



## Got \$5,000? These 2 Promising Stocks Are Trading Near Their 52-Week Lows

### Description

After rising over 5% last month, the S&P/TSX Composite Index has continued its uptrend and is trading 3.5% higher this month. The lower-than-expected October inflation numbers in the United States appear to have raised investors' confidence, thus driving the index higher. Last week, the U.S. Bureau of Labor Statistics announced that October's consumer price index rose 7.7% from the previous year against analysts' expectations of 7.9%.

Despite the improvement in investors' sentiments, the following two Canadian companies are still trading close to their 52-week lows while offering an excellent entry point for long-term investors.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#)), a utility and renewable energy company, lost close to 20% of its stock value on Friday as its net losses rose 600% to \$195.2 million in the third quarter. The company's management has blamed the timing of tax incentives related to some of its renewable energy projects and higher interest rates for the increase in net losses. Amid the challenging environment, the global utility's management also lowered its 2022 adjusted earnings per share guidance from US\$0.72-US\$0.77 to US\$0.66-US\$0.69.

However, Algonquin has continued to drive its top-line and adjusted EBITDA (earnings before interest, tax, depreciation, and amortization), which rose by 26% and 10%, respectively. In addition, the company is continuing with its growth initiatives. It recently amended the Kentucky Power acquisition agreement, lowering the purchasing price by US\$200 million to US\$2.846 billion. The acquisition could expand its rate base and grow customer connections. Management expects to close the deal in January 2023. The company is also developing several renewable energy facilities, which could increase its power production capacity by 640 megawatts. So, its growth prospects look optimistic.

Amid the recent decline, Algonquin trades around 30% lower for the year while its NTM (next 12 months) [price-to-earnings](#) has declined to an attractive 11.6, lower than its historical average. Also, the company pays a quarterly [dividend](#), with its yield currently standing at a juicy 8.16%. So, despite the

near-term weakness, I believe Algonquin would be an ideal addition to your portfolio.

## Lightspeed Commerce

Following the announcement of lower-than-expected inflation numbers on Friday, **Lightspeed Commerce** ([TSX:LSPD](#)) rose 8.6%. Despite the rise, the company is still trading at a substantial discount of around 74% from its 52-week highs. The rising interest rates, expectation of growth slowing down, and weakness in the tech space have contributed to its decline.

Meanwhile, the company posted its Q2 earnings for fiscal 2023 earlier this month. Revenue grew by 38% to US\$183.7 million, higher than analysts' expectations of US\$182.3 million. Solid organic growth and a contribution of US\$7.5 million from the recently acquired Ecwid drove its revenue. During the quarter, the e-commerce platform's average revenue per user grew by 25% to US\$337 while adding around 1,000 new customer locations.

Lightspeed's adjusted EBITDA losses declined marginally to US\$8.5 million and were better than the management's guidance of a loss of US\$10 million. Meanwhile, given the uncertain economic environment and negative impact of currency translation, management lowered its revenue guidance for fiscal 2023 to US\$730-US\$740 million compared to its earlier guidance of US\$740-US\$750 million.

Looking forward, the company's medium-to-long-term growth prospects look healthy. Small- and medium-scale businesses are looking to automate their business processes, enhance their customer interactions, and increase the utilization of analytics. The digitization of business will drive demand for Lightspeed's products and services. Besides, the company's price-to-book value has declined to 0.8, making it an attractive buy for long-term investors.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:LSPD (Lightspeed Commerce)

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1. Business Insider
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3. Koyfin
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**Author**

rnanjapla

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