The Oil Sands Are Under Fire but Crescent Point Energy Corp. and Husky Energy Inc. Are Positioned to Thrive

Description

It is that time of year again: The leaves are changing, days are getting shorter, and the markets are collapsing. Just like the common cold this time of year inevitably brings about trouble for the markets in some form or another.

It seems like only a few weeks ago that we here at Fool Canada were talking about triple-digit oil prices. Now Brent crude is trading at $86.41 and WTI crude is sitting at $83.17 and rumours persist that the price could fall to $75.00 per barrel when OPEC meets in late November.

The Albertan oil sands are expected to take the brunt of the blow as Albertan oil generally sells at a lower price, and with a shale boom in the U.S., demand could falter. So with so many of Canada's top oil players landlocked in Alberta, are there any options left for investors who still want to invest in oil companies while prices are this cheap?

Just to the right

Based primarily in Saskatchewan, **Crescent Point Energy Corp.** (TSX: CPG)(NYSE: CPG) offers an alluring alternative to investors who have been less than enthusiastic about an all-Alberta energy portfolio.

With access to less cluttered pipelines and an aggressive acquisition strategy, Crescent Point has positioned itself as one of the top dividend energy companies in Canada. Currently, Crescent Point offers an unheard-of dividend yield of 7.5% and an annual payout of $2.76.

Thanks to the hemorrhaging of oil prices, Crescent Point's stock has sunk to 52-week lows, bottoming out Wednesday at $33.57, but it is quickly picking up momentum and closed at $36.80 on Thursday. This has quickly erased the 52-week high the stock was trading at in June at $48.68. Yet this gives investors a great chance to load up on shares as there is still an average price target of $50.40. We all know that the market is cyclical and prices will rise again — and these lulls and autumn corrections can actually turn into some of the best times for savvy investors to buy.

Offshore alternative

Another option for investors is **Husky Energy Inc.** (TSX: HSE). While it does have a sizable portfolio in the Albertan oil sands, it also has a growing foothold in the offshore drilling fields of Newfoundland. Husky has established itself on every major drilling facility in the region, and if Russia continues its “no oil for you” threats toward Europe, “Newfie Oil” would be an alluring alternative to backstop European supplies.

Also, thanks to its retail gas division, Husky and Mohawk the company should benefit from people driving more to enjoy the coming drop in pump prices.

Much like Crescent Point, Husky's stock price has taken a hit, falling to a new 52-week low of $26.50 on Wednesday before climbing up to $27. 81 on Thursday, far behind its average price target of $38.10.

What has happened shall happen again

This drop in the market is nothing new. It has happened before and it will happen again and again. This is a time to plant fresh seeds into your portfolio because, as everyone else is running away, you can take advantage of the situation. Six months from now, when all has returned to normal, you can be comforted that you seized the opportunity to invest at bargain prices.

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