



1 Dirt-Cheap \$2 Stock to Buy During Market Crash: It Could Even Make You a Millionaire

Description

On Tuesday, the market is continuing to tumble, as the U.S. and Canadian tech stocks nosedived for the third consecutive day. At 12 pm ET, the S&P/TSX Composite Index was down by nearly 8% for the day, as the shares of technology companies fell by 2.2%. Apart from the tech industry, energy and financial services are two of the worst-performing sectors today.

Amid [the ongoing market crash](#), it becomes even more important for investors to diversify their investment portfolios and add some great value stocks.

The global energy industry

The global energy industry has seen its toughest phase in decades in 2020. The COVID-19-related shutdowns across the world caused a massive drop in oil demand. At the same time, oversupply worries badly hurt oil investors' sentiments, driving oil prices to their lowest level in decades in April.

WTI crude oil is currently trading at \$37 per barrel — much lower as compared to its January high of \$65.60 per barrel. This sudden fall in oil prices triggered a steep sell-off in energy stocks as well — making energy stock cheap.

Oil demand recovery

Nonetheless, the energy demand has already started to pick gradually up — supported by reopening economic activities and OPEC+ production cuts, among other factors. These factors have helped oil prices to recover for four months in a row (from May to August 2020) consistently.

Despite the recent recovery in oil prices, the shares of many energy companies are still dirt cheap.

Dirt-cheap energy stock

When it comes to energy stocks, I find the Canadian energy transportation company **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) to be one of the best as it offers a solid 7.9% dividend yield — much higher as compared to many of its competitors.

Also, its stable profit margins — despite the ongoing pandemic — make Enbridge stock attractive. The company reported a nearly 40% year-over-year drop in its second-quarter revenue to about \$8 billion. However, its adjusted net-profit margin expanded significantly to 14.2% in Q2 2020 as compared to 10.2% a year ago. It was also better than its bottom-line margin of 13.9% in the previous quarter.

But this could be a better bet

There's another cheaper energy stock that I wanted to highlight here — **Crescent Point Energy** (TSX:CPG)(NYSE:CPG). It's a Calgary-based oil and gas exploration company with a market capitalization of \$1.1 billion.

Massive declines in its revenue have led to a big selling spree in Crescent Point Energy stock in the last few quarters. The company reported \$1.89 earnings per share in fiscal 2019. Most of Bay Street doesn't expect it to turn profitable until fiscal 2022.

However, there is a recent development that could make CPG stock rally in the coming months. On September 1, Crescent Point Energy gave a largely positive fiscal 2020 guidance. According to the [press release](#), it expects about a 20% production rise in the second half of 2020 as a result of reactivated shut-in volumes. Also, the company expects its capital expenditure to be around the lower range of its prior guidance.

Similarly, CPG sees the positive production trend to continue in fiscal 2021 based on its preliminary guidance. These are some of the factors that could make Crescent Point Energy stock soar in the coming months and quarters.

Foolish takeaway

Crescent Point Energy currently trades at \$1.93 per share — which is really cheap, in my opinion — if we look at the company's improving production volume. So, if you buy this stock in large quantities and hold it long enough, it has the potential to make you a millionaire.

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