



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

Description

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

1. EcoSynthetix Inc.

First up this week is renewable bio-based chemical products producer **EcoSynthetix** ([TSX: ECO](#)), which fell to a new 52-week low of \$1.97 on July 24. The company is one of the leading voices of the Canadian Clean Technology Industry and was a major contributor to the Canadian Clean Technology Report for 2014, which shows the industry's potential of reaching \$50 billion in sales by 2022.

The company's stock has been in a steady decline since July when it hit its 52-week peak of \$5.51; a far cry from the \$9.15 it launched at in September 2011. EcoSynthetix saw some revenue growth in its fourth quarter, but its Q1 2014 report saw a drop in sales, which can be partially attributed to an over-supply of butadiene and related drop in styrene-butadiene latex in its Asia Pacific region.

North American sales did see a modest gain but not enough to counteract the Asian losses although analysts remain partially optimistic about the future of the company with an average price target of \$4.20 currently assigned.

2. Serinus Energy Inc.

Oil and gas company **Serinus Energy** (TSX: SEN) has a knack for setting up operations in troublesome regions, with producing assets in Ukraine and Tunisia and hold licences in Brunei, Romania, and Syria. And given the unstable situations in several of these regions the stock price fell to a new 52-week low of \$2.10 on July 25.

The situation in Ukraine is the most pressing issue with 43% of its operations in the currently and/or formerly held separatist regions. This follows the closure of the company's operations in Syria due to the conflict and the suspension of its operations in Brunei due to an \$11.8 million drilling mishap. Understandably the stock's average price target has been reduced to \$4.83, compared to the \$5.08 price target assigned last time Serinus fell to its previous 52-week low in May.

3. Fortress Paper

Last on the list this week is **Fortress Paper** (TSX: FTP), which is a producer of specialty pulp, specialty papers, bank note, and security papers. The stock plunged to a new 52-week low of \$2.61 on July 25, which is a far cry from its 52-week high of \$8.00 last August. The last 52-week low Fortress Paper encountered was in February following its 2013 year-end report, and with the second-quarter results due to be released on August 7, some analysts are already predicting an average price target sitting at \$2.35.

Results in the first quarter saw sales drop to \$53 million compared \$57 million in Q1 2013, but this was much better than the \$37 million earned during Q4 2013. Unfortunately the company can't just print money for itself, as it saw another net loss in Q1, totalling \$23 million, up from the \$18 million net loss in Q1 2013, and down from the net loss of \$54 million in Q4 2013.

The driving force behind these losses is Fortress' 13% security deposit being imposed by the Chinese government on dissolving paper products. As a result of all these factors Fortress Paper has made the decision to cut 16% of salaried staff in its dissolving pulp segment, including management and clerical staff.

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