



Oil Prices Soar: 3 Top Energy Stocks to Buy Now

Description

Oil prices are up big since they hit historic lows in April. This is true whether we are talking about WTI prices, Canadian select prices, or Brent prices. But the biggest movers were the WTI and Canadian prices. Both have increased approximately 200%.

[The volatility of oil prices has been unsettling](#). As investors, we are already faced with many uncertainties and this volatility is not welcomed. So what happened? Why have oil prices rebounded so quickly and ferociously?

The simple truth is that we need oil. Long-term goals of emission reductions notwithstanding, the world still needs oil. And it will need oil for some time. As cities begin to open up, demand is starting to return. As Saudi Arabia implements production cuts, the supply situation is being addressed. What this leaves us with is many energy stocks that are looking very attractive today.

Here are three energy stocks to buy now, starting off with the least risky. All these energy names are quality stocks that offer many attractive characteristics for investors.

Enbridge stock rises 31% as oil prices soar

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is up 31% from its March lows. This energy stock is as defensive as it gets. Enbridge is the owner of the world's longest crude oil and liquids transportation system. It delivers approximately 25% of North America's crude oil and approximately 20% of its natural gas.

As evidenced by the company's recent robust results, it is not significantly affected by recent negative developments. And we can expect that it will continue to be relatively immune to market troubles. This is a time when many companies are reducing and even withdrawing guidance. But Enbridge stands out as it has maintained its guidance.

Enbridge provides essential energy to power our lives. Most of its contracts have limited commodity price exposure. Enbridge remains a leading energy infrastructure giant that has provided shareholders

with 22 years of dividend increases.

Suncor Energy stock rises 69% as oil prices soar

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) stock is up 69% from its March lows. Suncor is one of the integrated oil and gas companies that by its very nature provides a diversified exposure. This exposure shelters the company from oil price fluctuations.

But even Suncor was not immune to the recent crisis. With oil prices plummeting to historic lows, Suncor reduced its dividend by 55%. While this was disappointing, it was done as a proactive move to ensure the survival and long-term health of the company. Suncor is currently yielding 3.3% and its free cash flow is expected to be positive under \$35 oil. Now that this adjustment has been made, things are different. And now that oil is trading at almost \$34, Suncor stock looks good.

Canadian Natural Resources stock rises 135% as oil prices soar

Lastly, we have **Canadian Natural Resources Ltd.** ([TSX:CNQ](#))([NYSE:CNQ](#)) stock, up 135% from its March lows. As an energy stock that is more exposed to oil prices, we should expect more stock price volatility.

Today, with oil prices soaring, Canadian Natural Resource stock is a top pick. This is because of its low break-even oil price of US\$30 to US\$31 and its strong financial health. It is also because Canadian Natural Resources has many levers to pull in times of crisis. All of this has translated into the company maintaining its dividend through what has been one of the biggest oil crises ever.

Worried about the long-term viability of the company and the sector? There's also something for you. Management has repeated its [commitment to an approximately 25% cut in emissions in the next few years](#). They are also reducing fresh water intensity. This drive toward sustainability is another key factor contributing to what I think is Canadian Natural Resources' long-term viability.

Foolish bottom line

Oil prices have been soaring after hitting unimaginable lows just a little while ago. As they recover, quality energy companies will continue to do well. Enbridge, Suncor, and Canadian Natural Resources have done extraordinarily well. If you bought them at the depths of the crisis you would be satisfied today.

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2. NYSE:ENB (Enbridge Inc.)

3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:ENB (Enbridge Inc.)
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