4 Stocks to Buy as the Price of Oil Continues to Rise

Description

Oil prices continue to climb and are at two-year highs, as supply cuts are proving to be effective, while OPEC and Russia have indicated that the cuts will likely continue, and could be extended until the end of 2018.

This could continue to put upward pressure on the price of oil, and as it continues to rise, there is an opportunity for investors to buy some beaten-up oil and gas stocks that could provide terrific returns.

I have a list of four stocks below that could see their share prices skyrocket along with rising oil prices.

Baytex Energy Corp. (TSX:BTE)(NYSE:BTE) saw its stock trading near $50 a share back in 2014 before the collapse in oil prices began. It now trades at less than $4. The company has been hit hard by the downturn, and profits have been in the red for three straight years, and revenues have declined by more than 60% as well.

There are signs that Baytex is turning a corner with Q2 showing a 40% year-over-year rise in sales, and the company is finding ways to turn a profit amid low oil prices. However, investors to this point haven't warmed up to the idea of buying the stock yet, given the uncertainty that still exists in the industry and the fact that many were likely burned as a result of the downturn.

Baytex could be a big benefactor, as oil continues to rise and investors start to put more investment dollars into the industry.

Cenovus Energy Inc. (TSX:CVE)(NYSE:CVE) has seen a tumultuous year in 2017 with its share price reaching an all-time low amid not just low oil prices, but a controversial acquisition and rising debt levels, as well as the eventual departure of its CEO.

Before the crash in oil prices, Cenovus was trading near $35 a share; after falling to less than $9 earlier this year, it has recovered to over $12. Like Baytex, the company has been able to put in some strong quarters this year, which has helped the stock's recovery.

A higher price of oil will likely result in Cenovus being the target of many investors.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) has also fallen off a cliff along with oil prices. From highs over $47 in 2014 to barely over $8 a share earlier this year, the company has fallen hard. Like Cenovus, Crescent Point has made a bit of a recovery with the share price currently trading near $11; it has risen 14% in just the last three months.

However, Crescent Point took a bit of a step back in it most recent quarter with a fall back into the red. If it can find its way back into the black, investors will likely buy up the stock, and it may even prove to be a better buy than Baytex.

MEG Energy Corp. (TSX:MEG) traded around $40 before the collapse in oil and crashed to just over $3 earlier this year. Like the price of oil, the company has seen its share price rise in the last three months, and you can expect more of a recovery as the commodity price continues to ascend.

Like many others still in the industry, MEG has found a way to turn a profit in difficult times and has done so for three consecutive quarters. As the industry continues its recovery, so too will the company's share price.

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1. Energy Stocks
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TICKERS GLOBAL

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2. NYSE:VRN (Veren)
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