



## This TSX Index Oil Super-Stock Could Soar in 4 Weeks

### Description

Investors love to see quarterly records getting set, and when it's an asset as big and defensive as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) doing the record-breaking, so much the better. The last three months of 2018 reportedly saw record upstream production growth, contributing overall to an outstanding quarter for this defensive Canadian oil giant.

With this achievement in mind, let's go through the data for this outperforming domestic energy stock and calculate whether it should receive an overall buy, hold, or sell signal based on its performance on the TSX. Investors may also want to be at the ready for [Suncor Energy's](#) full quarterly report, which is due out at the start of February.

### A classically defensive Canadian energy stock

Kicking off the key defensive stats for Suncor Energy is a market cap of \$63 billion paired with solid continuous growth; the latter is supported by a one-year past earnings growth of 37.4%, which beats the industry status quo of 15.6% as well as its own five-year average past earnings growth of 4.6%. The valuation looks good for this blue-chip stock, with a PEG of 0.8 times, making for a TFSA-worthy stock to hold for years to come.

It's squeaky clean, too, with an acceptable debt level of 36.4% of net worth, and there's been a large volume of insider-bought shares in the last three months. This last piece of information will be of special interest to Canadian investors who like to see confidence among those in the know before stacking shares of strategic TSX index performers. A clean balance sheet makes this is a good retirement stock, just right for an RRSP, and brings up its suitability as a ticker to stack for the long term.

### Are oil investors building on shifting sands?

This is a nicely valued stock at the moment, with a P/E of 13, P/B of 1.4, and a resultant dividend yield of 3.67% at the current price. In terms of key quality indicators, look to the last-year ROE of 11%,

which is fairly standard for the TSX index as a whole, with few stocks exceeding much more than 20%. Meanwhile, an EPS of \$3.03 is acceptable, and a 15.7% expected annual growth in earnings confirms the good-quality status of this stock.

All told, it looks like a stable stock to buy and hold for the long term. Though up 4.2% in the last five days, Suncor Energy has little noticeable momentum, with a beta of 1.4 showing middling volatility, while its share price is somewhat overvalued in terms of its projected cash flow value, giving some additional indication of Suncor Energy's [intrinsic value](#). If you're going for that dividend yield, now would be a good time to get in.

## The bottom line

All told, Suncor Energy is a strong buy with today's valuation, yield, and quality indicators. Investors should expect to see some movement in Suncor Energy's share price at the start of next month, when the company releases its fourth-quarter results in full on February 5. The report is likely to contain some good news, given that this star TSX index-listed energy giant saw record-breaking production for that period.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### Tags

1. Editor's Choice

**Date**

2025/08/27

**Date Created**

2019/01/10

**Author**

vhetherington

default watermark

default watermark