

3 Ways to Profit From the North American Energy Revolution: Part 2

Description

With the North American energy revolution in full swing, savvy investors are constantly on the lookout for ways to profit from it. To make things very easy, I have compiled a list of three companies that are actively contributing to the revolution and operate in different industries, so let's take a closer look at each to determine which would fit best in your portfolio.

1. Imperial Oil Limited: Production & Refining

Imperial Oil Limited ([TSX:IMO](#))([NYSE:IMO](#)) is the largest petroleum refiner and one of the largest producers of crude oil and natural gas in Canada. At today's levels, its stock trades at 24 times fiscal 2015's estimated earnings per share of \$2.01 and 16 times fiscal 2016's estimated earnings per share of \$2.99, the latter of which is inexpensive compared with the industry average price-to-earnings multiple of 18.9. In addition, the company pays a quarterly dividend of \$0.13 per share, or \$0.52 per share annually, giving its stock a 1.1% yield.

2. Pembina Pipeline Corp.: Pipelines

Pembina Pipeline Corp. ([TSX:PPL](#))([NYSE:PBA](#)) is one of the leading providers of pipeline transportation services to North America's energy industry. At current levels, its stock trades at 34.2 times fiscal 2015's estimated earnings per share of \$1.18 and 28.2 times fiscal 2016's estimated earnings per share of \$1.43, the latter of which is inexpensive compared with the industry average price-to-earnings multiple of 30. Additionally, the company pays a monthly dividend of \$0.1525 per share, or \$1.83 per share annually, which gives its stock a 4.5% yield

3. Canadian Pacific Railway Limited: Rail Networks

Canadian Pacific Railway Limited ([TSX:CP](#))([NYSE:CP](#)) is one of the largest rail network operators in North America. At today's levels, its stock trades at 18.7 times fiscal 2015's estimated earnings per share of \$10.70 and 15.9 times fiscal 2016's estimated earnings per share of \$12.60, both of which are inexpensive compared with the industry average price-to-earnings multiple of 22.3. In addition, the company pays a quarterly dividend of \$0.35 per share, or \$1.40 per share annually, giving its stock a 0.7% yield.

Which energy stock fits your portfolio's needs?

Imperial Oil, Pembina Pipeline, and Canadian Pacific are three of the best ways to invest in the North American energy revolution. Foolish investors should strongly consider making one of them a core holding today.

CATEGORY

1. Dividend Stocks
2. Energy Stocks

3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:PPL (Pembina Pipeline Corporation)

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