If You Own Canadian Energy Stocks, You Need to Read This

Description

It is becoming more frequent for many important policy makers around the globe to increasingly mention climate change and the importance of doing as much as we can as a planet to limit the effects of greenhouse gasses.

While this has mostly come from the mouths of politicians so far, one very important financial policy maker, and someone who is quite knowledgeable of the Canadian oil and gas industry, just made some major comments that aren't promising to the energy industry, especially for companies with assets in the oil sands.

Mark Carney, who has been one of the most influential central bankers over the last decade, who is the former governor of the Bank of Canada and current governor of the prestigious Bank of England, and who is leaving his role this year to work for the U.N as a special envoy to climate change and finance, made headlines this past week.

In an interview with the BBC, Carney mentioned how in order for the world to take climate change seriously, he expects that up to half of the world's developed oil reserves would need to be left stranded to make progress on our climate goals.

While it's still early, and Mark Carney's comments are just that — comments — he is one of the most respected financial policy makers in the world, and his thoughts are somewhat troubling, especially if you're an investor in the Canadian energy industry.

There is one way though, investors can buy into this new trend in the energy industry, and that's by getting ahead of the curve and buying a green technology company like **Questor Technology** (TSXV:QST).

Another way to hedge against the increasing risks is to buy renewable energy investments; however, if you want to keep your energy investments and just add some protection, allocating some of your capital to Questor is probably the most prudent decision you can make.

Since the last time I mentioned Questor, it's had a major rally of more than 25%. The stock was sold off toward the end of the year at the start of tax-loss selling, but once the market had undervalued the shares, it had a major Santa Claus rally to end the year and is now trading just off its 52-week high.

Questor is a green technology company that helps energy industry companies to reduce their emissions as well as their costs, which is what makes their technology so great for its clients, and why it's such a compelling investment, especially in this day and age.

The company's technology is 99.99% efficient and is designed to eliminate waste gasses and carcinogenic compounds as well as other greenhouse gasses. Since its technology harnesses hot waste gasses, it can then use them to do things such as generate power, which then helps to reduce costs in other areas of the business.

The company has been around for a little while now and is really starting to gain ground in the industry. It's organized its business into three main divisions: sales of its technology, rentals of its technology, and the servicing of its technology.

This gives companies flexibility to choose whether they would rather buy or rent the equipment, which is positive, because it then attracts more total customers and increases Questor's sales.

Since 2017, the company has increased its revenue by roughly 50%, and it's already reached profitability, earning roughly 27% return on equity the last 12 months.

At a price to earnings of roughly 18 times today, this stock is trading for a massive bargain, especially when you consider the growth potential it has and how crucial it will be to the energy industry going forward.

The move for more governments worldwide to fight climate change is a trend that will only continue to grow, so positioning yourself in a stock that will take advantage of these new regulations now, will set you up to grow your capital considerably over the next decade and beyond.

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