3 Top Stocks Hitting New 52-Week Lows

Description

What's happening, Fools? I'm back to highlight three more stocks that have recently fallen to new 52-week lows. In case you're wondering, I do this because outsized returns can be gained by buying solid companies

- during times of extreme pessimism;
- when they're being beaten down to insanely cheap levels; or
- when they're simply being ignored.

Remember, Fools: buying low and selling high is still the most reliable way to build wealth in the stock market.

So, without further ado, let's get to this week's bargain ideas.

Prairie profits

We'll kick things off with **PraireSky** (TSX:PSK), whose shares hit a 52-week low of $21 last week. The oil and gas royalty company is now down a significant 31% year to date versus a loss of 5% for the **S&P/TSX Composite Index**.

The threat of rising interest rates has weighed heavily on the stock, but there's plenty of reason to bet on a turnaround. In Q2, PrairieSky's funds from operations (FFO) — the key cash flow metric for royalty companies — increased 20% year over year to $62.4 million. Strong oil volumes and crude pricing more than offset the decline in natural gas volumes.

PrairieSky's financial position also remains rock solid, with absolutely zero debt on the balance sheet.

Given PrairieSky's strong fundamentals and favourable long-term oil outlook, the current dividend yield of 3.6% is quite enticing.

Natural selection

Next up we have **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ), which hit a 52-week low of $27.96 on Thursday. Over the past six months, shares of the oil and gas giant are down 19%, while the **S&P/TSX Capped Energy Index** has fallen 11% during the same time period.

Although the clouds of economic uncertainty hang over Canadian Natural's stock price, company fundamentals remain strong. In Q2, earnings per share clocked in at $1.04 — easily topping Bay Street estimates — as revenue soared 52% to $5.95 billion. Moreover, strong cash flow allowed management to decrease debt by $600 million as well as return $850 million to shareholders through hefty dividends and buybacks.

With the stock now trading at a forward P/E in the mid-teens and boasting dividend yield of 3.6%, it might be an opportune time to swoop in.

Diversified dynamo

Our final idea this week is **Canadian Utilities** (TSX:CU), whose shares hit a 52-week low of $29.12 on Wednesday. The diversified utility has gained a bit since then, but is still down a substantial 23% over the past year.

The threat of rising rates continues to be the biggest concern surrounding the shares, but it could be creating a bargain opportunity for dividend seekers. The company's payout has grown for more than 45 years and now stands at $1.57 per share annualized — translating into a juicy yield of 5.4%. In fact, Canadian Utilities has the longest track record of annual dividend increases of any Canadian publicly traded company.

When you couple that dividend growth and mouth-watering yield with the stock's beta of 0.56 — about half the volatility of the overall market — Canadian Utilities's risk/reward tradeoff seems too good to pass on.

Fool on.

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1. Investing

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2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:PSK (PrairieSky Royalty Ltd.)

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