



2 TSX Energy Stocks That Are Still Surprisingly Cheap

Description

March 2022 saw oil prices reach their [highest point](#) in over 10 years. April 2022 painted a different picture for energy prices as a significant correction in crude oil prices rattled the energy industry. The global energy prices dipped due to several factors, including the release of substantial oil barrel reserves in the U.S. and by IEA member countries.

The high hopes from the ongoing Russia-Ukraine negotiations and fears of more COVID-related restrictions hampered demand, lowering prices further. Regardless of the correction, energy product prices are considerably better than when the year began. Oil-producing companies across the board are still enjoying near-term profitability after a successful year for the energy industry.

The deflation in oil prices could likely disappear in the coming weeks, unless macroeconomic factors affecting them improve. Suppose that another hike in oil prices comes through soon. In that case, it would be wise to add some fundamentally sound but cheap energy stocks to your investment portfolio.

Today, I will discuss two such [undervalued stocks](#) that you could consider investing in today.

Baytex Energy

Baytex Energy ([TSX:BTE](#))(NYSE:BTE) is a \$4.04 billion market capitalization oil and gas company headquartered in Calgary, Alberta. The company is in the business of acquiring, developing, and producing crude oil and natural gas in the Western Canadian Sedimentary Basin and the Eagle Ford in the U.S.

Baytex Energy stock trades for \$7.11 per share at writing, and it is up by 374% in the last 12 months. The energy stock is trading at its highest level in over seven years, but it is still at a considerable discount of 87.75% from its April 2011 all-time high. Considering the performance of the broader energy industry, it could be the right time to invest in its shares to enjoy wealth growth through sizeable capital gains.

Crescent Point Energy

Crescent Point Energy (TSX:CPG)(NYSE:CPG) is a \$5.23 billion market capitalization oil and gas company based in Calgary, Alberta. The company specializes in producing light oil through its operations in central Alberta and southern Saskatchewan.

At writing, Crescent Point Energy stock trades for \$9.12 per share, and it boasts a 1.97% dividend yield. The energy stock is down by 80.77% from its June 2014 all-time highs at its current valuation. In the coming months, a bullish movement for energy product prices could help you capture significant upside movement in its valuation.

Foolish takeaway

WTI crude oil is priced at US\$105.4 per barrel at writing, and there is an anticipation of crude oil prices crossing the US\$150 barrier this year. If the macroeconomic factors impacting energy demand and prices do not change to bring down oil prices, oil prices could realistically hit that fabled figure.

Higher oil prices mean greater profits for energy industry operators, translating to positive movement on the TSX. Canadian investors might have to take a hit through greater gas bills when they fill up their cars but could enjoy [substantial wealth growth](#) through capital gains.

Investing in companies that stand to benefit from a bullish environment for oil in the coming months can help you achieve that wealth growth. Baytex Energy stock and Crescent Point Energy stock could be ideal investments for this purpose.

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Author

adamothonman

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