



4 Oil and Gas Stocks to Target as Prices Rise

Description

Oil prices have continued to show strength in late October, but some analysts are sounding concerned that this rally could be short-lived. Investor sentiment has improved with tensions between the United States and Iran ramping up and the possibility that the nuclear deal, brokered during the Obama era, could be scuttled by early 2018.

Data released from the American Petroleum Institute on October 24 showed that crude supplies rose by 519,000 barrels the week ending October 20. However, gasoline supplies and distillate inventories still experienced a decline.

Canadian gasoline retail sales also increased 3.1% in August and have climbed 9.5% year over year. Below are four oil and gas stocks to target as this rally gains steam.

Altagas Ltd. ([TSX:ALA](#)) is a Calgary-based energy infrastructure business seeking to provide clean and affordable energy to clients. Shares of Altagas have declined 15% in 2017 as of close on October 24 and 16% year over year. It posted impressive third-quarter results on October 19. EBITDA increased 8% to \$190 million and normalized funds from operations climbed to \$143 million compared to \$137 million in Q3 2016. The stock also boasts a very attractive dividend of \$0.17 per share, representing a 7.3% yield.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) is an oil and gas company also based in Calgary. The stock has dropped 49.7% in 2017 and 47% year over year. Shares of the company have been unable to regain momentum after the 2014 oil price collapse; the stock has lost more than 80% of its value from its peak in June 2014. Still, the company has ramped up production in 2017, and the stock offers a dividend of \$0.03 per share with a 3.9% dividend yield.

Husky Energy Inc. (TSX:HSE) is an integrated energy company with significant oil and natural gas assets in western Canada. The company also has large stakes in the South China Sea and the Atlantic region. Shares have dropped 1.6% in 2017 and gained 0.56% year over year. In its second-quarter results, the company posted adjusted net earnings of \$10 million compared to a \$91 million loss in Q2 2016. Funds from operations also jumped to \$715 million in comparison to \$505 million in the previous

year.

Canadian Natural Resources Limited ([TSX:CNQ](#))([NYSE:CNQ](#)) is a Canadian oil and gas exploration, development, and production company based in Calgary. The stock has declined 3.5% in 2017 and 6.5% year over year. In its second-quarter results, the company posted net earnings of \$1.1 billion, or \$0.93 per share, compared to a net loss of \$339 million, or \$0.31 per share, in Q2 2016. The company also achieved production of roughly 191,000 barrels per day of synthetic crude oil production in the second quarter. The stock boasts a dividend of \$0.28 per share at a 2.6% dividend yield.

CATEGORY

1. Energy Stocks
2. Investing

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2. NYSE:VRN (Veren)
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Author

aocallaghan

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