



As Oil Rises, Here Are the Top 5 Names!

Description

As the price of oil begins to return to the previous glory of more than US\$120 per barrel, investors need to take a step back and decide just what kind of exposure they seek. At a current price near US\$74 per barrel, the positive momentum is only starting to be unleashed, as many companies in the oil space are once again planning to either restart or increase existing production.

The first name to consider is none other than **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG), which currently pays investors a dividend yield of almost 3.7%. The investment thesis is all about monetizing the existing assets on the balance sheet under a regime of higher oil prices. As one of the highest-cost producers in the industry, investors have the potential to make a substantial amount of money should oil prices [move higher](#) and remain there.

For those seeking a little less risk, shares of **Suncor Energy Inc.** (TSX:SU)(NYSE:SU) may be the best fit. As a vertically integrated producer and seller of oil, investors have the potential to benefit from the upside in the price of the black liquid without losing their shirts. Although the beta for this name remains a healthy 1.3, the low price for the year is no less than \$36, as shares trade within a tighter range than most [oil companies](#) that are not as well diversified.

For investors seeking the lowest amount of risk, shares of **Inter Pipeline Ltd.** (TSX:IPL), which offer a dividend yield of almost 7%, are one of the very best investments available in the market today. As a pipeline company, revenues are derived from the movement of oil instead of the price of the commodity itself. Although a higher price of oil will motivate an increase in overall production, during both good and bad parts of the cycle, the yield has been sustainable, with investors starting to see some capital appreciation as time moves forward. In spite of this being one of the lowest-risk options on this list, it may very well be the best one!

On the U.S. side, shares of **Exxon Mobil Corporation** (NYSE:XOM) currently pay a 4% dividend yield, as the company continues to refine oil and will most probably increase the amount refined each month for the foreseeable future. Essentially, investors have the opportunity to make substantial gains from the “middleman” in the industry.

The last name (also in the United States) is none other than **Schlumberger Limited.** (NYSE:SLB),

which is in the business of providing technological solutions to smaller oil production companies. As many projects are restarted and/or undertaken for the first time, the runway for increasing revenues and earnings will be a very long one. While investors remain patient, the dividend yield is no less than 3%, as the company is not only near a 52-week low, but also near a five-year low. Over the long term, investors stand to do very well by remaining patient with this security.

CATEGORY

1. Energy Stocks
2. Investing

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1. Editor's Choice

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2. NYSE:VRN (Veren)
3. NYSE:XOM (Exxon Mobil Corporation)
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