



2 Stocks Trading Near 52-Week Lows: Should You Buy Before February?

Description

You probably know the famous adage “Buy low, sell high.” It’s obvious that if want to make money on any investment, you have to sell it a higher price than the price at which you have bought the investment. If you sell an investment at a lower price than the price at which you have bought it, you’ll post a loss, which isn’t your goal.

While this is obvious, it’s easier said than done. You buy a particular stock because you think that its price is going to go higher in the near future. But while you may be right sometimes (and I hope you’re most often right than wrong), you can be wrong sometimes.

A way of buying low-priced stocks is by picking stocks trading near their 52-week low, the lowest price a stock has traded at over the past 52 weeks. While stocks trading near their 52-week low may fall further, they often present strong upside potential.

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) and **Saputo** ([TSX:SAP](#)) are two stocks currently trading near their 52-week low. Let’s look at each of these stocks to see if you should buy them before February.

Nutrien

Nutrien produces and markets crop nutrients to agricultural, industrial and feed customers worldwide. The Saskatchewan-based company offers potash, nitrogen, phosphate, and sulfate products. It also distributes crop nutrients, crop protection products, seeds, and derived products through 1,700 outlets.

Nutrien’s share price is currently trading \$61, slightly up from its 52-week low of \$60.22, which was reached on January 6. The stock has plunged by more than 3% over one year.

Wet weather, commercial uncertainty, and other factors suppressed demand for potash, forcing Nutrien and other miners to cut production and fire workers.

But Nutrien CEO Ken Seitz believes that those are short-term issues and expect a strong recovery in 2020 from 2019's weak fertilizer demand as crop prices improve and fertilizer inventories are used up. According to Seitz, 70% more food will be needed by the middle of the century, and Nutrien is well placed to fertilize it. [Demand for potash](#) will increase with the world population.

EPS and sales are expected to increase by 23.7% and 6.5%, respectively, in fiscal 2020. The company pays a dividend that has a yield of 3.8%. Because of its strong potential, I think Nutrien is a good stock to buy now.

Saputo

Saputo produces, markets and distributes dairy products in Canada, the United States, Argentina, Australia and internationally. The Montreal-based company serves clients in the retail, food service and industrial segments.

Saputo's share price is currently near \$40, a few dollars over its 52-week low of \$37.38 reached on October 25. The stock has gained about 4% in one year.

In the last quarter, Saputo's net profit beat expectations at \$174.9 million and revenue increased by 7.2%. Higher international selling prices for cheese and dairy ingredients, higher domestic selling prices in Canada, the company's international sector, and lower warehousing and logistics costs are the main factors that contributed to the rise.

But Saputo is still facing headwinds such as competitive market conditions in the United States and volatility in international selling prices of cheese and dairy ingredients.

Revenue is expected to grow by 13.4% in fiscal 2020, while EPS is estimated to decrease by 6.4%. The company pays a dividend that has a yield of 1.7%. While Saputo's situation is improving, I don't feel the stock is cheap enough to buy it now.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)
3. TSX:SAP (Saputo Inc.)

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