

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Energy Stocks to Buy

Energy stocks have taken a real beating in the last months as the price of crude oil has fallen from \$110 a barrel in mid-2014 to less than \$50 a barrel in early 2015. That having been said there are energy stocks to buy as companies with cash start to consider smaller energy companies (mergers and acquisitions) that have been hurt by low prices, a glut of oil and a weakened global economy. *Investorplace.com* looks at **4 energy stocks to buy**, mostly looking at the possibility of takeovers.

***Diamondback Energy Inc (NASDAQ:FANG)** is a relatively new energy stock, holding its IPO in late 2012. However, despite being new, some analysts have already suggested that FANG could be a target of M&A in the current environment.*

*For mid-cap energy stock **Cabot Oil & Gas Corporation (NYSE:COG)** things haven't been going so well in the shale oil patch. COG has struggled under the weight of lower natural gas prices for some time, but now the recent rout to oil prices has the energy producer really coming under hard times.*

***Gulfport Energy Corporation (NASDAQ:GPOR)** has fallen around 39% from its peak. That fall and its \$3.9 billion market cap make GPOR an interesting M&A candidate – even more so as one considers other statistics related to the shale driller.*

***Energen Corporation (NYSE:EGN)** has become focused on one thing – shale drilling. More specifically, shale drilling in the prolific Permian Basin. Energen has roughly 775 million barrels worth of oil, natural gas and NGL reserves as well as another 2.5 billion barrels of oil-equivalent contingent resources. Even at today's selling prices, that's a heck of a lot of moola sitting in the ground for EGN. And with just a \$4.7 billion market cap, it could be very easily someone else's moola too.*

There are energy stocks to buy because they are currently underpriced considering that current economic conditions and the oil glut will not last forever. And there are stocks that will be a great deal when someone with lots of money realizes the same thing and drives the price up with a buyout offer!

And There Are Stable Energy Stocks to Buy

Not every oil and gas stock is in trouble. *Money Morning* suggests three **high-yield energy stocks** that will only get better when prices go up.

Royal Dutch Shell Plc. (NYSE ADR: RDS-A) operates an independent global gas and oil company. It extracts crude oil, natural gas, and natural gas liquids. As of March 23, RDS has

a dividend yield of 6%. The company has averaged its volume at 4.3 million shares per day over the past 30 days. Currently, its market cap is \$196.2 billion. Money Morning's Global Energy Strategist Dr. Kent Moors told his readers last month that energy stocks paying dividends like Royal Dutch Shell are a good buy now. "While the turnaround in oil stock fortunes might be delayed, a solid 'play' in the interim would be to focus on stocks with secure dividends to boost returns until they inevitably rally," said Moors.

And remember that guys like Royal Dutch are the ones with cash who will pick up the bargains mentioned in the first part of this article. There are energy stocks to buy but you do need to look for **intrinsic value** first of all.

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