52-Week-Low Alert: 3 Stocks Everyone Hates (But That Could Make You Filthy Rich)

Description

Hello again, Fools. I'm back to call attention to three stocks trading at new 52-week lows. Why? Because the big gains in the stock market are made by buying attractive companies

- during times of maximum investor pessimism; and
- when they're available at a clear discount to intrinsic value.

As legendary value investor Warren Buffett once quipped, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down."

Let's get to it.

Pothole damage

Leading off our list is weed producer **Canopy Growth** (TSX:WEED)(NYSE:CGC), whose shares are down more than 40% over the past year and currently trading near 52-week lows of $32.

The stock has been walloped amid weakness in the overall sector, and recent results are only adding to the pain. In Q1, EPS of -$3.70 missed estimates by a wide margin. And while revenue spiked 250% on a record harvest, recreational sales came in well below expectations, suggesting that Canopy has lost its leading position in the space.

"Our recent harvests are proof that our focus on operational excellence is working," CEO Mark Zekulin reassured investors, "and we look forward to showing both our Canadian and U.S. customers what we've been working on behind the scenes to prepare for the next wave of products coming later this year."

Canopy is down 11% in 2019.

Automatic income

Next up, we have auto dealership company **AutoCanada** (TSX:ACQ), which is down 35% over the past year and trading near 52-week lows of $8 per share.

Weakening fundamentals and pressure from activist investors have weighed heavily on the stock, but recent results suggest a glimmer of turnaround hope. While the company lost $4.5 million in Q2, revenue improved 7.4%. More importantly, Canadian same-store sales inched up 0.9% over the year-ago period.

"We are going through a period of great change in implementing our Go-Forward Plan and the results in the second quarter confirm that we're on the right track," said President Michael Rawluk. "Improvements were realized in every aspect of Canadian Operations in the quarter, from volume and margins, to an improved operating expense profile."

AutoCanada boasts a healthy dividend yield of 4.9%.

Oily opportunity

Rounding out our list is oil and gas explorer **Pengrowth Energy** (TSX:PGF), whose shares are off a whopping 71% over the past year and are trading at 52-week lows of $0.26.

A scary debt load amid weak energy prices has investors fleeing the stock, but aggressive value hounds might want to look into Pengrowth's Q2 results. Although the company lost $77 million on a revenue decline of 2%, adjusted funds flow spiked 188% to $29 million — Pengrowth's strongest quarter for that metric in two years.

"As of mid-year 2019, Pengrowth has reduced operating costs, reduced general and administrative costs, and paid down debt with adjusted funds flow generated in excess of capital requirements," said President and CEO Pete Sametz.

Pengrowth shares are down 60% 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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