



3 Surprising Stocks Hitting New Lows Last Week

Description

Pessimism wasn't in fashion last week. The Dow has moved higher for eight consecutive trading days, so it's not a surprise to see that less than 180 stocks across all three major U.S. exchanges hit new 52-week lows this past week. Some of the names will still surprise you.

Despegar.com ([NYSE: DESP](#)), **Lyft** ([NASDAQ: LYFT](#)), and **Slack Technologies** (NYSE: WORK) are three of the larger head-turning stocks to hit fresh lows last week. Let's explore why these three investments are failing their shareholders.

Despegar.com

Some stocks never live up to their name. Despegar.com is Latin America's leading online travel site, and its name is Spanish for "take off" — something that the stock has sadly never been able to do outside of a brief pop after [going public at \\$26](#) two years ago. The low-flying stock dipped into the single digits when it hit all-time lows last week.

Latin American stocks took a huge hit this summer after Argentina's pro-business president was [defeated in a primary election](#), but Despegar.com itself was struggling long before the region fell out of favor with investors. Revenue has declined for four straight quarters on a reported basis. Gross bookings and revenue would've risen 15% and 5%, respectively, on a foreign exchange neutral basis, but that's not much of a consolation prize for stateside investors that are taking a hit on the currency depreciation.

Lyft

It's been a rough summer for ridesharing investors. Lyft's larger rival hit a new low two weeks ago, and this past week it was Lyft shares hitting their lowest levels since going public in March. Lyft is generating some pretty impressive growth, as revenue shot 72% higher in its [latest quarter](#). Investors are just concerned with the huge losses and percolating regulation and legislation that may make life harder and more expensive to stay in business.

One analyst [lowered his price target](#) on Lyft last week, concerned about the California legislation that will reclassify ridesharing drivers as employees with wages and benefits instead of independent contractors. It's a chess game that has yet to fully play out, but it's easy to see why investors are getting skittish.

Slack

Another busted IPO hitting new lows in its short life as a public company is Slack. The provider of cloud-based workplace collaboration tools has been reeling since posting [disappointing financial results](#) earlier this month. In its first quarterly report as a public company, Slack offered up slowing top-line growth with guidance expecting even sharper decelerating in the current quarter.

Revenue rose 58% in the second quarter, a heady year-over-year gain but well off 82% revenue gain it scored for all of 2018. Slack's outlook calls for revenue to slow to a 46% to 48% clip for the current quarter — with a larger quarterly deficit than what analysts were targeting. Slack also has the overhang of **Microsoft** offering its Slack-like Teams platform at no to little additional cost for Office 365 clients. Slack may be admittedly superior, but having a mass-market rival practically giving away its cloud-based collaborate solution is going to limit Slack's pricing power.

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1. NASDAQ:LYFT (Lyft, Inc.)

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Date

2025/07/22

Date Created

2019/09/17

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