



## 3 Top Energy Stocks to Buy Right Now

### Description

The last few years haven't exactly been smooth for the energy industry. Looking back at the last five years, many top energy companies have remained relatively stagnant after seeing steady growth for decades, in some cases. Lately, things have been even worse. After hitting some peak prices ahead of the summer of 2018, the oil and gas industry was hit hard and has yet to recover. Granted, after the huge dip in the markets back in late 2018, some managed to come back a bit. But many have slumped yet again since that rebound.

With a recession in our future, these stocks could slump even lower. However, rather than wait for that low price, I would recommend buying some top energy stocks now and then perhaps adding to your arsenal later on when the recession hits. That's because even with a recession and a poor industry, there are energy stocks that continue to perform at peak, and are likely to continue doing so for the foreseeable future. So, let's look at three options.

### Suncor

There's a reason billionaire investor Warren Buffett chose to renew his stake in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). The energy company has been trading well below its fair value for a while now, and Buffett clearly felt it was time to take another stab at this heavy-hitter stock.

Suncor is great for a number of reasons. First and foremost, there's its diversified business model, where even during low oil and gas prices, the company has other areas to pick up the slack. In fact, most recently, the company brought in strong cash flow that came from higher production and its downstream assets, which caused Suncor to boost its dividend by 17% for the year.

While the company may have jumped the gun, overpaying for some assets before the slump, Suncor is all about the long haul. Its production assets will continue to generate free cash flow for decades for investors. Meanwhile, it continues to pump out strong financial results, most recently reporting a 5% increase in operating profit to \$1.25 billion and net profit to \$2.7 billion. As oil prices rebound and the America-China trade war is sorted, Suncor is set up to make a killing.

## Enbridge

Another sure-fire winner for future investors is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The company has been plagued by bad news lately, first with the oil and gas sector sending its shares lower, then the delay of its Line 3 pipeline, and finally with a pipeline explosion that tragically took the life of one person. This has sent what rebound Enbridge had well below its fair value.

Yet for the long-term investor, Enbridge is a steal. The company has \$16 billion worth of secured projects underway and set to be completed by the end of 2021 and further projects after that. So, the future looks bright. However, the company is also supported by long-term contracts, meaning the company will continue to bring in steady cash flow for decades.

Like Suncor, Enbridge has continued to report strong quarters, even during this time of low oil prices. Earnings were up practically across the board, so when things get moving again, investors should expect Enbridge shares to soar.

## TC Energy

Finally, we have **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), one of the few energy stocks out there that has continued a [steady rise](#), even during this time of poor oil prices. The stock has continued a steady upward climb since the dip back at the end of 2018, trading around fair value.

But TC Energy still has more room to grow, especially with the potential construction of the Trans Mountain pipeline finally underway. As pipelines become approved again and again, TC Energy also stands to benefit for its future planned projects. The company has \$30 billion in growth projects planned through to 2023. Meanwhile, it also has secured 70% of its earnings through its natural gas pipelines. Both of these points mean TC Energy is set up for long-term growth.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TRP (TC Energy Corporation)

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