



Breaking News: Suez Canal Troubles Could Spike Oil This Week

Description

Many investors may have already heard about the issues surrounding the Suez Canal blockage. It's big news, as investors are beginning to price in the effects of this blockage in stocks today.

Oil prices surged last week on the news, as refiners began complaining of supply shortages. Indeed, depending on how long this situation takes to get resolved, certain stocks could be worth watching right now.

Here's why I think investors may want to consider getting in on the oil trade this week, while it still has legs.

Suncor: The top way to play oil today

For investors seeking leverage to the price of oil in today's volatile environment, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is the way to go.

I think this stock is a great long-term holding regardless of this recent news. However, there's a really strong case that can be made right now that Suncor could outperform in the near term as well. Accordingly, I think investors ought to take note.

This oil producer is highly leveraged to the price of oil. Indeed, the company's stock price during last year's oil debacle gives some investors nightmares about the downside risk this provides.

However, fortunately, a rising oil price environment is extremely bullish for Suncor investors. Commodity price leverage works in both directions, so for those who believe oil prices are likely to continue ripping to the upside, this is a name to own right now.

Excellent long-term portfolio holding

As mentioned, Suncor is a [top pick](#) of mine for long-term investors. These short-term moves are great

for those looking to time entry points into the market. However, for those with a sufficiently long investment time horizon, these moves will likely end up being blips on the radar.

For world-class investors like Warren Buffett, Suncor is a long-term holding. The Oracle of Omaha has been bullish on this Canadian name over the years. Indeed, he's grown his position in recent quarters, signaling that this is a strong pick right now. Any time he's in, I'm immediately intrigued.

Of course, riding the coattails of one of the greatest investors of all time isn't a bad strategy.

Bottom line

Due to the company's leverage to the price of oil, this is a top pick for oil bulls right now. I'd highly encourage investors (and traders, alike) looking at recent moves in oil prices to consider Suncor today.

That said, should oil prices dip, I think doing the "Buffettesque" thing and adding to this position makes sense. In my view, Suncor isn't a short-term trade — it's a long-term winner.

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