3 Top Energy Stocks Hitting New 90-Day Lows

Description

Hey there, Fools. I'm back to call attention to three stocks that have been walloped over the past 90 days. Why? Because the biggest stock market gains are made by buying attractive companies: during times of extreme market bearishness; and when they're available at a clear discount to intrinsic value.

This week, we'll take a look three energy stocks that have been particularly bruised in recent months.

Let's get to it.

Down buy the bay

Kicking things off is embattled oil and gas producer **Baytex Energy** (TSX:BTE)(NYSE:BTE), which is down 13% over the past 90 days and trading near its three-month low of $1.90 per share.

The stock has been walloped over the past year on debt concerns, but recent results suggest a brighter outlook ahead. In Q1, revenue spiked 58.5%, production improved 2%, and adjusted funds flow clocked in at a whopping $221 million.

Management even managed to reduce its net debt $90 million during the quarter.

"Further deleveraging remains a top priority with adjusted funds flow now exceeding the midpoint of our capital guidance by C$350M, which will support accelerated debt repayment," said Baytex.

Baytex shares are off a significant 65% over the past year.

Natural selection

Next up, we have natural gas play **Encana** (TSX:ECA)(NYSE:ECA), whose shares are down 31% over the past 90 days and trading near their three-month lows of $6.40.

A steep decline in natural gas prices has taken its toll on Encana, but recent signs tell us that the stock is a bargain.

Earlier this week, management announced plans to buy back as much as $213 million in additional common shares in July. The move would complete its previously announced $1.25 billion repurchase program.

“This is part of our sustainable business model which profitably grows liquids, generates free cash and returns significant cash to shareholders through dividends and opportunistic buybacks,” said President and CEO Doug Suttles.

Encana shares are down more than 60% over the past year.

Profit pipeline

Rounding out our list is pipeline and midstream giant **Enbridge** (TSX:ENB)(NYSE:ENB), which is down 7% over the past 90 days and trading near its three-month lows of $45.50 per share.

Recent market turbulence has weighed on the stock, providing long-term dividend investors with an attractive opportunity. Currently, Enbridge provides a rather juicy dividend yield of 6.2%. More important, it’s backed by highly stable cash flows.

In the most recent quarter, distributable cash flow increased from $2.31 billion in the year-ago period to an impressive $2.76 billion.

“[F]rom a strategic standpoint, the actions we’ve taken over the past year have put us in a position of strength going forward, and we’re seeing the benefits of this already,” said President and CEO Al Monaco.

Enbridge shares are up a steady 8% over the past year.

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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