



## Oil Prices Set to Climb Higher Again: 1 Stock That Could Break Out!

### Description

The price of oil has been climbing this year, and it looks like it's about to get even higher. We recently learned that the U.S. will no longer be making exceptions for buyers of Iranian oil, and those that buy will face sanctions. It could have a big impact on oil supply, as RBC Capital Markets estimates that it could result in as much as 800,000 barrels a day lost in exports from Iran. However, there has been resistance from a few countries, as both China and Turkey have not supported the U.S. decision and we're already seeing some push back.

Nonetheless, for the time being, it'll definitely push oil prices higher; just the expectation that the waivers will no longer be in place to buy oil from Iran will be enough to help increase prices. Long term, there may be some question marks, however, as we could always see the U.S. reverse its decision and decide to allow waivers.

Oil prices, however, have been getting [stronger](#) since the news that West Texas Intermediate (WTI) has climbed to over \$65 a barrel, while Brent oil is nearing \$75. Western Canada Select has also been rising, as it has reached \$55 and the days of a big discount to WTI appear to be over, at least for now. If commodity prices remained at these levels, it would help generate a lot of positive activity in the industry.

One stock that could be due to break out on these developments is **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)). Anything that brings more bullishness to oil and gas should help this struggling stock. And although Enbridge is trading at a 52-week high, it is running into some very strong resistance at \$50.

The last time we really saw the stock see much support at \$50 was back in mid-2017 when it had no problems staying above that price point. It has been a very different story now as investors have not been willing to budge much from the \$50 mark, even though the stock is trading at a very reasonable 1.6 times its book value.

Once it gets over and above \$50, I would expect that to be a bit of a turning point for Enbridge. While it briefly rose above the price, it has failed to prove that it can stay above it, but when it does, the share

price could take off in a hurry. Oil prices are one piece of the puzzle, but it will also need progress on pipelines. And with U.S. President Trump showing strong support for the Keystone XL and a glimmer of hope for the [Trans Mountain](#), there's been some positivity around pipelines as well.

## Bottom line

For once, there is good news in the oil and gas industry, which could be the start of bigger things to come. Enbridge will be one of many stocks that will benefit from these developments, and it may only be a matter of time before we see investors buying up its shares again.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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