4 Quality Canadian Stocks Trading at 52-Week Lows

Description

Four familiar stocks are getting the thumbs down at the start of the trading week, with share prices hitting year-long lows. Among the heavily discounted cannabis growers and smaller energy companies are a few solid gems that could be targets for eagle-eyed contrarians. In fact, from a desirable methanol producer to one of Canada's most recognizable clothing brands, there's a lot to like in today's bargain basement.

Material investors can't see the wood for the trees

Materials stocks are taking a hit of late, with two notable tickers making the list of stocks trading at their 52-week lows. **Western Forest Products** (TSX:WEF) has halved in price during the past 12 months, resulting in a hefty yield of 7.5% at today's knock-down valuation. Investors bullish on Canada's timber trade might want to snap up shares at their current price and will be rewarded while waiting for their speculation to mature by that rich dividend.

Methanex (TSX:MX)(NASDAQ:MEOH) is in a similar boat, shedding around 60% off its year-long high and shelling out a dividend yield of 4.62%. Seeing as methanol has uses that range from fuel to adhesives, an investment in the world's largest supplier of the chemical is about as diversified a play in the materials space as you can get. The stock is dirt cheap and will likely rebound once the global economy rights itself.

The best of the rest

Roots (TSX:ROOT) is struggling to find favour with investors at the moment, scraping along at less than $3 a pop — a woeful state of affairs considering that shares sold for over three times that within the last 12 months. An iconic brand with high visibility, the clothing retailer could find that an economic downturn could turn up the pain in its finances. After all, luxury products aren't exactly a go-to during an economic contraction.

Roots enjoyed a run of positive headlines in the first half of last year, with pundits bullish on what seemed like an evergreen brand packing a lot of upside. The run was brief; the stock fell off a cliff during the summer and has continued to worsen. However, investors of a contrarian stripe may wish to have a flutter on Roots despite a rash of disappointing news from mixed quarterly reports and changes in management.

This time last year, **NuVista Energy** (TSX:NVA) was in acquisitions mode, snapping up natural gas assets before taking a nosedive. This week, the song remains the same but played at a different volume altogether with a five-day loss of almost 10% leading to the energy company trading at a year-long low. The stock has been susceptible to sudden drops before, except that now it trades at almost 90% of its price last August. The stock looks like a decent play for value, though, after a positive second quarter.

The bottom line

After a tough week, Methanex and a rash of other Canadian stocks are trading at their lowest prices in a year. Are they falling knives? Methanex still looks a solid investment, given the huge variety of uses methanol fulfills. Meanwhile, NuVista might fit an energy portfolio centred on long-term capital gains, though Roots continues its slide and would suit only the most bullish retail investor looking for cheap shares.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NASDAQ:MEOH (Methanex Corporation)
2. TSX:MX (Methanex Corporation)
3. TSX:NVA (NuVista Energy Ltd.)
4. TSX:ROOT (Roots Corporation)
5. TSX:WEF (Western Forest Products Inc.)

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