



Alert: These 2 Stocks Hit 52-Week Lows Last Week

Description

Back in February I covered several stocks that had flashed buy signals or hit [52-week lows](#) and were worth reviewing for value investors. The **S&P/TSX Composite Index** rose 68 points to close out the short week on April 18. Today we are going to look at two stocks that hit 52-week lows last week.

Is either stock worth scooping up today? Let's find out.

Cascades ([TSX:CAS](#))

Cascades is a Quebec-based company that produces, converts, and markets packaging and tissue products. Shares have dropped 22.5% in 2019 as of close on April 18. The stock has plunged 37% from the prior year. Cascades hit a 52-week low back in March and hit another of \$7.55 in the final day of trading last week.

Shares have been reeling since the release of its fourth-quarter and full-year results for 2018 back in late February. Sales rose 8% from the prior year to \$4.64 billion and operating income increased 31% to \$230 million. Adjusted net earnings climbed to \$0.83 compared to \$0.72 in 2017. Cascades stock took a hit after its Tissue operations suffered a significant setback in the fourth quarter. Challenging conditions in the industry are a risk for this segment going forward. Management forecasts that its financial performance will remain under pressure in 2019.

The board of directors last announced a quarterly dividend of \$0.04 per share, which represents a 2% yield. This is hardly enough to make up for its poor performance over the past two years.

Cascades stock last had an RSI of 30, which puts it just outside of oversold territory. It fell into oversold territory back in March, but value investors would not have reaped large rewards in the near term. Headwinds in the sector are creating downward pressure for Cascades' earnings, which has the potential to frustrate investors in 2019.

Richelieu Hardware ([TSX:RCH](#))

Richelieu Hardware is a Montreal-based specialty hardware company that also imports, manufactures, and distributes complimentary products. Shares of Richelieu have dropped 8.1% in 2019 as of close on April 18. The stock is down 24.9% from the prior year.

Back in early February I discussed why I thought Richelieu was [discounted](#). The stock enjoyed some mixed success into late March, but plummeted following its first-quarter earnings release on April 4.

Total sales rose 2% from the prior year to \$226.2 million in the first quarter. However, sales to hardware retailers and renovation superstores dropped 13.5% from the previous year. In Canada sales fell 0.2% year-over-year to \$143.7 million. Cash flows from operating activities dropped to \$13.9 million or \$0.24 per diluted share compared to \$16 million or \$0.27 per diluted share for the same period in fiscal 2018.

The board of directors announced a quarterly dividend of \$0.0633 per share payable on May 2, which represents a modest 1.2% yield.

Richelieu stock hit a 52-week low in trading last week. The stock had an RSI of 30 as of close on April 18, which puts it close to oversold territory. Richelieu's recent acquisitions should support a boost in sales, but headwinds for housing in Canada and the United States creates an uncertain environment in this sector. The stock is a risky pick-up after a disappointing quarter.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CAS (Cascades Inc.)
2. TSX:RCH (Richelieu Hardware Ltd.)

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