Boost Your Retirement Income With These 3 Top Energy Stocks

Description

Oil prices have rallied significantly in a strong beginning to 2019 that has seen optimism return to the oil patch, sort of.

West Texas Intermediate (WTI) oil and Western Canadian Select (WCS) oil are both up 30% year-to-date in what may be one of 2019's big comeback stories.

But have energy stocks reacted to this positive oil price momentum?

The following three top energy stocks that have sizzled out in late 2018 and have pretty much remained in the doldrums.

But just because these energy stocks' prices have been lacklustre, it doesn't mean that they are not great stocks to own.

With solid, attractive dividend yields and strong cash flows, these stocks are great options for boosting your retirement income and your capital gains potential in the years to come.

Enerplus Inc. (TSX:ERF)(NYSE:ERF)

Enerplus is one of the best oil and gas stocks that is firing on all cylinders, with a very attractive risk/reward profile for investors.

And don't be fooled by its relatively low dividend yield of 1%, because this is surely heading higher as it seems dividend increases are in the not too distant future. Enerplus has a solid balance sheet behind it. Not only that, but the company also continues to crank out cash fast and furiously.

In 2017, operating cash flow increased 72%, and in 2018, operating cash flow increased 55% to $739 million, with free cash flow generation of $160 million.

With this strong cash flow generation, Enerplus' capital plans are fully funded, taking much risk off the table.

Management has signaled to investors that at oil prices above $50, they will prioritize shareholder distributions over growth.

This means that dividend increases are in Enerplus' future.

Canadian Natural Resources Ltd. (TSX:CNQ)(NYSE:CNQ) has a strong history of dividend increases, and with another 12% dividend increase in its most recent quarter, CNQ stock's dividend yield now stands at 4.13%.

It is a dividend that is safe and stable, with Canadian Natural's stable operations underpinning its strong and growing cash flow and its healthy and flexible balance sheet.

In its just reported fourth quarter 2018, CNQ generated $1.2 billion in cash flow ($1.02 per share) despite the Canadian oil differential widening dramatically during the quarter.

Costs continued to fall, and the company continues to return cash to shareholders as a reflection of management's confidence in its future.

This is testament to the company's resiliency and quality.

Pason Systems Inc. (TSX:PSI)

With its exposure to the global oil market, Pason is in a sweet spot right now, as high oil prices have continued to drive drilling activity higher, and as such, the company reported 2018 EPS of $0.73, significantly above expectations of $0.66.

Pason is a global energy services company that provides leading-edge instrumentation and data management systems for drilling rigs.

The company's patented technology, global diversification, and 3.60% dividend yield make it a relatively safe bet in the risky oil services industry.

Pason has a strong track record. When we look at its history, we can see evidence of strong cash flow generation, consistent dividend increases and a very profitable business model.

In 2018, Pason reported a 25% increase in revenue, a 760 basis point increase in EBITDA margins, and a 46% increase in funds flow from operations.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)

2. NYSE:ERF (Enerplus Corporation)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:ERF (Enerplus)
5. TSX:PSI (Pason Systems Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/07/03
Date Created
2019/03/26
Author
karenjennifer