3 Small-Cap Stocks Near 52-Week Lows

Description

Small-cap stocks are a great way to get exposure to rapidly growing companies before they're behemoths. Scouting the 52-week low list can give you a quick idea of which stocks are being thrown into the bargain bin.

If you can find value-priced small-caps, you can tap growth markets at a discount.

Which small-cap stocks are a bargain today? Here are three that fit the bill.

Westshore Terminals Investment (TSX:WTE)

Perhaps the least-known company on this list, Westshore Terminals is an under-the-radar pick that gives you exposure to Canada's biggest port.

With a history dating back nearly 50 years, Westshore Terminals operates a terminal in the Vancouver Port that exports coal. Spanning more than 100 acres, the company's terminal can ship more than 7,000 tonnes of coal hourly.

Positively, the company is completing a five-year, $275 million facility upgrade that will modernize its capabilities, improve output, and lower operating costs.

As I wrote in February, Westshore Terminals is now "armed with long-term contracts from customers like **Teck Resources** and **Cloud Peak Energy**." Shares have fallen 25% since August, giving investors a cheap way to benefit from Canada's energy exports.

MEG Energy (TSX:MEG)

Since 2010, MEG Energy has been a consistent loser, falling from $35 per share to just $5 apiece. Shares remain incredibly volatile. The past year alone has brought several pops and drops of 30% or more.

After falling 50% since October, are MEG Energy shares finally on their way up? If you ask its management team, conditions are about to take a turn for the better.

By the end of 2019, MEG Energy executives believe the company will have $800 million cash. Considering its current market capitalization of just $1.6 billion, this seems like an aggressive target. Incredibly, by 2023, executives anticipate reaching $1.6 billion in excess cash. Is any of this possible?

Earlier this year, I'd concluded that you shouldn't trust management's forecast. Still, if oil prices turn higher, it's hard to argue that MEG Energy shareholders won't benefit immensely.

Peyto Exploration & Development (TSX:PEY)

In March, Fool contributor Karen Thomas noted that Peyto stock could "soar" if a few conditions are met.

Since 2010, Peyto has grown output quickly from 20,000 boe per day to 120,000 boe per day. Now Canada's fifth-largest natural gas producer, Peyto simply needs prices to pick up to profit greatly. Its management team is confident that natural gas is the "fuel of the future," as it can complement the iterative production profiles of renewable energy sources like wind and solar.

The company's operating costs are just US$2.30 mcfe, so the company can wait for natural gas prices to perk up, even if it takes years. Plus, with 25 years left of 2P reserves, there should be plenty of time left to profit from higher prices.

Whether pricing actually improves is hotly debated, but if they do, there are few better ways to profit than with Peyto stock.

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1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:PEY (Peyto Exploration & Development Corp)
2. TSX:WTE (Westshore Terminals Investment Corporation)

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