

## 3 Energy Stocks to Watch This Winter

### Description

Oil rose above the \$58 mark late on Monday, December 11 after the Forties North Sea pipeline was shut down, eliminating a large supply source. The news comes less than two weeks after the Organization of Petroleum Exporting Countries (OPEC) elected to extend its production cut to the end of 2018.

In a late November article I'd [discussed](#) the rally in oil prices since mid-summer and whether this could push oil above \$60 before the New Year. Let's take a look at three Canadian energy stocks to watch as oil threatens this key target in the last weeks of December.

#### TransCanada Corp.

**TransCanada Corp.** ([TSX:TRP](#))([NYSE:TRP](#)) was forced to commit significant resources to South Dakota after the Keystone pipeline leaked 795,000 litres of oil. The news sparked a rise in oil prices, but it was bad timing for TransCanada as Nebraska regulators were mere days from making a final decision on approving the pipeline. Shipments on the pipeline were down more than 80% in late November and the drag on supply drove down the Canadian heavy oil benchmark. TransCanada restarted operations at reduced rates on November 28.

TransCanada will absorb an estimated \$1 billion after-tax non-cash charge in the fourth quarter due to the Energy East cancellation. The company posted net income of \$612 million compared to a \$135 million loss in Q3 2016. The stock also offers a 4% dividend yield and is expected to increase its dividend 8% to 10% through 2021. It also plans to spend \$18 billion on near-term projects through 2020.

#### Enbridge Inc.

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) stock increased 7% month over month as of close on December 11. This was due in large part to an announcement on November 30 that Enbridge would move to sell \$3 billion in non-core assets in 2018. The company also reiterated its commitment to delivering 10% to 12% dividend growth through 2021.

CEO Al Monaco said that Enbridge would move to quicken its debt reduction in order to meet its dividend goals. Looking ahead, Monaco said Enbridge would remain focused on liquids pipelines and terminals, natural gas transmission, and storage and natural gas utilities.

Shares of Enbridge have declined 12% in 2017. The company released its third quarter results on November 2. It posted net earnings of \$765 million compared to a \$103 million loss in Q3 2016. The stock boasts a quarterly dividend of \$0.47 per share representing a 5.4% dividend yield.

#### Suncor Energy Inc.

Shares of **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) have climbed 11.5% over a three-month span as

of close on December 11. In a November article I'd [covered Suncor](#) and zeroed in on the company as a big winner in the oil and gas industry in 2017. Oil sands operations cash operating costs per barrel were reported to be \$21.60 for the quarter, the lowest recorded in this decade.

Suncor announced a quarterly dividend of \$0.32 per share representing a 2.8% dividend yield. Many experts have cautioned that the oil sands are facing an existential crisis with the rise of alternative energies and the Canadian government pushing green energy solutions. However, in a recent interview, Suncor CEO Steve Williams was confident that the oil sands would remain profitable well into this century.

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