



## 3 Energy Stocks I'd Invest \$5,000 in Right Now!

### Description

Energy stocks were some of the hardest hit during the [spring market crash](#). Oil and gas producers were throttled due to the COVID-19 pandemic, as well as a price war that had erupted between Russia and Saudi Arabia. Fortunately, the latter issue has been smoothed over in the months since. The COVID-19 pandemic continues to confound policy makers, but many countries have seen the beginnings of a return to normalcy. This rising demand is good news for energy stocks.

Today, I want to look at three energy stocks that are worth considering in the middle of July. A \$5,000 investment in the stocks below could net solid capital growth and strong income in the months and years to come. Let's dive in.

### Two energy stocks with great value

It is tough to find discounts on the TSX today, as stocks surged in the latter half of spring. However, there is still solid value in the energy sector.

The first energy stock I want to look at is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)). Canadian Natural Resources is a Calgary-based oil and gas company. Its stock has dropped 43% in 2020 as of close on July 10. Shares have climbed 24% over the past three months.

In Q1 2020, Canadian Natural Resources delivered record quarterly corporate production of roughly 1,179 MBOE/d. This was under the maximum allowable volumes due to Alberta's production curtailment policy. The company finished the first quarter with a strong balance sheet. Shares of Canadian Natural Resources last had a price-to-earnings (P/E) ratio of 8.6 and a price-to-book (P/B) value of 0.8. This puts the stock in attractive value territory. Better yet, this energy stock offers a quarterly dividend of \$0.425 per share. This represents a hefty 7.4% yield.

**Imperial Oil** is another Calgary-based petroleum company. The stock is down 37% so far this year. In its first-quarter 2020 results, Imperial Oil reported a net loss of \$188 million. This was primarily due to depressed March crude prices. However, the company finished Q1 2020 with a strong cash balance of \$1.4 billion.

Shares of Imperial Oil last had a favourable P/E ratio of 9.3 and a P/B value of 0.6. Moreover, the energy stock maintained its quarterly dividend of \$0.22 per share. Imperial Oil possesses a solid 4.2% dividend yield. It has delivered dividend growth for 25 consecutive years.

## Don't sleep on this heavyweight dividend stock

Back in early May, I'd discussed why **Enbridge** [looked like a steal](#). This elite energy stock is still worth your attention in the middle of July. Shares have dropped 19% in 2020 as of close on July 10. The company delivered adjusted earnings of \$1.66 billion, or \$0.83 per share, in Q1 2020 compared to \$1.64 billion, or \$0.81 per share, in the prior year.

Shares of Enbridge last had a solid P/B value of 1.3. Most investors will be on the hunt for Enbridge's superior income. It currently offers a quarterly dividend of \$0.81 per share, representing a tasty 8% yield. This top-tier energy stock still looks undervalued in the early summer.

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aocallaghan

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