On Sale Now: 3 Top Stocks Sitting at 52-Week Lows

Description

Hi there, Fools. I'm back to call attention to three stocks trading near their 52-week lows. Why? Because the biggest market riches are made by buying quality companies

- during times of extreme investor pessimism; and
- when they're selling at a big discount to intrinsic value.

This week's trio of contrarian stocks is down an average of 26% over the past year. So, if you were to spread all three in a $25,000 TFSA account, a simple bounce-back to 2018 levels would yield roughly $6,500 in profits. Not too shabby.

Let's get to it.

What's good for the goose

Leading off our list is winter jacket specialist **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS), whose shares are down 17% over the past year and trading near its 52-week lows of $44.65.

The stock was hammered last week after management lowered its full-year guidance, saying they now expect 2020 revenue growth of at least 20%. That's well below the analyst consensus of 26%. On the bright side, Q4 EPS topped estimates by $0.05 while revenue jumped 25% to $156.2 million.

"Our business and our people have never been stronger," said President and CEO Dani Reiss. "I believe that we are still just scratching the surface of our long-term potential as we continue to define performance luxury globally."

After the plunge, Canada Goose now sports a multi-year low forward P/E of 27.

Flat tire

Next up on our list is retail giant **Canadian Tire** (TSX:CTC.A), which is down 10% over the past year and trades near its 52-week lows of $133.56.

Lower shipments and lower-than-expected growth have weighed on the company in recent months, taking the share price down along with it. With that said, Canadian Tire's fundamentals have held up well over the past year.

In the most recent quarter, same-store sales increased 6.1% — the 20th straight quarter of growth — while financial services revenue grew an impressive 9.3%.

"Ending our winter season with exceptional sales performance positions us well as we enter our second-largest quarter of the year," said President and CEO Stephen Wetmore.

Canadian Tire shares currently have a P/E of 21, well below its five-year average.

Lumber lull

Rounding out our list is timber company **West Fraser Timber** (TSX:WFT), whose shares are down 43% over the past year and trade near their 52-week lows of $52.

The stock has been walloped on the weakness in lumber prices as well as overall economic uncertainty. In the most recent quarter, sales dipped to $1.2 billion while management permanently reduced B.C. production by 300 board feet annually.

On the bullish side, the company reinvested $108 million through capital expenditures while the U.S. housing outlook seems positive.

"Several of the fundamental factors for U.S. housing demand including mortgage rates and applications, housing permits, as well as employment and job gains have been showing positive signs early in 2019," wrote the company.

West Fraser trades at a cheapish P/E of 6.5.

The bottom line

There you have it, Fools: three contrarian stocks worth checking out.

As always, don't see them as formal recommendations. Instead, view them as a starting point for more research. Trying to catch a falling knife can be hazardous to your wealth, so plenty of homework is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)

2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:GOOS (Canada Goose)
4. TSX:WFG (West Fraser Timber Co. Ltd.)

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