



1 Move Every Investor Must Make in This Market

Description

It looks like Santa Claus has finally visited the stock markets as the S&P/TSX saw some good swings to the upside in the last few days, and oil took a breather from plunging. But with those gains came a lot of volatility. The TSX has been swinging up and down over 100 points daily. And that makes me jittery.

It's during times like these that investors should consider one move: wait.

Playing the market in its current volatile form is normal, and often advisable, for traders. But for long-term investors who are looking for value, the best way to play the current market is to wait it out. Wait until things cool off and stabilize a bit. And then buy in again. It's OK if you miss, say, 5% of the discounts; you will gain peace of mind instead. Once the bottom has been reached, a lot of nervousness will be eradicated from the markets. Hopefully that bottom will come in 2015, especially for oil prices.

Suncor Energy in 2015

As this happens, a great option for investors is to consider buying **Suncor Energy Inc.** ([TSX: SU](#))([NYSE: SU](#)). This energy company is one of the best in its space primarily because it is vertically integrated. The company has diversified sources of revenue. Besides being an oil producer, it also refines and sells oil, which makes it less vulnerable to oil prices. When the price of oil falls, retail and refining margins go up. So it's a win-win situation for Suncor no matter which way crude prices swing.

Suncor has no plans to reduce capital expenditure for 2015 unless oil prices drop to below \$40 a barrel. That number seems like the worst-case scenario for oil. Suncor also has huge oil reserves at its oil sands operations of about 6.9 billion barrels.

This is a company that's on almost every portfolio manager's and analyst's "nice" list. It has a strong balance sheet with net debt of less than \$7 billion, which is nothing for a company valued at \$47 billion. The company's average net debt-to-trailing cash flow ratio is also estimated to be 1.3x in both 2015 and 2016.

Suncor's latest quarterly earnings reinforce confidence in the company, its direction, and long-term

strategy. And as soon as the volatility settles, investors should consider buying the stock. I know I will.

CATEGORY

1. Energy Stocks
2. Investing
3. Stocks for Beginners

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1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

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Date

2025/07/22

Date Created

2014/12/19

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