



52 Week Highs and Lows

52-week high and 52-week low are commonly used terms in stock market analysis and refer to the highest and lowest prices that a stock has traded at in the past 52 weeks. The 52 weeks is used as a benchmark to gauge the performance of a stock over a one-year time frame.

A stock trading at its 52-week high means its current price is higher than any price it has traded at in the last 52 weeks. This could indicate that the stock is in high demand and investors are willing to pay more. Conversely, a stock trading at its 52-week low means its current price is lower than any price it has traded at in the last 52 weeks, which may indicate that the stock is not performing well or that there is reduced demand for it.

Investors often use the 52-week high and low as a way to determine whether a stock is overpriced or underpriced. If a stock is trading near its 52-week high, it may be considered overpriced and due for a correction, while a stock trading near its 52-week low may be regarded as underpriced and a good value. However, that is not always the case. In August of 2022, Paul Andreola of Small Cap Discoveries wrote an article called "Cruising the 52-Week Highs," where he explains that a "52-week high momentum strategy could help investors identify potential breakout sectors."

It's important to note that the 52-week high and low are just one of many factors that investors should consider when analyzing a stock. Factors such as the company's financial performance, industry trends, and overall market conditions can also impact a stock's price. The 52-week high and low can also be subject to sudden changes due to unexpected events, such as corporate announcements or economic data releases.