



4 Oil and Gas Stocks to Monitor in August

Description

Oil prices have experienced downward pressure over the past two weeks as of early morning trading on July 23. This is compared to the highs that oil and gas soared to after U.S. president Trump decided to re-impose tariffs and effectively [scuttle the Iranian nuclear deal](#). In July, President Trump took to **Twitter** to express his dissatisfaction with rising oil and gas prices and called for his Gulf state allies to rectify this.

The most recent weakness was sparked by concerns over fuel demand with finance ministers and central bank governors from the G20 warning about the threats to global economic growth. Those threats were twofold: the escalating trade wars between the largest world economies and rising geopolitical tensions. I covered the [latter factor](#) in an article early this month.

In truth these developments are linked. Worsening protectionism could result in a re-ordering of the global geopolitical structure, which would have further destabilizing effects. In this instance, oil and gas prices could suffer from volatility.

Where does this leave some of the top Canadian oil and gas giants? Canadian energy stocks powered gains on the TSX from mid-April into the early summer, but the market has retreated on weaker base prices. Here are some of the top energy stocks to watch in late July and early August.

Cenovus Energy Inc. ([TSX:CVE](#))([NYSE:CVE](#)) fell 1.55% on July 20, and shares are down 4.4% over the past week. However, the stock is still up 15.8% in 2018 so far and over 40% year over year. The company is set to release its second-quarter results on July 26. It will be worth watching the release after a period of high prices in the broader market. Cenovus also offers a quarterly dividend of \$0.05 per share, representing a 1.5% dividend yield.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) stock dropped 2.85% on July 20. Shares have gathered impressive momentum since mid-April and are up 14% over a three-month period. The company is set to release its second-quarter results on August 3. Enbridge also boasts a very attractive quarterly dividend of \$0.671 per share, which represents a 5.6% dividend yield.

MEG Energy Corp. ([TSX:MEG](#)) has suffered a steep drop in July after staying above double digits for

the first time since the tail end of the oil shock in 2015. Shares are down 14.7% month over month, but the stock is still up 69% in 2018 so far. The company is set to release its second-quarter results on August 2.

Encana Corp. (TSX:ECA)(NYSE:ECA) is down 2.4% over the past week as of close on July 20. The stock has climbed 1.4% in 2018. Encana is set to release its second-quarter results this week. The company last announced a modest quarterly dividend of \$0.015 per share, representing a 0.4% dividend yield.

Oil prices have reacted positively to geopolitical tensions over the past year, but there are warning signs that trade tensions could damage commodity prices going forward. The aforementioned stocks could still see positive price action following earnings after passing through high prices in the second quarter.

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