



3 Great Stocks Trading Near Their 52-Week Lows

Description

When high-quality stocks sell off, then it is worth investigating whether their underlying businesses are faltering or if they are merely mired in a temporary slump. Let's take a look at three great companies that have fallen out of favour to see if they present compelling buying opportunities, namely **George Weston Limited** ([TSX:WN](#)), **Laurentian Bank of Canada** ([TSX:LB](#)), and **Intact Financial Corporation** ([TSX:IFC](#)).

George Weston Limited

George Weston's share price is under pressure due to the significant costs associated with the bread price-fixing scandal at **Loblaw Companies Ltd.** and the subsequent \$25 gift card program. Another notable special item that impacted Weston's earnings was the one-time restructuring costs associated with the PC Optimum loyalty program merger.

George Weston is currently trading roughly 5% above its 52-week low of \$100.62, and it is down about 14% from its 52-week high of \$120.59. The analysts covering Weston have a consensus 12-month price target of \$119.83, suggesting that Weston has potential upside of over 13% and that it will return to its previous highs within the next year.

At its current price, George Weston has a price-to-earnings multiple of about 17.7 and a price-to-book ratio of around 1.9. George Weston has a history of modest dividend growth with a current yield of approximately 1.8%.

Laurentian Bank of Canada

Shares of Laurentian Bank have languished in recent months, a trend that [began in December 2017](#) following an audit that revealed it would need to buy back over \$300 million in mortgages that did not meet its eligibility requirements. Laurentian Bank has made progress in repurchasing the loans, and it has indicated that the issue will be resolved by the end of fiscal 2018.

Laurentian Bank is currently trading around 1% above its 52-week low of \$44.60, and it is down just under 30% from its 52-week high of \$62.90. The analysts covering Laurentian Bank have a consensus

rating of “hold” and an average price target of \$54.00, which represents upside of roughly 20%.

At today’s price, Laurentian Bank has a price-to-earnings multiple of slightly less than eight and a price-to-book ratio of only 0.9. Laurentian Bank has been slowly growing its dividend and currently pays \$0.64 per quarter for an annualized yield of around 5.7%.

Intact Financial Corporation

Intact Financial’s share price has been impacted by severe winter weather and higher claims frequency, which have had a negative impact on earnings. Intact Financial has provided positive forward guidance in both personal and commercial insurance due to firming market conditions.

Intact Financial is currently trading about 3% above its 52-week low of \$92.28, and it is down roughly 13% from its 52-week high of \$109.33. The analysts covering Intact Financial have a consensus 12-month price target of \$107.10, which suggests that Intact Financial has nearly 12.5% upside and may climb to within 3% of its previous high in the next year.

At its current price, Intact Financial has a price-to-earnings multiple of about 17.8 and a price-to-book ratio of around two. The company has grown its dividend by roughly 60% since 2013 and now offers a quarterly payout of \$0.70, which offers a yield of a little less than 3%.

Conclusion

Successful long-term investors know that market noise and one-time costs do not materially impact the value of established businesses. When high-quality investments trade at a discount, they present tremendous opportunities for wealth creation.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:IFC (Intact Financial Corporation)
2. TSX:LB (Laurentian Bank of Canada)
3. TSX:WN (George Weston Limited)

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