



Commodity Boom: 2 Energy Stocks to Buy as Oil Soars

Description

The [roaring 20s](#) are coming, or so some folks on Bay and Wall Street seem to think, once the COVID-19 pandemic subsides. Whether or not we're at the start of the next epic bull run is anybody's guess.

Regardless, there's already evidence of reflation, and with various commodities, including oil and copper, surging, I think it'd only be wise to follow in the footsteps of the great [Warren Buffett](#) by betting big on dirt-cheap energy stocks today, because they're unlikely to remain cheap forever.

Commodity boom. Two top energy stocks I'd buy right now

Over the last few months, I've been urging investors to back up the truck on shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) as the broader basket of energy stocks sunk into year's end.

Indeed, each oil play has come heated up in 2021 thus far. But they remain a country mile away from their pre-pandemic highs. And as they look to pick up momentum on the back of soaring oil prices, I don't think it'd be far-fetched to think that each name is capable of making a return to their 2019 highs.

Suncor Energy

Suncor Energy is one of my favourite deep-value plays. Back in early October, when Suncor was trading at just \$15 and change (near the bottom), I'd pounded the table on the stock, warning that the stock had hit [a major buy signal](#).

"With Suncor nearing a critical support level, I'd be inclined to load up on oversold shares of Suncor, as they look overdue for a bounce, especially given most of the negatives regarding a second wave and retreating oil prices are already baked into the stock." I wrote. "The way I see it, Suncor has already ripped the Band-aid off and could be in a spot to lead the next upward charge if things aren't as horrific as they seem today."

Fast forward to today, and Suncor stock is back up to \$26 and change, rewarding those who bought on my advice with a near 70% gain. The massive discount to book value is now gone, but I still think shares are dirt cheap with room to run on the back of the latest commodity boom.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is another big oil producer that I've been a raging bull on. The firm was crowned as the new king in the Albertan oil patch last year, as shares held their own better than Suncor. The company also walked away with one of the best deals in the energy patch, having acquired natural gas play Painted Pony Energy in a deal worth \$461 million.

Unlike Suncor, Canadian Natural didn't slash its dividend right down the middle. Keeping the dividend promise to shareholders likely won over a tonne of former Suncor investors who were mostly in the stock for the handsome payout. Today, CNQ shares sport a rich 4.7% yield, with a stock that now up a staggering 200% from its March lows.

Shares are really starting to heat up, and I think this may be just the start. With the stock trading at just 1.3 times book value, I view CNQ as both a momentum and value play with a wide margin of safety.

If you want to chase momentum, CNQ stock is the way to go, not Bitcoin, **Tesla**, or any other bubbles that are floating around in today's market.

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

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Date

2025/09/10

Date Created

2021/02/24

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