Oil & Gas Millionaire: 3 Top Energy Stocks Hitting New 52-Week Lows

Description

Hello there, Fools. I'm back to call attention to three stocks trading at new 52-week lows. Why? Because the biggest stock market gains are made by buying attractive companies

- during times of severe market anxiety; and
- when they're available at a clear discount to intrinsic value.

As legendary value investor Warren Buffett once quipped, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down." And there's no better place to buy bargain stocks than in a TFSA account, where all of the upside is tax free.

Let's get to it.

Husky dividend

Leading off our list is oil and gas company **Husky Energy** (TSX:HSE), whose shares are down 43% over the past year and trading near their 52-week lows of $12.04.

Weak oil prices and output curtailments continue to weigh heavily on the stock, but it might be a good opportunity for long-term dividend investors.

Two months ago, management said it expects 2019-23 free cash flow of $8.7 billion and capital spending of $1.7 billion versus its prior view of $4.8 billion and $3.15 billion, respectively.

"The company's strong balance sheet remains a competitive advantage and with little need to allocate any free cash flow toward debt repayment, we can prioritize shareholder returns through growing a sustainable cash dividend," said CEO Rob Peabody.

Husky shares are off 16% in 2019 and offer a healthy yield of 4.2%.

Kinder surprise

Next up, we have pipeline operator **Kinder Morgan Canada** (TSX:KML), which is down 29% over the past year and trading near its 52-week lows of $11.11 per share.

The shares plunged in May over management's decision to remain a standalone company, and they have yet to recover. Long-term investors might want to take a look, though.

In the most recent quarter, Kinder generated EBITDA of $1.95 billion and discounted cash flow of $1.37 billion. That bodes well for continued dividend growth and share repurchases over the next few years.

"KML continues to be a valuable entity with assets that are underpinned by multi-year take-or-pay contracts with high-quality customers and stable cash flows," said Chairman and CEO Steve Kean.

Kinder is down 29% in 2019 and currently offers a yield of 5.7%.

Mullen it over

Rounding out our list is oilfield services specialist **Mullen Group** (TSX:MTL), whose shares are down 40% over the past year and currently trade near 52-week lows of $9.20 per share.

Weak oil and prices and depressed drilling activity have hurt the stock, providing investors with a possible buying opportunity. In Q1, streamlining efforts helped revenue improve 9.4% to $319.6 million and net income grow to $11.6 million, despite lower activity.

"These efforts helped our bottom line which I am most pleased with given the dramatic declines in drilling activity in western Canada and the increasingly competitive marketplace," said Chairman and CEO Murray Mullen.

Mullen shares are down 23% in 2019 and offer a particularly juicy yield of 6.4%.

The bottom line

There you have it, Fools: three ice-cold stocks hitting new 52-week lows 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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