3 Bargain Stocks Hitting New 52-Week Lows

Description

Hello again, Fools. I'm back to call attention to three stocks trading at new 52-week lows.

Why?

Because the biggest stock market gains are made by buying attractive companies during times of severe market anxiety; and when they're available at a clear discount to intrinsic value.

As legendary value investor Warren Buffet once quipped, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down." And there's no better place to buy bargain stocks than in a TFSA account, where all of the upside is tax free.

Let's get to it.

Make a U-turn

Leading off our list is uranium producer **Cameco Corp** (TSX:CCO)(NYSE:CCJ), which is down 20% over the past year and currently trading near 52-week lows of $11.45 per share at writing.

Slumping uranium prices have weighed on the stock, but now might be an opportune time to jump in. While Cameco posted a loss of $0.04 per share in its recent Q2 results, revenue improved 17% to $388 million.

Moreover, management remains confident about the uranium market long term.

"The long-term price will eventually need to transition to one that will incentivize existing tier-one production to restart and ramp up to full capacity to satisfy that growing demand, with the spot price then reflecting a discount to the long-term price," said CEO Tim Gitzel.

Cameco shares are off 25% so far in 2019.

Flickering star

Next up we have online gambling technologist **The Stars Group** (TSX:TSGI)(Nasdaq:TSG), whose shares are down 52% over the past year and trading near 52-week lows of $20.

Stars has been walloped on dilution and debt concerns following its expensive purchase of Sky Betting & Gaming, providing value hounds with a possible deep discount opportunity.

Currently, the stock trades at a cheapish forward P/E of 9.2. Despite missing on its Q1 earnings, revenue spiked 48% to $580.4 million while operating cash flow clocked in at $110.4 million.

“As we look at the remainder of 2019, we see opportunities for improved revenue growth, with a deep pipeline of new products, content and offers, leveraging our talent and skills across segments,” said CEO Rafi Ashkenazi.

Stars is down 10% in 2019.

Broad horizons

Rounding out our list is industrial products company **Horizon North Logistics** (TSX:HNL), whose shares are down 48% over the past year and trading near 52-week lows of $1.26.

A challenging industrial services market with respect to the energy sector continues to weigh heavily on Horizon’s fundamentals.

In the most recent quarter, Horizon lost $10.6 million even as revenue improved 12%. Moreover, the company’s industrial business posted EBITDAS — a key cash flow metric — of just $0.5 million.

On the bullish side, the stock now trades at a forward P/E of about 10.8 and offers a particularly juicy dividend yield of 5%.

Horizon shares are down 27% so far in 2019.

The bottom line

There you have it, Fools: three ice-cold stocks hitting new 52-week lows.

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.

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1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)

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Date
2025/07/22
Date Created
2019/08/06
Author
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