3 Top TSX Energy Stocks to Buy on a Dip Today

Description

The Canadian market turned negative on July 6, as a sharp decline in energy stocks pressurized the broader market. Energy stocks saw a selloff after oil prices slipped by nearly 3% earlier today after OPEC plus producers failed to reach an agreement over plans to increase supply to meet rising global energy demand amid reopening. While the recent drop in oil prices is taking a big toll on energy stocks, investors can consider this as an opportunity to buy some high-flying energy stocks on a seemingly temporary dip.

Let's take a closer look at three such energy stocks on the **TSX** that I find worth buying on a dip right now.

Crescent Point Energy stock

The shares of **Crescent Point Energy** (TSX:CPG)(NYSE:CPG) were among the worst-affected energy stocks on TSX today. Its stock fell by more than 5% this morning. But it was trading at $5.61 per share with about 80% YTD (year-to-date) gains as of Monday.

The company has been focusing on reducing its debt burden lately. In the first quarter, Crescent Point Energy's net debt reduced by $136 million to about $2 billion with the help of its continued excess cash flow generation. Since the start of 2020, its net debt has gone down by more than $750 million.

Crescent Point's revenue fell by about 25% in 2020 due to weak energy prices and the global pandemic-driven decline in the demand for energy products. Nonetheless, Bay Street analysts expect its revenue to rise by more than 25% this year.

Cenovus Energy stock

Cenovus Energy (TSX:CVE)(NYSE:CVE) is another energy stock you may want to add to your portfolio on a dip right now. This morning, its stock fell by nearly 6% amid an ongoing slump in oilprices.

Just like all other energy companies, a sharp drop in oil demand took Cenovus Energy's revenue down by 34.4% last year to $13.2 billion. However, its sales already started a massive recovery in the first quarter. In Q1 2021, the company reported total revenue of 9.2 billion — up 131% on a YoY (year-over-year) basis. Bay Street analysts project its 2021 revenue to go beyond the pre-pandemic levels.

As of the July 5th closing, Cenovus Energy's stock was trading with about 53% YTD gains. These positive factors could help its stock to soar, as the rising demand make the oil prices stable again.

Suncor Energy stock

Suncor Energy (TSX:SU)(NYSE:SU) could be another great addition from the energy sector to your stock portfolio. Its stock slipped by nearly 4% on Tuesday morning. Nonetheless, its stock is still trading with nearly 50% YTD gains.

In the first quarter, Suncor Energy's posted a massive improvement in its adjusted earnings to $0.49 per share compared to an adjusted net loss of $0.20 per share. Its latest quarterly earnings were also more than 50% better than analysts' consensus estimate of $0.32. During the same quarter, its sales growth trend turned positive, as it rose by 11.4% to $ 8.6 million. SU's revenue growth trend is expected to accelerate further in the coming quarters, as analysts see its 2021 sales to increase by about 48%.

Adding the shares of these three energy companies — especially amid a dip — will let you get solid returns from their expected rally in the second half of 2021.

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