



Play the TSX Index Recovery With These 3 Oil & Gas Stocks

Description

It's been a rough spring, but it looks like the price of oil might be on the rebound again.

After falling throughout May, Canadian crude staged a minor comeback in the first week of June, with Western Canadian Select having risen from \$39 to \$40.50 per barrel. Although such a small price swing is hardly a trend, it goes to show that oil isn't down and out yet.

While the Canadian oil & gas industry has undoubtedly fallen hard times, it's depressed markets like these that provide quality bargains fresh for the picking. With that in mind, here are three **TSX** oil & gas stocks that stand to profit from a recovery in the price of oil (and in the TSX as a whole).

Enbridge Inc

Enbridge Inc ([TSX:ENB](#))([NYSE:ENB](#)) is Canada's largest pipeline company, operating a crude oil pipeline system that ships 2.2 million barrels of oil per day. On the strength of its massive pipeline capacity, Enbridge earned \$46 million in revenue and 2.8 billion in profit in 2018—both figures up massively from any prior year.

Enbridge has recently run into some political roadblocks stemming from its Line III replacement; however, the company has the capacity to keep pumping out profits and paying its generous dividend even if that project is delayed long term.

Husky Energy Inc

Husky Energy Inc (TSX:HSE) is an oil exploration, extraction and refining company with operations in Alberta and off the coast of Newfoundland. As an upstream oil & gas company, it has more direct exposure to the price of crude than does Enbridge, so definitely don't buy this one unless you think oil will rise.

Assuming you are optimistic about the price of oil, however, Husky has a lot to offer: with a 4%

dividend yield and 270% year-over-year earnings growth in its most recent quarter, this is a company that could really explode if oil rises. It's also worth noting that the company is [turning a profit at current oil prices](#).

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is an integrated energy company that specializes in producing synthetic crude from tar sands, giving it significant expertise in Alberta, where the majority of Canada's oil sands extraction occurs.

In its most recent quarter, Suncor produced 764,000 barrels of oil per day, compared with 689,000 barrels in the same quarter a year prior, demonstrating that the company is upping its production capacity to drive increased revenue even if the price of oil remains somewhat flat.

In the same quarter, Suncor earned \$2.5 billion in funds from operating activities, up from \$2.1 in the same quarter a year before. Other financial highlights included \$1.5 billion in cash flow from operating activities, \$1.47 billion in net income, and \$6 billion in revenue.

All of these figures were up from prior quarters, showing that Suncor Energy is a growing, thriving enterprise. Its stock also pays a dividend that [yields 4.2% at present](#) and has been increasing by 12.4% a year on average.

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