



## Why Canadian Natural Resources Limited Is up Over 3%

### Description

**Canadian Natural Resources Limited** ([TSX:CNQ](#))([NYSE:CNQ](#)), one of the world's largest independent crude oil and natural gas producers, announced its second-quarter earnings results this morning, and its stock has reacted by rising over 3% in early trading. Let's take a closer look at the quarterly results to determine if we should consider buying in to this rally or wait for it to subside.

### A very strong quarterly performance

Here's a quick breakdown of eight of the most notable statistics from Canadian Natural's three-month period ended on June 30, 2017, compared with the same period in 2016:

Metric	Q2 2017	Q2 2016
Product sales	\$3.93 billion	\$2.69 billion
Adjusted net earnings (loss) from operations	\$332 million	(\$210 million)
Adjusted earnings (loss) per share (EPS)	\$0.29	(\$0.19)
Funds flow from operations (FFO)	\$1.73 billion	\$938 million
FFO per basic share	\$1.50	\$0.85
Natural gas production (million cubic feet per day)	1,656	1,689
Crude oil and NGLs production (barrels per day)	637,127	502,410
Barrels of oil-equivalent production per day	913,171	783,988

### What should you do with Canadian Natural today?

It was a fantastic quarter overall for Canadian Natural compared with the year-ago period, as it was able to grow its sales and reduce expenses to get back to profitability. The second quarter also capped off a great first half of the year for the company, in which its product sales increased 57.6% year over year to \$7.8 billion, its FFO increased 104.8% year over year to \$2.97 per basic share, and its adjusted net earnings came in at \$609 million compared with an adjusted net loss of \$753 million in the year-ago period.

With its very strong financial performance in mind, I think the market has reacted correctly by sending its stock higher, and I think it could continue higher from here, because energy investors will continue to pay up for a company that can achieve such great profitability in today's low commodity price environment.

In addition, Canadian Natural has a great dividend, which I think will be another driving force behind investors piling into the stock. It currently pays a quarterly dividend of \$0.275 per share, equal to \$1.10 per share annually, which gives it a 2.8% yield. The company has also raised its annual dividend payment for 16 consecutive years, and its 10% hike in March has it on pace for 2017 to mark the 17th consecutive year with an increase, making it one of the best dividend-growth stocks in the industry.

With all of the information provided above in mind, I think all Foolish investors seeking exposure to the oil and gas industry should consider initiating positions in Canadian Natural Resources today.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)

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