



3 Energy Stocks Poised to Jump

Description

Summer is upon us and if the hot days weren't enough to convince you otherwise, the predictable jump in gas prices should seal the deal. But behind the scenes West Texas Intermediate crude prices continue to average in the triple digits, closing Tuesday at \$103.40. While this can be bad news for summer adventurers it's great news for Canadian energy companies and their investors.

Analysts at Raymond James are now under the impression that WTI crude prices will average out at \$102.29 for the year. This is up from earlier predictions of \$99.30 for the remainder of the year. They have also released some new price targets for two of the country's hallmark oil companies, and one that has gone under the radar. A company that has raised its 5.9% yielding dividend by 83% over the last four years.

1. Suncor Energy

Analysts at Raymond James have raised their price targets on **Suncor Energy** ([TSX: SU](#))([NYSE: SU](#)) to \$55.00 up from \$51.00, compared to the average price target of \$48.20. This leaves plenty of growth space for the stock, which closed at \$45.35 on Tuesday. Suncor is also betting on some 'green' PR after announcing joint agreements with **General Electric** to invest up to \$18 million to develop new technologies to reduce greenhouse gas emissions and water usage in the oil sands. Investors of Suncor are also currently pocketing \$0.92 in annual dividends with a yield of 2%.

2. Imperial Oil

Next up in the parade of price target upgrades is **Imperial Oil** ([TSX: IMO](#))(NYSE: IMO), which saw its Raymond James price target upped to \$61.00 from \$53.00. Analysts seem to be mixed with this stock, with lower than expected adjusted earnings in Q1, coming in at \$0.09 per share below expectations.

Analysts at BMO Nesbitt Burns have reacted to this quandary by downgrading the stock to 'underperform' with a price target of \$53.00. The stock closed at \$57.37 on Tuesday right after it hit a 52-week high of \$57.63. This is quite the turnaround when you consider that on July 8, 2013, the stock was only trading at \$41.30. When it comes to the available dividend Imperial Oil offers the smallest of today's three companies with an annual payout of \$0.52 with a yield of 0.9%.

3. Baytex Energy Corp.

Packing the biggest dividend punch is **Baytex Energy Corp.** ([TSX: BTE](#))(NYSE: BTE), with an annual dividend of \$2.88 and a yield of 5.9%. The stock saw its Raymond James price target climb to \$58.00 from \$51.00, compared to an average price target of \$53.30. The stock has dipped a bit since setting a new 52-week high of \$49.88 last month closing at \$48.17 on Tuesday.

This slight downturn could be cancelled out quickly as the company announced revised production guidance on Monday. The acquisition of **Aurora Oil and Gas** last month along with its assets in Texas' Eagle Ford resource play has boosted output projections. Production in Q2 is expected to be 66,000 boe/d as the Eagle Ford output will have a limited effect. For the remainder of the year total production is expected to range between 88,000 to 90,000 boe/d after \$440 million in additional capital expenditures and exploration dollars are spent.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:BTE (Baytex Energy Corp.)
4. TSX:IMO (Imperial Oil Limited)
5. TSX:SU (Suncor Energy Inc.)

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