



## TFSA Investors: Shares in Cenovus Energy Inc (TSX:CVE) Are Soaring: Up More Than 11% During the Past Month!

### Description

Shares in integrated energy company **Cenovus Energy Inc** ([TSX:CVE](#))([NYSE:CVE](#)) are up more than 11% over the past month.

While the last few months have been more than a little dicey for shareholders, the recent rally is at least encouraging and suggests that more could be on the way.

Keep in mind that it wasn't long ago that CVE stock absolutely took off – climbing more than 60% in less than three months earlier this spring.

That was a great time to be a Cenovus shareholder; however, it wasn't long before the shares went through a consolidation period during which they traded in a range of between \$14 and \$11 on the TSX and between US\$ 11 and US\$ 9 on the NYSE.

Yet since mid-September, the market has seen a broad rally in energy stocks, including CVE and others, and that rally has helped CVE to break through their 200-day moving average, a commonly watched technical signal intended to alert investors to potentially larger swings in share prices.

In light of the fundamentals supporting its valuation, there's good reason to believe that a larger rally in the CVE stock could very well be already underway.

Remarkably, this is a company that still trades well below its tangible book value.

Even if you aren't a died-in-the-wool value investor along the lines of Warren Buffett or his predecessor Benjamin Graham, tangible book value is still one of the most conservative measures of a firm's value, and indicates that if you almost see any kind of future for this company at all, it's probably worth careful consideration for your RRSP or TFSA account.

Granted, its 1.50% dividend yield won't exactly knock your socks off – particularly if [you're a retiree or investor looking for income streams to help fund your current budget](#) – but last year's major acquisition of the FCCL assets from **ConocoPhillips** ([NYSE:COP](#)) not only doubled its production capacity, but

should go a long way to set the company and its shareholders up for years of dividend hikes.

### Bottom line

The fact that an investment in Cenovus presents as more of a growth story than a dividend play – even despite the fact that value investors will appreciate the deep discount to book value – makes this a solid play for your TFSA.

Dividends are already taxed at favourable rates compared to the taxes the federal government charges on capital gains which means that if you've already maxed out our TFSA contribution limit, your high yielding stocks are probably better off in your taxable accounts or even your RRSP, [while "growthier" stocks and their capital gains](#) can be better shielded in TFSAs.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)

### PARTNER-FEEDS

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