



What to Expect When These High-Quality Oil and Gas Stocks Report Next Week

Description

Investors are always looking for an update on the company that they are invested in or thinking about investing in.

Quarterly results are good updates, as we can get a picture of the fundamentals at the time, and we can get an update as to what management is planning in future.

[Oil and gas](#) stocks begin reporting their fourth quarter and year-end 2018 results next week, and with oil and gas prices having been down sequentially in that quarter, we can expect to see it in the results.

But some are more impacted than others, and the key here and what the stocks will move on is management's expectations for the future.

We have already seen [crude oil prices](#) snap back to almost \$55, and while this has been good news for oil and gas companies, the volatility has not been, making planning and budgeting a challenging exercise.

Suncor Inc. ([TSX:SU](#))([NYSE:SU](#))

This integrated energy company has been a beacon of strength in the oil and gas industry.

A dividend-paying stock with a 3.42% dividend yield, Suncor is generating massive amounts of free cash flow, almost \$3 billion in the third quarter of 2018.

Suncor will report on February fifth, with consensus expectations calling for EPS of \$0.56, which is lower versus last quarter and last year.

The company can be expected to increase its dividend with the release, as management has publicly stated its intention to make use of its free cash flow in this way.

Arc Resources Ltd. ([TSX:ARX](#))

Arc has a 71% gas weighting and has been a very strong performer, beating expectations on both the

production and cash flow fronts.

Arc will report on February 6, with consensus estimates calling for EPS of \$0.20, an increase from last quarter as a result of higher production and ongoing efficiencies.

The company's balance sheet remains in good shape, with a net debt to cash flow ratio of below one times.

The company has a reserve life index of over 10 years (on a proven basis) and has high-quality assets in the prolific Montney area, with a 15-year drilling inventory.

Mullen Group Ltd. ([TSX:MTL](#))

Mullen is a high-quality company that is in a currently low-quality industry that has been struck with turmoil in recent years.

With an energy services division that is struggling in an energy services industry that has fallen hard as a result of volatile and weak Canadian oil prices, a lack of pipeline capacity in Canada, and a general lack of investment, Mullen stock has fallen to multi-year lows.

After a third quarter result that included some strength in its trucking division, continued weakness in the oilfield services division, and management reducing their expectations once again, the focus remains on the company's ability to survive this downturn.

Fourth-quarter estimates are calling for EPS of \$0.17 versus \$0.06 in the same period last year. We can expect to see continued momentum in trucking driving the results.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:ARX (ARC Resources Ltd.)
3. TSX:MTL (Mullen Group Ltd.)
4. TSX:SU (Suncor Energy Inc.)

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Author

karenjennifer

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