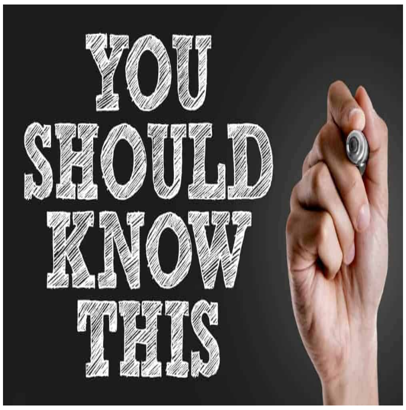

3 Top Energy Stocks to Buy Right Now

Description

Energy stocks are finally seeing an improvement to the woeful year that was 2018. **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) most recently hit its 52-week high, with many analysts predicting it still has room to grow.

But this energy stock isn't the only one investors should be looking into for a bump in the new year.

Sunny Suncor

Suncor Energy Inc. (TSX:SU)(NYSE:SU) hasn't had the best luck recently. The company called for the Alberta government to put an end to the oil curtailment program it began on January 1 that was intended to bring down crude storage levels and allow the pipelines to fire up again. But Suncor says it worked too well, and has caused shipping crude to the U.S. to be "financially unsustainable."

The news from Suncor came along with its Q4 results of 2018, where the company announced a net loss of $280 million. Since 2014, the company has been cutting costs to keep up its production and expansion projects, but the latest results show just how hard it's been hit by the crude cuts.

However, that's what makes Suncor a strong buy right now. The company has a strong balance sheet and a promising future with expansion projects over the next several decades. With the stock trading at about $43 per share and a fair value closer to $50, the stock is a steal. By the end of the year alone it could hit $70 per share once oil production returns to normal.

Support Cenovus

On the opposite side of the oil-glut coin is **Cenovus Energy Inc.** (TSX:CVE)(NYSE:CVE). Where Suncor spoke out again the reduction in oil, Cenovus has supported it all along. It cut back before the announcement to cuts even came, refusing to waste costs on pricey production.

Cenovus has set itself up nicely during this turbulent time. It has crude-by-rail deals with both **Canadian National Railway** and **Canadian Pacific Railway**, meaning that it can completely bypass pipelines during this crisis. It's not as if the company doesn't want the pipelines to start up either, as that would just mean the company could push out even more crude when the time comes.

But it's not the current situation that should have investors excited about Cenovus: it's the company's future. The stock is trading far below its book value of about $19 share, currently trading at around $10 per share, making it a super cheap buy. The company's worth comes from its Solvent Aided Process, which could become the cheapest mode of production for crude in the industry. Once this comes online, shareholders can expect to reap some huge rewards.

Enbridge envy

Of course, it's easy to say that with Enbridge at its 52-week high investors should pull back. But should they? The stock has hit a blue streak, but it's still more than $10 below its fair value estimate of $62 per share, trading at $49.44 at the time of writing. Yet the growth comes from the fact that Enbridge has remained strong throughout the cuts due to its long-term contracts that make up more than 95% of its earnings.

Enbridge is easily the titan of the Canadian energy market, and for good reason. The company is Canada's largest natural gas distribution company, and has put itself in a position to benefit from expansion projects with both its Mainline and oil sands pipelines.

It's not just the price of shares that should have investors buying, as Enbridge is set to release its earnings report on February 15. Analysts are expecting strength from this company, especially after Wolfe Research upgraded the stock to "outperform" last month. This all puts Enbridge in the position to hit that $60 range not witnessed since 2015.

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