



2 Stocks That Hit 52-Week Lows Over the Past Week: Should You Buy in May?

Description

The S&P/TSX Composite Index fell 77 points on May 1. The index has struggled this past week, but overall it has posted incredible gains in the first four months of 2019. Economists have long warned about building headwinds, and investors were hit with news that the [Canadian economy](#) contracted 0.1% in February.

Today, we are going to look at two stocks that hit [52-week lows](#) over the past week. Is there any reason to consider picking up these two equities hovering around low valuations? Let's find out.

Mullen Group ([TSX:MTL](#))

Mullen Group is an Alberta-based company that supplies trucking and logistics services to the oil and natural gas industry in Canada and the United States. Shares hit another 52-week low of \$9.71 in trading yesterday. The stock has plunged 20% in 2019 so far.

Mullen Group stock plummeted after the company release its first-quarter results on April 24. Revenue rose 9.4% year over year to \$27.5 million, which was a company record. Adjusted net income climbed 14% to \$10.6 million, or \$0.10 per share. Mullen Group was hit with several analyst downgrades after its earnings release even after its revenue beat estimates.

Conditions in the broader oil and gas market have markedly improved in early 2019. The company has consistently struggled since the oil price shocks in 2014-2015. Mullen Group also offers a quarterly dividend of \$0.15 per share, which represents an attractive 6.1% yield.

Mullen Group had an RSI of 21 as of close on May 1. This puts it well into technically oversold territory. Mullen Group is setting off buy signals right now, but value investors may want to wait out a move to the \$9 mark or below before pulling the trigger.

Sierra Metals ([TSX:SMT](#))(NYSE:SMTS)

Sierra Metals is a Toronto-based precious metals and base metals producer with assets in Latin America. Shares have dropped 21.5% in 2019 as of close on May 1. The stock has plunged 46% from the prior year. Shares hit another 52-week low of \$1.90 in trading yesterday.

The company released production results for the first quarter on April 15. Silver production rose 16% from the prior year to 0.7 million ounces and lead production rose 10% year over year to seven million pounds. Production was hurt by a strike at its Yauricocha Mine, which has since been resolved. In 2018, Sierra saw revenue increase 9% from the prior year to \$168 million. Adjusted EBITDA also rose 9% to \$82.7 million and net income climbed 11% to \$46.1 million. The company has suffered from renewed weakness in base metals prices, while precious metals have also struggled in the early spring.

Sierra stock had an RSI of 35 as of close on May 1. This puts it close to technically oversold territory. Sierra could have further to fall in what has become a rough market for miners. Canada's February contraction was exacerbated by a particularly poor performance in the heavily weighted mining sector. Investors should look elsewhere in May.

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2. TSX:SMT (Sierra Metals)

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