



## Got \$2,200 to Invest? 2 Commodity Stocks Under \$10 to Buy Now

### Description

The stock market rally off the 2020 crash is showing no signs of slowing down. Investors who missed the rebound are wondering which stocks still appear [undervalued](#).

### Crescent Point Energy

**Crescent Point Energy** (TSX:CPG)(NYSE:CPG) used to be a darling among income investors, but the oil crash that began in 2014 hammered the company's cash flow and eventually forced it to slash the payout. The stock price also took a beating, falling from \$46 in the summer of 2014 to below \$1 per share last year.

Investors who bought at the 2020 low are already sitting on huge gains. At the time of writing, Crescent Point stock trades for \$5.80 per share. With West Texas Intermediate (WTI) oil now approaching US\$70 per barrel, Crescent Point stands to benefit from higher-than-expected margins in 2021. The result should be an acceleration of debt reduction and higher capital spending to drive future production growth.

Crescent Point is also back in [acquisition mode](#) and more deals could be on the way as the industry consolidates. Due to its reduced size, this previous acquisition leader in the Canadian oil patch could even become a takeover target.

Ongoing volatility is expected, but continued strength in oil prices should bring more money back into the energy sector and it wouldn't be a surprise to see Crescent Point surge another 20% in the next few months.

### Kinross Gold

**Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) took a beating after an ill-timed acquisition near the peak of the last gold rally saddled the company with debt and assets that turned out to be duds. New management came in and started the long process of selling non-core properties and reducing debt.

A decade later, Kinross Gold is finally in good shape and gold prices are on the rise. Kinross Gold finished [Q1 2021](#) with cash and cash equivalents of US\$1.056 billion and total debt of just US\$1.9 billion.

The business generated free cash flow of US\$75.6 million in the quarter and more good news should be on the way for Q2 and the rest of the year. Kinross Gold reported all-in sustaining costs of US\$975 per ounce. Gold currently trades for more than US\$1,900 per ounce.

The rebound in the gold price over the past couple of months could continue through the end of the summer. Inflation fears, falling crypto prices, and seasonal strength could drive gold back above US\$2,000.

Kinross Gold has a number of expansion projects on the go that will boost production significantly in the next two years. If you are of the opinion that the price of gold will remain at current levels or move higher, the stock appears cheap today.

Kinross Gold began paying a dividend last year and investors should see a hike to the payout in 2021.

## The bottom line

Crescent Point Energy and Kinross Gold should be solid bets on recovering oil and gold prices. The stocks can be volatile, but they hold the potential to move significantly higher in the coming months as the rotation back into commodity stocks expands.

While these stocks have enjoyed strong moves off the 2020 lows, the market still might not fully appreciate the profit potential over the medium term.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. NYSE:VRN (Veren)
3. TSX:K (Kinross Gold Corporation)
4. TSX:VRN (Veren Inc.)

### PARTNER-FEEDS

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