



Why Trilogy Energy Shares Triumphed Today

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of oil and gas explorer **Trilogy Energy** (TSX: TET) popped 13% today after providing an operational update that impressed Bay Street.

So what: The stock has slumped in recent months on worries over its key Kaybob Montney oil pool expansion, but today's operational update — currently flowing at an average oil rate of 438 Bbl/d, 0.9 MMcf/d of natural gas, and 104 Bbl/d of water — is quickly easing those concerns. The positive early results also suggest that the pool extends beyond the identified boundaries, giving investors plenty of good vibes over the stock's *upside* as well.

Now what: Due to some plant outages in the Kaybob and Grande Prairie area, Trilogy's third-quarter production will be reduced to roughly 31,000 Boe/d. "We expect the Company will resume normal production levels in the fourth quarter," Trilogy [said in the update](#). "The additional capital projects described above will not have a significant impact on the average annual production rate, as the new wells are expected to come on production late in the current year; however these additional wells are expected to increase the exit rate for the year." Of course, with the stock flirting with its 52-week highs once again, that production increase might already be baked into the valuation.

What are you doing October 1?

Our senior investment analyst will unveil his [top two stock ideas](#) for new money now on Oct. 1. And **YOU** can be one of the select few investors to find out first — just [click here](#) to reserve your invitation.

Fool contributor Brian Pacampara does not own shares of any of the companies mentioned. The Motley Fool doesn't own shares in any companies mentioned.

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