



Best Energy Stocks to Buy in 2021

Description

North American markets responded well to the inauguration of Joe Biden, the 46th president of the United States. The markets have enjoyed significant momentum since the middle of 2020. Now, commodity prices are starting to surge, as investors are hopeful for a global recovery this year. Oil and gas prices have rebounded in response to this trend and improving international demand. Today, I want to discuss why Canadians should get ready to zero in on energy stocks in the late winter.

Why Canadians should target energy stocks today

The COVID-19 pandemic held down energy stock prices for a good chunk of 2020. Oil and gas demand were pummeled by the pandemic. Moreover, infighting among OPEC members combined with this global crisis to create a perfect storm for this struggling sector. Fortunately, prices are trending upwards at the time of this writing.

Biden's administration looks to be less friendly to the oil and gas sector than the previous government. Canada took it on the chin early when Biden moved to revoke the presidential permit for the Keystone XL pipeline expansion. Investors should not fret. Below are four stocks that are still worth snatching up today.

Four of my favourite TSX stocks in this sector

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is one of the largest integrated energy stocks listed on the TSX. Its shares have dropped 45% year over year as of close on January 20. However, the stock has surged 48% over the past three months. Top energy stocks are gaining momentum in this improved environment. Suncor is one of my favourite targets today.

Investors can expect to see this company's fourth-quarter and full-year 2020 results in early February. Suncor stock last possessed a favourable price-to-book (P/B) value of 0.9. The company was forced to drop its dividend payout last year. Fortunately, Suncor still offers a solid quarterly dividend of \$0.21 per share. That represents a 3.6% yield.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a dominant energy infrastructure company in North America. Earlier this week, I'd discussed why TFSA investors should [stash this energy giant](#) for the long term. Its shares have already climbed 10% in 2021 as of close on January 20.

This stock also has a solid P/B value of 1.6. The company should release its Q4 and FY2020 results by the midway point in February. This energy stock offers a quarterly dividend of \$0.835 per share, representing a beefy 7.4% yield.

Canadian Natural Resources is the third energy stock that is worth your attention today. This company is one of the largest oil and gas exploration firms in Canada. Its stock has increased 39% in the last three months. I'd [recommended this energy stock](#) back in the summer of 2020. This stock possesses a solid P/B value of 1.1. It last paid out a quarterly dividend of \$0.425 per share, which represents a strong 5.4% yield.

Imperial Oil is the last energy stock I'm targeting before February. This is another top oil and gas exploration company in Canada. Its stock has surged 59% over the last three months. Meanwhile, this stock still possesses a favourable P/B value of 0.8. Imperial Oil last paid out a quarterly dividend of \$0.22 per share. That represents a 3.2% yield.

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