



## 3 TSX Energy Stocks to Buy if the Slump Continues

### Description

The TSX's loss in 2022 could have been more than 8.66% if not for higher oil prices that propelled [energy stocks](#). Today, the sector is in a slump, as the price per barrel is down to US\$80 or less from a high of US\$122.70 last year. The once red-hot sector is up by only 2.88% year to date.

You can scoop **Tourmaline Oil** ([TSX:TOU](#)), **NuVista Energy Limited** ([TSX:NVA](#)), and **Birchcliff Energy** ([TSX:BTE](#)) before oil demand picks up and prices climb to US\$100 per barrel again. The energy stocks were winning investments in 2022 but are in negative territory thus far in 2023.

### Largest Canadian natural gas producer

Tourmaline trades at only \$61.66 per share (-7.04% year to date), a good entry point. The energy stock's total return in 3.01 years is a fantastic 481.58%, while its trailing one-year price return is 52.38%. Market analysts have a 12-month average price target of \$92.43 (+49.9%).

The \$20.84 billion senior crude oil and natural gas exploration and production company focuses on sustainable, long-term growth, and full-cycle returns. Its undeveloped land position boasts a large, multi-year drilling inventory. Moreover, management controls important natural gas processing and transportation infrastructure in three core long-term growth areas.

In the first three quarters of 2022, total revenue rose 77% to \$5.66 billion versus the same period in 2021. The highlights for the period were the 100% and 339% year-over-year increases in cash flow from operating activities and net earnings to \$3.57 billion and \$4.51 billion. Tourmaline is the top pick if you want exposure to natural gas.

### TSX30 winners

NuVista Energy and Birchcliff Energy were among the TSX30 winners in 2022. The energy stocks ranked 12th and 13th in last year's edition of the flagship program that showcases the top-performing [growth stocks](#).

As of this writing, NuVista is down 6.33% year to date (\$11.69 per share). Despite the price pullback, the fundamentals remain strong. The \$2.62 billion oil and natural gas company operates and focuses primarily on the scalable condensate-rich Montney formation in the Alberta Deep Basin (Wapiti Montney).

The financial results for the full-year 2022 aren't out yet, but management said the field-estimated 74,250 barrels of oil equivalent per day (boe/d) production in the fourth quarter (Q4) of 2022 is record setting. Also, it expects NuVista to hit its key debt target and increase the return of capital to shareholders.

Jeff Tonken, the chief executive officer of Birchcliff, said the new five-year plan (2023 to 2027) would generate substantial free funds flow, deliver significant returns to shareholders and establish a meaningful cash position. At \$8.48 per share, investors are down 10.07% year to date but were rewarded with a 900% increase in the quarterly dividend to \$0.20.

In Q4 2022, the board also approved a \$0.20 special dividend because of the company's excellent performance in 2022. Management said the five-year plan takes a balanced approach to increasing returns to shareholders. It also assures long-term sustainability and profitability.

## Buying opportunities

**Goldman Sachs** predicted that this year will be a bumper year for commodities because of supply shortages and insufficient or low levels of investments in oil and gas. Tourmaline, NuVista, and Birchcliff are buying opportunities for their depressed prices.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:NVA (NuVista Energy Ltd.)
3. TSX:TOU (Tourmaline Oil Corp.)

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