3 “Millionaire Maker” Energy Stocks at New 52-Week Lows

Description

Hello, Fools. I’m back to call attention to three stocks trading near their 52-week lows. Why? Because the biggest stock market gains are made by buying attractive companies during times of severe investor pessimism and when they’re selling at a significant discount to intrinsic value.

This week, we’ll take a look at three oil and gas plays that have been particularly battered in recent months. There could be a millionaire-making opportunity at hand.

Let’s get to it.

Time to take advantage

Leading off our list is small-cap energy producer **Advantage Oil & Gas** (TSX:AAV)(NYSE:AAV), which is down a whopping 60% over the past year and trading at its 52-week lows of $1.65.

Mr. Market has punished the stock due to weak gas prices, but there are plenty of reasons to remain bullish.

In the most recent quarter, production increased 13% to 44,900 boe/d. More important, the company retained strong financial flexibility with a total debt to adjusted funds flow of 1.9.

“Advantage’s extensive infrastructure ownership and minimal external commitments provides the corporation with the flexibility to allocate capital between our four project areas over the plan period as we refine and optimize our plan to enhance investment returns,” wrote Advantage.

The stock is down 16% in 2019.

Ark of safety

Next up is petroleum and natural gas producer **ARC Resources** (TSX:ARC), whose shares are down 48% over the past year and trading near their 52-week lows of $6.65.

ARC has been beaten down due to disappointing production, but like Advantage, recent results suggest better times ahead. In Q1, the company reported record quarterly production of 139,054 boe/d while management maintained its operating expense of $5.24 per boe.

“We are executing on a strategy that is founded on full-cycle returns and overall profitability of the business,” said President and CEO Myron Stadnyk. “With a compelling asset base, coupled with a clean balance sheet and a current attractive yield, ARC is positioned to create shareholder value.”

ARC shares currently boast a whopping dividend yield of 8.9%.

Vista view

Rounding out our list is oil and natural gas player **NuVista Energy** (TSX:NVA), which is down a massive 70% over the past year and trading at its 52-week lows of $2.60 per share.

While weak natural gas prices have taken its toll on NuVista shares, value investors could be staring at a prime opportunity. In the most recent quarter, production jumped 21% to 43,840 boe/d while adjusted funds flow grew 13% to $71.7 million.

More important, management confirmed its 2019 guidance.

“The steady ramp-up of production continues towards the latter half of the year as we commence start-up of the wells from the winter drilling program,” wrote the company. “A significant number of new wells will be increasingly turned in line throughout the second quarter.”

Vista currently sports a paltry forward P/E of 5.7.

The bottom line

There you have it, Fools: three contrarian stocks worth checking out.

As always, don’t see them as formal recommendations. Instead, view them as a starting point for more research. Trying to catch a falling knife can be hazardous to your wealth, so plenty of homework is still required.

Fool on.

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2. TSX:ARX (ARC Resources Ltd.)
3. TSX:NVA (NuVista Energy Ltd.)

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