Is It Time You Bailed on Cenovus Energy (TSX:CVE) Stock? Shares Are Now 18% off July Highs

Description

Cenovus Energy (TSX:CVE)(NYSE:CVE) is a stock that investors need to be paying extra special attention to these days.

That's because after a meteoric spike that took place earlier this spring that saw Cenovus shares gain more than 63% between February and May, stock in the Canadian integrated oil and gas company has begun to show some weakness as of late, giving back 18% of those gains after briefly making a new 52-week high last month.

So, what are Foolish investors to do?

Is it time you exited the position in order to get out there and look for a timelier opportunity?

Do you decide to hang in there and wait out this latest spell of volatility?

Or do you take advantage of the recent weakness and add to your existing position in the shares?

Let's take a closer look at these three options in light of our current outlook for the company to see which, if any, of these strategies makes the most sense for you.

I personally had initiated a stake in Cenovus closer to the beginning of this year.

Back then, I felt that the market had unfairly overreacted to company's purchase of the FCCL assets from its then-partner **ConocoPhillips.**

While the market tended to be more focused on the additional debt that it had taken on as part of the acquisition, I was more focused on the fact that following from the deal, Cenovus had effectively doubled the size of its available production base.

Add to that the fact that the company was trading – and still does – below its book value and I decided to go ahead and pick up what I thought was a real bargain.

I was fortunate enough this time to end up on the right side of history, and was the beneficiary of this spring's incredible bull rally.

But as recent history has confirmed, CVE is a volatile stock, and in light of the other opportunities in the market at that time, I decided to lock in my gains, parting ways with the CVE shares and heading in a different direction.

This is one way to go about things – turning your portfolio over aggressively and looking for fresh new trading ideas every day, week or month.

But many don’t have the time for that type of endeavor.

Are you in it to win it?

Meanwhile, for those opting in favour of a more patient, buy-and-hold approach to investing, chances are they’re going to instead want to stick with the CVE stock, potentially even adding to their existing holdings, building up a larger position in one of the higher quality names available as part of the **S&P/TSX Composite Index.**

Despite that, shares are now already more than 32% off their 52-week lows, and the company continues to trade at levels below its book value per share.

And while the dividend yield, which only sits at 1.65% as of Thursday’s trading, may appear on the surface to offer great prospects to dividend investors, this a company with an attractive long-term growth trajectory that one would hope should lead to years of dividend increases going forward, making Cenovus stock potentially a great candidate for your TFSA or RRSP account.

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