (Doman Building Materials Group Ltd.)

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