



How This Resilient Stock Is Defying the Odds

Description

If you're shopping around for energy stocks, you should be looking for a company that can withstand a downturn or more notably, one that will beat the odds even if oil prices drop. Energy companies in Canada exhibit that familiar pattern. While there is potential to increase in value, prices are erratic due to the market's volatility.

Looking at the way **Tourmaline Oil Corp.** ([TSX:TOU](#)) is performing lately, this energy stock seems an exception rather than the rule. That's not to say that the company is shielded from falling oil prices. But Canada's second-largest natural gas producer has managed to keep afloat despite the market uncertainties.

The real score about Tourmaline

The stock price from a year ago is \$19.74, 8.4% higher than the current price of \$18.09. TOU hit a high of \$25.70 end of July last year before slumping to \$16.98 to end 2018. Auspiciously, the stock has risen to \$19.22 by the third week of January.

You can't gauge Tourmaline solely on the stock performance. The natural gas industry to where it belongs is beset with infrastructure problems. But that's not the whole story for this company. You'd be surprised to find out that Tourmaline is beating the odds with strong cash flows and equally strong production growth.

Business revelations

Maybe it's time to let the cat out of the bag. One equity analyst shared the secret as to how Tourmaline survives a downturn. The company produces its goods at a low cost, and 60% of them are sold to clients in the U.S., who purchases the gas at higher prices.

Another advantage is that Tourmaline is landed, meaning that the company owns and operates their three major infrastructures. In addition to the systematically built infrastructures, the Company has 18 operated gas plants, associated in-field compression facilities, and pipeline networks.

All of them are environmental friendly and superior efficient, which makes for very low operating costs. The analyst believes the company can sell off these assets to gain massive windfalls. Hence, compared to industry peers, Tourmaline is in for the long haul.

Waiting for an industry turnaround

The industry might be messy at the moment, but no winter lasts forever, as the saying goes. Should Canada's natural gas heat up again and prices rise like the glory days, **Tourmaline Oil Corp** has the financial muscle to undertake new projects.

In case you're willing to take the heat, [TOU is your natural gas stock](#). The company has more than a good track record, endowed with hard assets, run by a capable management team, unblemished balance sheets, and pays dividends. However, you should be buying now while the price is depressed.

This year might just be the year that Tourmaline Oil Corp. will have new partners, if not [new owners](#). This natural gas company demonstrates resiliency that would definitely attract buyers. If an offer is made and the price is right, a deal might be sealed in no time.

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