



2 Cheap Energy Stocks (With Dividends) to Buy in May 2022

Description

Canadian energy stocks are big winners in 2022, despite the broader market uncertainties. While a recent correction in crude oil prices has trimmed the gains in energy stocks in the last month, they still are continuing to outperform the **TSX Composite Index** by a big margin. As the demand for energy products continues to improve with increasing economic activities across the world, the recent dip in energy stocks could be an opportunity for investors to buy their favourite TSX stocks at a bargain. In this article, I'll highlight two such [cheap energy stocks](#) with reliable dividends that I find worth buying in May 2022.

Crescent Point Energy stock

With its solid 32% year-to-date gains, **Crescent Point Energy** (TSX:CPG)(NYSE:CPG) is one of my favourite TSX energy stocks to buy in May 2022. This Calgary-based oil producer currently has a market cap of around \$5.1 billion, as its stock trades at \$8.90 per share.

In 2021, Crescent Point Energy's financials significantly [improved](#) as the company generated an excess cash flow of more than \$785 million. Similarly, the Canadian company managed to achieve its annual production and capital expenditure guidance. With the help of rising production, Crescent Point posted \$2.44 billion in total revenue — up 22% YoY (year over year).

In the ongoing year, the oil producer expects its production to improve further to its guided range of 133,000 to 137,000 barrels of oil equivalent per day. This could be one of the reasons why Street analysts expect the company to register a nearly 49% YoY jump in its revenue in 2022. Also, a strong price environment for energy products should help it improve its profitability. These positive expectations could help its stock continue soaring. Apart from its improving financial growth trends, Crescent Point Energy stock also has a decent dividend yield of around 2%.

TC Energy stock

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is another seemingly cheap Canadian energy stock that investors

could consider buying in May 2022. After consistently rising in the previous three months, its stock fell by nearly 4% in April due mainly to the recent drop in oil prices. Despite its recent dip, TRP stock is still trading with solid 16% year-to-date gains against a 2.5% decline in the TSX Composite benchmark. The stock currently has a strong dividend yield of around 5.3%, making it one of the top dividend stocks on the TSX from the energy sector.

Last week, TC Energy announced its Q1 results. Its revenue for the quarter rose by 3.2% YoY to around \$3.5 billion — slightly lower compared to estimates of \$3.6 billion. On the positive side, its adjusted net profit in the March quarter stood at \$1.1 billion — about 5% stronger than analysts' expectations. Given the growing energy demand across North America, you could expect TC Energy's revenue and earnings growth consistently improve in the next few quarters.

Apart from its well-established energy transportation business, the company is also focusing on opportunities in the hydrogen economy, wind energy, and solar projects, which could help it accelerate its financial growth in the long term.

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