



## Ups and Downs of 5 Energy Stocks

### Description

France and the United Kingdom are joining the list of countries that have pledged to wipe out internal combustion engines from their roads. This brave new automotive world is being led by the Netherlands, which has an end date target for the conventional vehicle by 2025.

Between now and then, TSX investors should decide how much exposure they want to oil. Does oil have another multi-year run? There might be something to be said about the strong **Exxon Mobil** move in September, but I do not have a lot of confidence in the oil turnaround predictions. Try as they might, energy experts are looking to call the decisive change in price, that is, an inflection point.

Are there safer bets among TSX oil stocks? Consider the following.

Name	Market Cap (billion)	Price	Off from SMA 200 (%)	Support Level (%)	Dividend Yield (%)	Sept move
<b>Suncor Energy Inc.</b> ( <a href="#">TSX:SU</a> )( <a href="#">NYSE:SU</a> )	69.07	41.63	1.1	-4.6	3.13	up 6%
<b>Cenovus Energy Inc.</b> ( <a href="#">TSX:CVE</a> )( <a href="#">NYSE:CVE</a> )	13.65	11.11	-30.5	-15.1	1.82	up 14%
<b>Altagas Ltd.</b> ( <a href="#">TSX:ALA</a> )	4.72	27.52	-11.6	0.0	7.61	down 1%

<b>TransAlta Corporation</b> ( <a href="#">TSX:TA</a> )( <a href="#">NYSE:TAC</a> )	2.17	7.54	-0.7	-6.5	2.13	down 2%
<b>Baytex Energy Corp.</b> ( <a href="#">TSX:BTE</a> ) (NYSE:BTE)	0.81	3.43	-29.7	-18.0	0	up 9%

Source: Google Finance

Suncor has already made a move for the month, having just passed the 200-day simple moving average (SMA). It is the largest company on this list and a portfolio favourite for this sector.

Cenovus has also made a 14% move in the upward direction to start the month. It is still far below the 200-day SMA. The support level for Cenovus is considerably lower compared to Suncor, so buying Cenovus at these levels may require fortitude if there is a precipitous drop. Having said that, this stock has a significant upside.

Altagas has the biggest dividend yield on this list at 7.6%. This is accompanied by a very high payout ratio. On a positive note, this company recently turned the free cash flow around to a positive level. The stock continues to bounce around a bottom, so there is a double-digit upside for this stock if it gets back to the 200-day SMA.

TransAlta is trading decidedly at its 200-day SMA and is within 6% of its next support level. This energy stock is diversified, so it is not a pure play on oil. Now appears to be a solid entry point.

With its small market cap, Baytex has moved up 9% in September and is still 30% off its 200-day SMA. There is a potential upswing with Baytex that has to be balanced against its potential to drop back down 18% to where it found a bottom back in July.

Depending on your risk tolerance, there are oil choices. The long-term prospects of oil may appear ominous, but a lot more than pledges has to happen before oil becomes obsolete.

## CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TAC (TransAlta Corporation)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:BTE (Baytex Energy Corp.)
6. TSX:CVE (Cenovus Energy Inc.)
7. TSX:SU (Suncor Energy Inc.)
8. TSX:TA (TransAlta Corporation)

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