



This Canadian Energy Stock Has Tripled Over the Past Year

Description

Energy stocks have proven to be some of the best investments this year. Indeed, looking back a year ago, this certainly would not have seemed like the likely scenario.

But here we are. A bull market in commodities prices has taken energy stocks on a nice ride. And drilling and well services company **Trican Well Services** ([TSX:TCW](#)) has taken full advantage of this catalyst.

Here's why more upside may be on the horizon for this growth stock from here.

Several positives aligning

The more drilling activity in the energy sector, the better. However, last year proved to be a very difficult year for companies like Trican as the price of oil nosedived.

Today, the market is much different. Oil is now trading around US\$70 West Texas Intermediate (WTI), making well drilling and servicing much more tenable for producers. Accordingly, Trican has been busier than anticipated lately.

A rise in the off-season rig count has made Q3 a busy quarter. With a surge in demand taking hold, Trican has been hard at work meeting this demand. The company's recent numbers show improvement in the company's balance sheet and a growing cash reserve. For those who were previously worried about the company's [liquidity and solvency issues](#), those seem to be disappearing.

Indeed, analysts remain extremely bullish on this stock. Given the current environment, and a continuation of the bull market in energy, Trican should be a beneficiary of this trend. Indeed, as a highly-leveraged player to activity in the energy sector, Trican's upside today is really uncapped. The company's growth trajectory hasn't looked better, and in the energy space, this remains one of the best higher-risk, higher-reward plays right now.

Bottom line

How much leverage investors want to the price of oil is the real question with a company like Trican. Those who really believe this bull market has legs can't go wrong with this pick. It's a company that stands to benefit from these higher prices to a degree other more stable players can't. For value investors, that means this company is trading at some pretty unreal multiples right now.

However, those concerned about a potential reversion lower in oil prices may also be wary of the downside risk with this stock. After all, energy investors have been burned before with this name.

Accordingly, with a stock like Trican, it's really a matter of perspective.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. energy
2. growth
3. investing
4. market
5. value investing

default watermark

TICKERS GLOBAL

1. TSX:TCW (Trican Well Service Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Energy Stocks
2. Investing

Tags

1. energy
2. growth

3. investing
4. market
5. value investing

Date

2025/08/14

Date Created

2021/06/20

Author

chrismacdonald

default watermark

default watermark