



3 Oversold Energy Stocks to Target Today

Description

The S&P/TSX Composite Index has [experienced weakness](#) in September. Some of this can be attributed to investor anxiety over ongoing NAFTA negotiations, but the main culprit has been sliding energy equity prices. Oil and gas prices have lagged somewhat since surging in the late spring and early summer, and this is [expected to continue](#) as we make our way into the fall.

In the face of this weakness, investors should still be on the hunt for buying opportunities. Higher crude prices year over year are expected to spur on investment in the sector, even as some express frustration at government policies. Today, we will go over three stocks that should be on your radar if you are looking to jump into the energy sector in the fall.

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#))

Pembina Pipeline is a Calgary-based integrated midstream energy infrastructure company. Shares of Pembina have dropped 5.7% over the past month as of close on September 18. The stock is down 4.3% in 2018 so far.

Pembina released its second-quarter results back on August 2. Revenue climbed to \$1.94 billion compared to \$1.15 billion in Q2 2017 and gross profit nearly doubled to \$511 million over \$269 million in the prior year. Earnings grew to \$246 million, or \$0.43 per share, compared to \$117 million, or \$0.24 per share. This increase was driven by the 2017 acquisition of Veresen and the inclusion of \$10 billion in new assets. Earnings were also boosted by higher crude oil and condensate prices.

The company also declared a quarterly dividend of \$0.19 per share, representing an attractive 5% dividend yield.

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

Canadian Natural Resources stock has dropped 4.7% over the past month. Shares are down 5.3% in 2018 as of close on September 18. The company released its second-quarter results on August 2.

Net earnings climbed to \$982 million over \$583 million in Q2 2017 and adjusted diluted earnings per

share rose to \$1.04 over \$0.71. A jump in funds flow from operations was largely due to higher realized prices from liquids production and higher liquids production volumes overall. The company also managed to reduce costs while reporting a strong quarter.

The board of directors declared a quarterly cash dividend of \$0.335 per share in the second quarter. This represents a solid 3% dividend yield.

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

Suncor stock has only dropped 2.5% over the past month. Shares have climbed 11.2% in 2018 and are up 22% year over year. Suncor has been one of the most consistent and high-performing large-cap energy stocks on the TSX. The company released its second-quarter results on July 25.

Suncor posted record funds from operations of \$2.9 billion in the quarter and operating earnings of \$1.2 billion — also a record for the quarter. The company benefited from higher crude prices and improved refinery margins. Suncor also declared a quarterly dividend of \$0.36 per share, representing a 2.7% dividend yield.

CATEGORY

1. Energy Stocks
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2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:SU (Suncor Energy Inc.)

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