



2 Things Canadian Oil Investors Should Do Right Now

Description

Only last week, lower oil looked like it was here to stay, despite the threat of bottlenecks from various geopolitical tensions around the world. Well, bottleneck season is back, big time. But how long will the latest disruption last, and what should long-term oil investors do about it? While there's no surefire way of answering the first question, there are a few ways to address the second. Let's take a look at two options.

Consider cashing in those oil shares

A massive 5% of the global oil supply has been scuppered in one fell swoop due to the drone strike on Saudi Arabian oil facilities over the weekend, equating to five million barrels per day. This represents roughly half of the Saudi oil capacity, and pundits were predicting oil prices to leap by 10% as a result. In reality, crude leaped almost 15% Sunday, and affected stocks are already on the rise this week, creating selling opportunities.

OPEC had already been trying to massage oil prices by reducing output, and this latest development is likely to greatly accelerate that mechanism. International concern over supplies has ramped up in the short amount of time since the attacks, while the U.S. is poised to tap into the Strategic Petroleum Reserve. In short, there's a window of opportunity for oil investors to cash in before supplies — and oil prices — level out again.

Think about swapping for alternatives

So, should investors still be stacking shares of **Suncor** and the like, or is it [time to move over to alternatives](#)? While there is certainly still some upside to be squeezed from oil, stocks like **Uranium Participation** and **Algonquin Power & Utilities** could be better long-term plays if legacy investing appeals to your wealth management strategy.

Uranium Participation could see some improvement in coming months, as positive sounds continue to emanate from the nuclear power sector. France is increasing the life of some of its reactors, while

China adds to its nuclear infrastructure. While growth in the market in China was behind a lot of the pre-2008 financial crisis bullishness, this time around, it could have longer-lasting payoffs for uranium investors.

Algonquin Power & Utilities is one of the [top renewables stocks on the TSX](#), with two main reasons to buy: diversification and regulation. Algonquin is an acquisition-focused utility company and a great choice for investors with a broad financial horizon looking for defensive dividends. With hydroelectric, wind, thermal, and solar operations making up the bulk of its asset portfolio, Algonquin is a solid play in the renewables space and pays a 4.24% dividend yield.

The bottom line

If you spent the summer thinking of selling those oil stocks, now might be a lucrative time to do it. While further geopolitical developments may lead to further spikes in oil prices, there's an opportunity to cash in this week. Alternative fuel sources still offer upside potential, meanwhile, with green energy already well on its way to being a major growth trend, and uranium could see a bull run once more governments come on board and reactors come online.

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