Invest in These 4 Top Oil Stocks for a Comfortable Retirement

Description

Retirement investors have a lot of great stocks to choose from at the moment, with some clear value opportunities in big name bankers and utilities on the **TSX index**. The following four Canadian oil and gas stocks are just right for an RRSP or RRIF and have been selected for their defensiveness, relatively low risk, and stable dividend payments.

Suncor Energy (TSX:SU)(NYSE:SU)

Up 1.37% in the last five days at the time of writing, Suncor Energy is an investor favourite, and would be a bright and breezy addition to a registered retirement investment fund or other long-term plan. Suncor Energy's 22.5% returns over the last three years beat the Canadian oil and gas industry average for the same period, and its stable dividend yield of 3.78% is augmented by a 20% expected annual growth in earnings.

While Suncor Energy saw five-year average past earnings growth of 9.1%, that rate has been negative over the past 12 months; additionally, its level of debt has crept up over the last five years, though it's well covered and remains just within the safety zone. In terms of value, its market ratios could be a little better, such as its P/E of 21.9 times earnings.

Tourmaline Oil (TSX:TOU)

Tourmaline Oil's one-year past earnings growth of 15.8% matched the industry point for point, though a 4.9% five-year average trailed its peers; still its a healthy stock with a solid balance sheet, and if it's good value you're after, how about a P/E of 14.5 times earnings?

While Tourmaline Oil's humdrum 9.7% expected annual growth in earnings makes it look more like a bank stock than a leading oil and gas ticker, a dividend yield of 1.87% and some recent inside buying add up to a fairly solid buy for a retirement plan.

TORC Oil & Gas (TSX:TOG)

Down 1.73% over the past five days and with a past-year ROE of just 1% shows that better use could be made of shareholders' funds, TORC Oil & Gas may seem an odd suggestion for an RRSP. Indeed, with a P/E of 62.1 times earnings, it's not one for the strict value investor.

However, with a decent balance sheet typified by a "safe" debt level of 22.4% of net worth and dividend yield of 5.18%, (though it's about to trade ex-dividend), this stock is looking at a 24.5% expected annual growth in earnings, making it just right for an RRSP.

Pembina Pipeline (TSX:PPL)(NYSE:PBA)

If energy infrastructure is more your kind of thing, why not go for a pipeline stock instead? Pembina Pipeline is a strong play here, with returns of 21.3% over the past year that beat the Canadian oil and gas industry average for the same period.

With a one-year past earnings growth of 44.7% and five-year average earnings growth of 29.1%, a strong track record is clearly delineated, while a stable dividend yield of 4.56%, matched with a 9.6% expected annual growth in earnings, makes for a strong long-term investment.

The bottom line

From energy-weighted utilities to infrastructure stocks like Pembina Pipeline, these stats look good for a retirement investment. While Pembina Pipeline's debt level of 52.3% could be lower, as could its P/E of 21.9 times earnings, this infrastructure stock would make a solid addition to the TSX index utilities tickers listed above.

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1. Dividend Stocks
2. Energy Stocks
3. Investing
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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TOU (Tourmaline Oil Corp.)

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