# Get Exposure to Colombian Crude Oil With This High-Quality Growth Stock

## Description

Want to get into oil and looking for Canadian stocks that aren't affected by U.S. trade? Or are you looking for Canadian oil stocks to buy low and sell high, rather than rely solely on dividends?

We've got a doozy for you. **Parex Resources Inc.** (TSX:PXT) is a high-growth stock that is set to clean up in South America, and it's based right here in Canada. Here's why you should consider it if you want an alternative to home-grown oil stocks.



**Calgary, now twinned with Colombia**

Headquartered in our very own Calgary is one of Colombia's most ambitious oil exploration operators. If you want a crude oil stock that looks set to ignite, this is the one. Its balance sheet is spotless, with a strong track record to match, and it's looking at a great future.

As we mentioned above, Parex is not a dividend stock. That's all well and good, since it means that the company reinvests in itself rather than appease shareholders with cash — unlike a lot of so-called defensive stocks getting talked up at the moment.

So, is Parex a buy? Let's start crunching the numbers.

**Should you pair up with Parex?**

Parex is set for an 18.2% annual earnings growth. Think it will happen? You bet. Its past earnings-growth figures are off the chart. Its one-year earnings versus its five-year average is 14333.7% versus 1.3%. If you just did a double take, we don't blame you. Now, take a look at the Canadian oil and gas industry average for the past year: 81.3%. That's good — in fact, that's great — but it doesn't hold a torch to Parex's exponential growth over the same period.

According to the balance sheets, Parex isn't holding any debt — another double take. 2017 was good to Parex, with drilling successes leading to a growth in production. Sure, it holds a fair amount of physical assets and/or inventory, but that's to be expected — it's an oil-exploration company. With less than 300 employees, it's light on its feet, and its multiples look good, too. All told, this is one of the healthiest stocks on the TSX going by its balance sheet.

So, it's got a great track record, it's super healthy, and it looks set to really rake in the cash. But how is it for value? At $24.75, it's *slightly* overvalued compared to a projected future cash flow value of $21.09. However, the stock is unlikely to dip significantly any time soon, given its generally consistent climb over the last five years, so if you want in, you might as well buy now. It's a high-quality stock with great prospects, so it's worth it.

**The bottom line**

Sure, follow the crowd if you want. Go and run to defensive stocks and sit and wait for your dividends. Or you could be bold in the face of demoralizing news headlines and oscillating markets and take a gamble on high-growth stocks that could double your money. In the end, it depends on your style. But if you have a few extra dollars lying around and fancy a flutter, Parex looks like as safe an oil bet as any in today's uncertain economic climate.

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1. TSX:PXT (PAREX RESOURCES INC)



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