3 Fresh Bargain 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 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.

No can do…

Leading off our list is natural gas and oil producer **Encana** (TSX:ECA)(NYSE:ECA), which is down a whopping 60% over the past year and trades near 52-week lows of $5.00 per share at writing.

Encana shares have been walloped over the past year on heightened debt concerns and weak oil prices, forcing management to look for greener pastures. Last week, management announced plans to move to the U.S. and rebrand under the name of Ofinitiv.

"A domicile in the United States will expose our Company to increasingly larger pools of investment in U.S. index funds and passively managed accounts, as well as better align us with our U.S. peers," said CEO Doug Suttles. "The change in corporate domicile will not change how we run our day-to-day activities."

Encana currently trades at a P/E of 5 and offers a dividend yield of 1.8%.

VET-ting process

Next up, we have embattled oil and gas producer **Vermilion Energy** (TSX:VET)(NYSE:VET), whose shares are down 48% over the past year and trade near 52-week lows of $17 per share at writing.

Weak energy prices, debt fears, and disappointing production continue to weigh heavily on the shares. In Vermilion's Q3 report just last week, EPS of -$0.07 missed expectations by $0.11 as revenue declined 23% to $392 million.

On the bullish side, management remains confident in the company's dividend.

"While we are certainly disappointed with our share price performance, we would like to stress that Vermilion's dividend policy is not based on the market price of our shares," wrote CEO Anthony Marino. "Our dividend policy is based on the fundamental economic sustainability and free cash flow generation of our business, which remains strong."

Vermilion currently yields a monstrous 14.3%.

Food for thought

Rounding out our list is packaged foods company **Maple Leaf Foods** (TSX:MFI), which is down 22% over just the past month and trades near 52-week lows of $22.42 per share.

The stock has remained steady for the better part of 2019, but Maple Leaf's Q3 results last week have Bay Street quite worried. During the quarter, adjusted EPS plunged 90% even as revenue improved 14% to $996 million.

On the bright side, Maple Leaf's plant protein business saw sales growth of 30% while maintaining a gross margin of 30%.

"Meat protein faced an unexpectedly erratic market condition in the quarter connected with global trade, and we expect that to reverse in short order," said CEO Michael McCain. "We are very excited about how we are positioned and where we are headed!"

Maple Leaf shares currently trade at a forward P/E of 23 and offer a dividend yield of 2.5%.

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.

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1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:MFI (Maple Leaf Foods Inc.)
3. TSX:VET (Vermilion Energy Inc.)

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