



Why Imperial Oil Ltd. Is up Over 1%

Description

Imperial Oil Ltd. ([TSX:IMO](#))(NYSE:IMO), Canada's largest petroleum refiner, released its third-quarter earnings results this morning, and its stock has responded by rising over 1% in early trading. Let's break down the quarterly results to determine if this could be the start of a sustained rally higher and if we should consider initiating positions today.

Breaking it all down

Here's a quick breakdown of 10 of the most notable financial statistics from Imperial Oil's three-month period ended on September 30, 2017, compared with the same period in 2016:

Metric	Q3 2017	Q3 2016	Change
Revenues and other income	\$7,158 million	\$7,442 million	(3.8%)
Net income (U.S. GAAP)	\$371 million	\$1,003 million	(63.0%)
Net income per share (EPS)	\$0.44	\$1.18	(62.7%)
Cash generated from operating activities	\$837 million	\$772 million	8.4%
Capital and exploration expenditures	\$159 million	\$205 million	(22.4%)
Gross oil-equivalent production (barrels per day)	390,000	393,000	(0.8%)
Refinery throughput (barrels per day)	385,000	407,000	(5.4%)
Refinery capacity utilization	91%	97%	(600 basis points)

Petroleum product sales (barrels per day)	500,000	505,000	(1.0%)
Petrochemical sales (tonnes)	196,000	242,000	(19.0%)

Should you be a buyer today?

It was a weak quarter overall for Imperial Oil, and its earnings came up short of the expectations of analysts polled by **Thomson Reuters**, which called for EPS of \$0.46. That being said, I think the stock is only rising because so much negativity was already priced in during its 13.5% decline since the start of the year. Either way, it's not a situation I'd want to risk money on.

With all of the information provided above in mind, I think Foolish investors should hold off on investing in Imperial Oil today and revisit it when it reports its fourth-quarter earnings results in early 2018 to see if things get better.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Energy Stocks
2. Investing

Date

2025/07/01

Date Created

2017/10/27

Author

jsolitro

default watermark