



## 2 Stocks at 52-Week Lows Gifting Investors With 2 Buying Opportunities

### Description

In the short time period of about a month, we went from seeing an abundance of stocks trading at 52-week highs to a situation where we are seeing more and more stocks trading at [52-week lows](#).

Clearly, this is not good for shareholders of these stocks, but it's good for those of us who have been waiting for this kind of market action, so we can deploy our cash and do some buying.

And while at times like these, we are naturally afraid of trying to “catch a falling knife,” it is essential to take a step back and consider what is happening here on a case-by-case basis.

What is it that makes a stock rise and fall?

It is part company-specific fundamentals, which are influenced by the company, but also by the macro-economic environment, and it is part the multiple that investors are willing to pay for it, which is a reflection of the market's appetite for risk, as well as the confidence that the market has in a given company/stock.

Let's look at two stocks that have hit new [52-week lows](#) recently and determine whether these are buying opportunities or reminders to stay away.

#### **BlackBerry** ([TSX:BB](#))([NYSE:BB](#))

BlackBerry's stock price, which is at new 52-week lows and has fallen more than 15% in the last year, has seen better days. But nothing has deteriorated fundamentally in the last year or last few months. If anything, things have improved, as results have been strong and as the company's new strategy continues to progress, lowering the risk profile.

The company's recurring revenue is increasing as a percentage of total revenue and now accounts for 81% of revenue, with management expecting this number to increase to over 90% within a year.

BlackBerry has had a number of design wins in the automotive software business, an emerging business that has a lot of growth ahead of it, and BlackBerry Technology Solutions revenue is at record

highs, driven by this growth.

BlackBerry has a stellar balance sheet, with more than \$2 billion in cash, leaving the door open for strong future growth organically or via acquisitions.

With BlackBerry, the stock's weakness is due mostly to a reduction in the multiples that investors are willing to pay for stocks in general, so I think this is a good buying opportunity for long-term investors.

### **Baytex Energy** ([TSX:BTE](#))(NYSE:BTE)

Baytex stock is another one that is trading at new 52-week lows, down almost 30% in the last year and down almost 60% from its highs of last spring.

Baytex's problems are more complex, as the company is struggling with an oil price in Canada that is being heavily discounted due to transportation limitations.

On a company-specific level, Baytex's merger with Raging River has solved its two biggest problems. It strengthens Baytex's balance sheet, bringing its net-debt-to-equity ratio to below two times from three times, and it diversifies its production base, giving the company quality light oil assets and land in the Duvernay area in Alberta.

Patient investors can start building positions for the long term, as pipeline expansions and crude by rail are both increasing takeaway capacity and should slowly start to drive Canadian oil prices higher.

### **CATEGORY**

1. Energy Stocks
2. Investing
3. Tech Stocks

### **TICKERS GLOBAL**

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:BTE (Baytex Energy Corp.)

### **PARTNER-FEEDS**

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