



Top 3 Energy Stocks to Own at the Start of 2018

Description

In November, I'd [discussed](#) a late November meeting of the Organization of Petroleum Exporting Countries (OPEC). After the November 30th meeting, OPEC extended its production cut to the end of 2018, which stabilized oil prices heading into December. I'd speculated that oil would reach \$60 before the new year due to these tailwinds.

On December 26, the spot price of oil climbed above \$60 for the first time since June 2015 before falling back below the mark in early morning trading the next day. Oil prices were sparked after an explosion at Libya's largest oil pipeline.

Oil has staged an impressive comeback in 2017 after staggering into the summer. It dropped below the \$45 mark in June before beginning a rally that has lasted into the final month of the year. Let's take a look at my top three Canadian energy stocks heading into the New Year.

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#))

Suncor stock has increased 1.8% in 2017 as of close on December 22. Shares have climbed 17.4% over a six-month span — boosted by the oil rally. In another November article, I'd [covered](#) Suncor and listed it as one of my big energy winners in 2017.

On November 28, Suncor confirmed that its Hebron project produced its first barrel of oil. When the project reaches peak capacity, it is expected to produce net 31,000 barrels per day for Suncor. The stock last offered a quarterly dividend of \$0.32 per share with a 2.8% dividend yield.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge stock has dropped 13% in 2017. The company was mired by general pessimism in the energy sector, low oil prices in the first half of the year, and problems with some of its larger projects, including the Line 3 Replacement. However, the stock has managed to gain some much-needed momentum in December. Shares are up 3.6% month over month as of close on December 22.

Enbridge stock spiked on November 30 after announcing it would sell of \$3 billion in assets in 2018. It

also announced a quarterly dividend payout of \$0.67 per share, representing a 5.4% dividend yield. The company projected that it would be able to raise its annual dividend by 10% through 2020. Priced below \$50 and with a monster dividend yield, Enbridge is a solid hold heading into the new year.

Canadian Natural Resources Limited ([TSX:CNQ](#))([NYSE:CNQ](#))

Canadian Natural Resources stock has increased 3.3% in 2017. Shares have climbed 17.8% over a six-month span. The company released its third-quarter results on November 2.

Canadian Natural Resources reported net earnings of \$684 million compared to a net loss of \$326 million in the third quarter of 2016. The company posted record quarterly production of over one million barrels per day, representing a 14% increase from the same period in the prior year. It also announced a quarterly dividend of \$0.28 per share, representing a 2.5% dividend yield.

CATEGORY

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