



## Forget Market Volatility: Buy Oil and Gas Stocks

### Description

The stock market continues to trade near all-time highs, leaving investors and economists alike wondering if another market crash or correction is on the way. But my solution? Stop worrying about it. Whether a market crash happens or not is pretty much irrelevant if you don't plan on taking your cash out any time soon. Instead, look to companies that are fantastic holds right now for your future investments. Oil and gas stocks are exactly that solution.

### Top stocks among oil and gas

The oil and gas sector remains undervalued as of writing. The industry has struggled over the past few years, and it became even worse when the market crash happened in March 2020. Today, the sector remains undervalued for several reasons that, of course, are not going to disappear overnight.

However, it looks like we've reached rock bottom and are now working our way back up. The price of Canadian crude oil went up and down until the crash, where now it is back up to prices not seen since January 2020. When the market crash happened, it looks like investors started to buy back these oil and gas companies, even though not much had changed. In fact, looking at the **Horizons Crude Oil ETF**, shares are only down by about 5% from one year ago.

So, now could be a great time to get back into oil and gas at a discount. Even with the world moving towards renewable energy projects, there are certainly going to be energy stocks that will remain at the top within the oil and gas sector. These companies may even shift to renewable energy, as it already owns the land and infrastructure to get started.

The best among these stocks would be ones that are titans in the industry. Let's look at two options for investors to choose from.

### Why Enbridge might be the best choice

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) provides the solution to the oil and gas glut plaguing the prairies.

The company is pretty much first in line to receive the green light for its [pipeline](#) growth projects. While others still have barriers and hoops to jump through, Enbridge is pretty much ready to go. This gives it a clear advantage among pipeline competitors.

But even without its growth projects, the company is strong. Its balance sheet is stable, with long-term contracts that can support cash flow for decades to come. This recurring revenue is exactly what you should be looking for when choosing oil and gas stocks. Shares are still down by 11% from the same time last year. The company also offers a solid 7.67% dividend yield.

## Why Suncor might be the best choice

Another winner for investors could be **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). If Warren Buffett thinks the company has a lot going for it, then clearly it has [something](#). The energy giant is the largest fully integrated oil and gas company in Canada. Even during the market downturn, it has other assets available, including marketing, to support cash flow.

The stock is also set up and ready to go for when the market rebounds and oil gets moving, buying assets in Western Canada that should make investors drool. It too could support growth for decades and has already expanded into the renewable energy space. Shares in the stock are 44% lower than February 2020. The company also offers a 3.75% dividend yield.

## Bottom line

Enbridge and Suncor might be the obvious choices, but that's for a reason. These two stocks are at the head of the oil and gas industry. If oil and gas stocks are going to rebound, which they may already be right now, then these companies will be the first to see revenue increase and trickle that down to shareholders. So, forget a market crash and buy these two strong stocks to hold forever.

### CATEGORY

1. Coronavirus
2. Energy Stocks
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### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:SU (Suncor Energy Inc.)

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**Date**

2025/09/12

**Date Created**

2021/02/06

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