5 Top Energy Stocks to Outperform the TSX in 2018

Description

The energy sector has been one of the markets best-performing sectors so far in 2018.

The price of West Texas Intermediate Crude (WTIC) is up 60% since last summer, but the good news for investors is that thanks to some recent pipeline issues, Canadian energy producers have lagged the broader recovery.

Here are five of Canada's top energy producers that should help you to outperform the market in 2018.

Cenovus Energy Inc. (TSX:CVE)(NYSE:CVE) has been one of the hottest stocks on the TSX as of late, showing investors a return of 39% since March 1.

Canadian oil prices have lagged the recovery of those seen recently in the U.S. owing to some transportation bottlenecks, but that actually isn't the worst thing in the world for integrated producers like Cenovus that tend to benefit when crude prices are depressed, using lower prices to offset costs in their refining, or "downstream," operations.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) found itself heading into Friday's trading with the stock just a few dollars off its 52-week lows, which is pretty incredible considering that Enbridge CEO Al Monaco recently came out with a statement that he fully expects the company's pipelines to be at full capacity into 2019 and beyond.

And that's even after accounting for the company's forthcoming Line 3 Replacement project, which stands to be Enbridge's biggest yet.

Enbridge shares currently yield shareholders 6.7% today, making it a great potential investment for retirees and those in search of income-producing investments.

Suncor Energy Inc. (TSX:SU)(NYSE:SU) has continued on its amazing growth trajectory, even in the face of lower oil prices that have plagued the industry since 2014.

While many in the space have been forced to reduce or even suspend their dividends altogether, Suncor has continued to raise its payout in each of the past five years.

Suncor also happens to be another energy producer that owns refining operations, just the same as Cenovus, which has helped the company navigate lower Canadian oil prices of late.

Crescent Point Energy Corp. (TSX:CPG)(NYSE:CPG) shares have done particularly well of late, up 21.6% since April 4, as crude has gained amid rising tensions in the Middle East.

Crescent Point was forced to cut its dividend twice — in 2015 and 2016 — but it managed to hang on to a modest $0.03 monthly distribution that yields 3.6% today.

The company's dividend certainly isn't going to make you rich, but it's the long-term growth potential of Crescent Point's untapped assets that make this such a compelling play.

Canadian Natural Resource Ltd. (TSX:CNQ)(NYSE:CNQ) is one of the bigger operations in the Canadian oil sands and has long been a favourite of those willing to "make a bet" on the direction of oil prices.

CNQ shares are up 17% since February on the back of a strong Q4 that saw the company's top line increase by 44.9%.

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