



## TFSA Investors: You Have to Own This Oil Stock

### Description

**Imperial Oil Limited** ([TSX:IMO](#)) engages in the [crude oil and natural gas business](#) in Canada. It operates in three segments: Upstream, Downstream, and Chemical. The company is over 135 years old and corporate headquarters is in Calgary, Canada. Imperial Oil Limited is a subsidiary of **Exxon Mobil Corporation**.

The Upstream segment has 404 million oil-equivalent barrels of proved undeveloped reserves and explores for and produces crude oil, natural gas, synthetic oil, and bitumen.

The Downstream segment is involved in the transportation and refining of crude oil, as well as processing of refined products. It also transports crude oil to refineries by contracted pipelines, common carrier pipelines, and rail and maintains a distribution system to move oil to market by pipeline, tanker, rail, and road transport.

In addition, this segment markets and supplies petroleum products to motoring public through approximately 2,300 Esso and Mobil-branded sites.

The Chemical segment manufactures and markets various petrochemicals and polyethylene, such as benzene, aromatic, and aliphatic solvents; plasticizer intermediates; and polyethylene resin products.

Imperial is an iconic Canadian company with a [significant resource base](#), financial strength, disciplined investment approach and technology portfolio, and is well positioned to participate in substantial investments to develop new Canadian energy supplies.

The company's integrated business model, with significant investments in Upstream, Downstream and Chemical segments, reduces the company's risk from changes in oil prices.

While commodity prices depend on supply and demand and may be volatile on a short-term basis, Imperial's investment decisions are grounded on fundamentals reflected in the long-term business outlook, and use strict criteria in selecting and pursuing the most attractive investment opportunities.

Major investment opportunities are evaluated over a range of possible market conditions. Once major

investments are made, a reappraisal process is completed to ensure relevant lessons are learned and improvements are incorporated into future initiatives.

The company projects that by 2040, the world's population will be around 9.2 billion people, or about 1.8 billion more people than in 2016. Coincident with this population increase, the company expects worldwide economic growth to average close to 3 percent per year, with economic output nearly doubling by 2040.

As economies and populations grow, and as living standards improve for billions of people, the need for energy is expected to continue to rise over the long-term and Imperial is well positioned to take advantage of it.

Even with significant efficiency gains, the company projects that global energy demand will rise by about 25 percent from 2016 to 2040. This increase in energy demand is expected to be driven by developing countries.

Canada is expected to see flat to modest local energy demand growth through to 2040 and will continue to be a big supplier of energy exports to help meet rising global energy needs.

Imperial also plans to enhance artificial intelligence capabilities and to collaborate with the Alberta Machine Intelligence Institute for progressing machine learning capabilities, which will develop more effective ways to recover petroleum resources, lower operating costs and reduce environmental impacts.

Despite the recent oil weakness, Imperial Oil appears to be a great stock to hold for the long term.

## CATEGORY

1. Investing

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1. dividend

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2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:IMO (Imperial Oil Limited)

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