3 Stocks at 52-Week Lows Over the Past Week: Which 1 Should You Buy?

Description

The S&P/TSX Composite Index was down 33 points in early afternoon trading on June 3. The month of May saw a return to volatility for North American and global markets. As we look ahead to the summer, investors should prepare themselves for more turbulence.

Today, we are going to look at three stocks that hit 52-week lows over the past week. Only one is worth piling into today. Let's dive in and see which stock you should scoop up.

Hudson's Bay

Hudson's Bay (TSX:HBC) is a Toronto-based retail business group. The company has fallen victim to the ongoing "retail apocalypse." It has staved off calls to shift solely into real estate by activist investors, opting instead for a middle ground. The major challenges faced by Hudson's Bay have reflected in its stock price. Shares have dropped 11% in 2019 as of early afternoon trading on June 3, and the stock is down 35% year over year.

In early May, Hudson's Bay revealed that it was pursuing "strategic alternatives" for its Lord & Taylor business. This may include a potential sale or merger. The company is expected to release its first-quarter fiscal 2020 results this week. The stock hit a 52-week low of $6.42 in trading on June 3. Struggling sales have led to frustrating losses at Hudson's Bay, and it is in a dire position as we look ahead to the next decade.

Indigo Books & Music

Indigo Books & Music (TSX:IDG) is a Toronto-based book, gift, and toy retailer. Its stock has plunged 23% week over week, and shares have dropped 36% in 2019 so far. The stock is down 60% from the prior year.

Indigo released its full-year results for fiscal 2019 on May 28. Revenue fell 3% year over year to $1.05 billion and total comparable sales dropped 1.1%. Indigo faced challenges due to major store renovations, closures, and the Canada Post strike. The strike particularly harmed results in the fourth quarter with a sharp drop in consumer spending on non-essentials.

For the full year, Indigo reported a net loss of $36.8 million, or a $1.35 net loss per share. The loss of profitability was largely due to the factors we have gone over above. Indigo now boasts an RSI of 21, which puts it in technically oversold territory, but investors may want to avoid the retail sector in this turbulent environment.

IAMGold

IAMGold (TSX:IMG)(NYSE:IAG) stock hit a 52-week low of $3.08 in trading last week, but shares were up 7.42% in mid-afternoon trading on June 3. The spot price of gold has surged to open the week, as investors are fleeing to the safe haven in response to the worsening U.S.-China trade war and a slowdown in global growth. In January, these were some of the reasons I encouraged investors to keep gold equities in their portfolio.

In the first quarter of 2019, IAMGold reported a 20% year-over-year decline in revenues. It posted an adjusted net loss of $2.2 million over adjusted net earnings of $40.4 million in Q1 2018. Still, IAMGold is pressing forward with a strong balance sheet. Like other producers, it will benefit greatly from an upward trend in spot gold prices.

IAMGold's most recent spike has pushed it out of technically oversold territory, but the stock is still the strongest option of the equities we have covered today. There are bullish signs for gold as we approach the second half of 2019, and IAMGold is positioned to enjoy an upswing.

CATEGORY

1. Investing

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2. TSX:IDG (Indigo Books & Music)
3. TSX:IMG (IAMGOLD Corporation)

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Date
2025/07/22
Date Created
2019/06/03

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