



3 Cheap Oil Stocks to Buy Right Now

Description

As oil prices continue to climb, it's a great time to load up your portfolio with oil and gas stocks. The industry is still recovering, but I've heard from those in Alberta that work continues to pick up week after week, and signs are pointing to oil and gas finally gaining some much-needed momentum. We've already seen some share prices take off in anticipation of stronger economic conditions, but there are still many stocks out there that are great bargains today.

Below are three stocks that could see a lot of upside from their current share prices and that would be great buys for investors that are willing to tolerate some risk in their portfolio.

Seven Generations Energy Ltd. (TSX:VII) has declined more than 30% in the past year, and although oil prices have gotten stronger, the stock is still down more than 15% in the past six months. Seven Generations has grown a lot over the years, as sales have nearly quadrupled since 2015. In its most recent quarter, revenue was up more than 50%, and the company has averaged an impressive 20% profit margin over the past five periods.

Seven Generations's financials will only get stronger as commodity prices increase, and right now it's a bargain buy for what's turned out to be an [excellent growth stock](#). The stock trades at around 1.4 times its book value and only 17 times its earnings, which is impressive for a company that has grown at its pace.

Baytex Energy Corp. ([TSX:BTE](#))(NYSE:BTE) is among the few oil and gas stocks that have already benefited from rising oil prices. Baytex's share price has risen 70% in just the past three months, but there is still a lot of room for the stock to climb. The stock still trades below book value and is nowhere near the price it was five years ago and is down 85% since then.

Baytex had some rough years during the downturn in the industry, although it has started to get back into the black with three of its last five quarters, finishing above breakeven. Sales are still not taking off just yet, as Baytex's top line grew by 10% in its most recent quarter, and the company could still use more growth to convince investors that it's turned a corner.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) is another stock that is far removed from its

glory days, as it has declined more than 75% in the past five years. While Crescent Point hasn't gotten the same boost in price that Baytex has, it is still up 10% in the past three months. The stock is also trading [well below its book value](#), and it is only a few dollars up from its 52-week low and could provide investors with a lot of upside.

However, Crescent Point has struggled to find stability, as in the past three quarters it has finished in the red, although prior to that it was profitable. If the company can string together some strong quarters, then it could follow in Baytex's path. While it may be a bit of a risky buy today, rising oil prices should make it easier for Crescent Point's top line to grow, and that could finally set the stock on an upward path.

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1. Energy Stocks
2. Investing

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1. Editor's Choice

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1. NYSE:VRN (Veren)
2. TSX:BTE (Baytex Energy Corp.)
3. TSX:VRN (Veren Inc.)

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Date

2025/07/04

Date Created

2018/05/09

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