



Value Investors: This Large-Cap E&P Oil and Gas Stock Is Deeply Oversold and Could Potentially Double in Value

Description

“One man’s junk is another man’s treasure,” goes the expression....

Make no mistake – you would have wanted nothing to do with the shares of **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) over the past few years.

Crescent Point stock has lost more than 78% of its value since oil prices began falling in 2014.

So you can probably imagine that if you’d been holding shares in the company over that stretch, you’d have pulled all your hair out by now and would more than likely have a hairline resembling something closer to Dr. Phil’s.

But if you’ve been able to avoid the massive sell-offs in Crescent Point and as a result still have some “dry power” left to play with, you might want to give yourself a couple seconds to ponder the potential opportunity in this very oversold, very unloved company.

Crescent Point has unfortunately been forced to cut its dividend not once – but twice, in fact – since oil prices began their descent in the summer of 2014.

And they have been rather significant cuts, too.

Back in 2014, Crescent Point was paying its shareholders a \$0.23 monthly dividend, which worked out to a \$2.73 annual payout and a yield of about 7.2% against a share price at the time of somewhere in the neighborhood of \$38 on the TSX.

Then, in August of 2015, shareholders began receiving a \$0.10 monthly distribution – equal to a 56% cut to their payout.

And then as if that weren’t bad enough, the board of directors cut the \$0.10 monthly distribution again in April of 2016 to just a measly \$0.03 monthly payment.

So, it becomes beyond easy to understand why investors would decide to bail on the company after this type of behaviour.

But here's the opportunity today for you, the savvy investor.

Based on the current price for CPG stock of just \$8.19 on the TSX and US\$6.33 on the NYSE, that same \$0.03 monthly dividend now represents a very respectable 4.3% dividend yield.

And that's for a company that still has a bright future ahead of it, including a large portfolio of mostly undeveloped assets.

As well, [CPG stock is not only a great opportunity for long-term investors](#) who feel the company can get back to previous levels, but also for value investors.

That's because not only does are the CPG shares paying a dividend offering nearly twice the yield of the 7-Year Government of Canada Bond, but the company is also trading considerably below its clean book value as well.

Opportunities like this are tough to come by – particularly in the ninth year of a bull market.

Shares have underperformed in recent months, and [now might be an opportune time to pick up CPG stock](#), trading just a few cents above not only its 52-week, but also its 10-year lows.

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