3 Top Stocks Hitting New 52-Week Lows

Description

Hi there, 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.

Fresh opportunity

Leading off our list is fast-food restaurant operator **MTY Food Group** (TSX:MTY), which is down 17% over the past year and trades near 52-week lows of $52.51 per share.

The big drop came after MTY's disappointing quarterly results earlier this month. In Q3, EPS of $0.88 missed analyst expectations of $1.02.

On the bullish side, system sales jumped 36% to a record $1.08 billion. Moreover, same-store sales — a key metric in retail — were positive once again at 0.3%.

"Third-quarter results were record-breaking for system sales and EBITDA, driven by the first full quarter of contribution from Papa Murphy's, despite it being a seasonally softer quarter for the division," said CEO Eric Lefebvre.

MTY shares currently sport a forward P/E of 15 and a comforting beta of 0.4.

Fair and factual

Next up, we have insurance holdings company **Fairfax Financial Holdings** (TSX:FFH), whose shares are down 13% over the past three months and trade near 52-week lows of $544 per share.

Disappointing investment returns and premium softness continue to weigh on the shares. In the most recent quarter, EPS of $17.18 managed to top estimates, but gross premiums written of $4.34 billion missed expectations by $310 million.

On the bright side, Fairfax's underwriting performance remains relatively strong.

"Our insurance companies continued to have strong underwriting performance in the second quarter and first half of 2019 with a second quarter consolidated combined ratio of 96.8%," said Chairman and CEO Prem Watsa. "We continue to be soundly financed, with no holding company debt maturities until 2021."

Fairfax shares offer a solid dividend yield of 2.4%.

Losing pace

Rounding out our list is oilfield services specialist **Pason Systems** (TSX:PSI), which is down 27% over the past year and trades at 52-week lows of $15 per share.

The stock has been bruised over the past several months amid weak energy prices and sluggish drilling activity, but contrarian Fools might want to take notice. Despite missing earnings expectations in Q2, revenue managed to improve 7% to $73 million.

Moreover, free cash flow jumped 41% year over year to $32.5 million, which should give conservative investors some peace of mind.

"Our market positions remain strong, and we expect to be able to deliver growth in our international markets and through higher product adoption going forward," wrote President and CEO Marcel Kessler.

Pason shares currently have a forward P/E of 17 and a beta of 1.2.

The bottom line

There you have it, Fools: three ice-cold stocks trading near 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.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FFH (Fairfax Financial Holdings Limited)
2. TSX:MTY (MTY Food Group)
3. TSX:PSI (Pason Systems Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Date
2025/09/09
Date Created
2019/10/20
Author
bpacampara