



## Canadian Natural Resources Ltd.: A Top Stock for Your RRSP Today?

### Description

The recovery in [oil](#) prices continues to pick up steam, and that has investors considering opportunities in the energy sector for their portfolios.

Let's take a look at **Canadian Natural Resources Ltd.** ([TSX:CNQ](#))([NYSE:CNQ](#)) to see if it deserves to be on your buy list right now.

### Diversified assets

CNRL has an impressive mix of world-class assets located in Canada and abroad.

The company is the largest producer of heavy crude oil in Canada, with a focus on assets located along the Alberta-Saskatchewan border. CNRL also produces light [crude oil](#) and natural gas liquids (NGLs) throughout the western Canadian region. In addition, CNRL operates oil sands assets. These include both thermal in situ properties and oil sands mining operations.

On the gas side, CNRL is Canada's largest natural gas producer in western Canada with properties located in five core regions.

Finally, CNRL has operations in the North Sea and offshore Africa.

### Growth

CNRL took advantage of its strong balance sheet to acquire strategic properties last year at attractive prices.

The company spent \$975 million in September to pick up assets in the Greater Pelican Lake region. In May of 2017, CNRL bought 70% of the Athabasca Oil Sands project for \$8.24 billion plus stock and deferred payments.

Regarding developments, CNRL has completed Horizon Phase 3 and is spending \$4.3 billion this year on ramping up output at its highest-return opportunities across the asset base. Management says 2018

production should be 17% higher than 2017.

## Dividends

CNRL raised its distribution through the downturn, and more growth should be on the way, as oil prices recover and the company boosts production. The quarterly payout was recently raised from \$0.275 to \$0.335 per share and provides an annualized yield of 2.9%.

## Should you buy?

Investors who had the courage to step in at \$25 in January 2016 are sitting on some nice gains, and those who bought just a couple of months ago are also happy campers, as the stock has moved from \$38 per share in early February to the current price of \$46.

CNRL is doing well, despite the fact that Canadian natural gas prices remain challenged and oil producers are still facing major pipeline bottlenecks, so there is an opportunity for investors with a buy-and-hold strategy to see additional gains when the overall situation in the Canadian energy market improves.

I wouldn't back up the truck today, but investors looking for a rock-solid way to play a recovering energy sector might consider adding CNRL to their RRSP portfolios on the next pullback.

## CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
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