



Suncor Stock: This Discount Won't Last Much Longer

Description

Some of the best-performing stocks of the last few months have been Canadian energy stocks. Energy was one of the hardest-hit industries from the coronavirus pandemic. So, it's no surprise, now that the sector is finally recovering, that industry leaders like **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) have been some of the top Canadian stocks.

The whole industry is seeing momentum lately, but the best stocks are rallying quite significantly. Since its bottom in December, Suncor has gained roughly 100% and continues to offer significant value going forward.

Suncor isn't just a top investment today for its short-term potential, though. It's one of the top long-term Canadian stocks you can own. Now just happens to be a great opportunity to buy the stock as it rallies with momentum.

But before we can invest in Suncor stock, we need to understand what is still impacting the business and what risks persist.

Why energy stocks were so impacted

When the coronavirus pandemic initially hit roughly a year ago, almost every industry was initially impacted. One industry impacted far more than others, though, was [energy](#).

With the whole world suddenly grinding to a halt, the demand for energy dropped to unprecedented lows. It wasn't just prices for the commodities that were falling. Demand fell rapidly too.

This all culminated in negative oil prices in April, as there was just so much supply of oil and no demand for it.

Falling prices always hurt energy companies, but it's even worse when the prices are falling at the same time as the volumes they are producing and selling.

This left energy as one of the hardest-hit industries, and it took until only recently to finally gain the momentum to recovery significantly.

Suncor is one of the top energy stocks to buy today

Suncor stock fell by roughly 65% at its worst point of the coronavirus [market crash](#), despite it being one of the most robust energy stocks.

The company is by far one of the biggest energy producers in Canada. However, it also has midstream assets as well as gas stations all over Canada. This vertical integration is crucial to Suncor's operations, allowing it to offset losses when oil prices are falling.

The resiliency in its operations makes Suncor one of the top stocks to buy in the energy industry, especially for the long term.

So, at these values today, it continues to be one of the best long-term investments in Canada and is one of the few Canadian stocks Warren Buffett has ever owned.

With its rapid momentum, though, you're going to want to buy this stock soon or risk missing out on all this value. Plus, it pays a dividend that's currently yielding 2.9%.

Bottom line

Suncor still has a tonne of room to grow if it's going to return to its pre-pandemic price above \$40 a share. That might come soon, though, considering that stock has a tonne of momentum at the moment.

And while you should never buy a stock solely because you think it will go up in the short term, Suncor is actually a top long-term investment.

So, buying it now could not only make you some money in the short term but also save you from having to pay a premium for it if you decide to buy it down the line.

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2. Energy Stocks
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