



2 Discounted TSX Stocks to Buy Today

Description

The rout for many of the top TSX energy stocks continued August 1. This was a diversion from the rest of the index, which was up 84 points in early afternoon trading. Oil prices moved down in the immediate aftermath of the United States Federal Reserve rate cut. A monthly *Reuters* survey found that OPEC crude oil production fell to its lowest level since 2011. Still, this has failed to generate the kind of price momentum the organization is seeking.

Today, I want to look at two energy stocks that look oversold in this [choppy environment](#) for the sector. Let's dive in.

Husky Energy

Husky Energy (TSX:HSE) stock was down 3.13% in early afternoon trading on August 1. Shares have plunged 28% over the past three months. The company released its second-quarter 2019 results on July 25.

Cash flow from operations fell to \$760 million in the quarter compared to \$1 billion in the prior year. Upstream production also dropped to 268,400 boe/d over 295,000 boe/d in Q2 2018. This was primarily due to production quotas introduced by the Alberta government late last year. The quotas were effective in bumping up the price of Western Canadian Select (WCS), and the government has vowed to ease curtailment by September.

Husky hit a 52-week low at the time of this writing. Shares had an RSI of 20 as of early afternoon trading on August 1, putting Husky well into technically oversold territory. The stock boasts a price-to-earnings ratio of seven, which is a favourable price point relative to industry peers. Husky has succumbed to broader headwinds in the spring and summer, but I like its chances for a rebound. It looks like a buy-low candidate today.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) stock was up 0.5% at the time of this writing. Shares have dropped 13% over the past three months. In the second quarter, Suncor saw funds from operations increase to \$3.005 billion, or \$1.92 per share, compared to \$2.86 billion, or \$1.75 per share, in the previous year. Total oil sands production posted an increase to 692,200 boe/d over 547,600 boe/d in Q2 2018.

The company continues to boast fantastic cash flow from operations, which bumped up to \$3.433 billion in the quarter compared to \$2.446 billion last year. Back in February, Suncor announced an increase in its quarterly dividend to \$0.42 per share. This represents a very solid 4.4% yield. Suncor has achieved dividend growth for 16 consecutive years.

Suncor stock is still hovering around 52-week lows as we kick off August. The stock has a P/E ratio of 11.9 at the time of this writing. Shares had an RSI of 21 in afternoon trading, which also puts Suncor into technically oversold territory. The company's earnings have been robust in the face of turbulence in the sector. Investors can take solace in its cash flow and [impressive history of dividend growth](#). Suncor is a worthwhile pick-up today.

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