



Oil Prices Up: Buy Suncor and These Energy Stocks Now

Description

Oil prices hit a bump in the middle of March but have rebounded nicely over the past month. The [price of WTI crude](#) was trading above US\$63 as of mid-morning trading on April 15. Canadian investors should look to get in on resurgent energy stocks in this environment. **Suncor** ([TSX:SU](#))([NYSE:SU](#)), one of the largest integrated oil producers in North America, struggled in the face of the pandemic in 2020. The seas are changing for Suncor and its energy stock peers right now.

Why this energy stock is well worth owning today

Imperial Oil ([TSX:IMO](#))([NYSE:IMO](#)) is a Calgary-based company that is engaged in the exploration, production, and sales of crude oil and natural gas in Canada. It owns and operates Esso and Mobil stations across Canada. This means that higher gas prices have benefited Imperial Oil on the retail front. Shares of this energy stock have climbed 28% in 2021. The stock is up 94% year over year. Like Suncor, Imperial Oil belongs in your portfolio, as the oil and gas space returns to form.

The company reported its highest upstream production in three decades in the fourth quarter of 2020. Moreover, it exceeded its full-year cost-reduction targets. For 2020, Imperial Oil posted a net loss of \$1.85 billion — down from net income of \$2.20 billion in the previous year.

This energy stock offers a quarterly dividend of \$0.22 per share. That represents a 2.7% yield.

Suncor is on the rebound in 2021

Suncor is an [energy beast](#) in Canada and one of the largest stocks on the TSX by market cap. Shares of Suncor have increased 23% in 2021 as of late-morning trading on April 15. This has represented all Suncor's gains over the past year.

In the fourth quarter of 2020, the company reported funds from operations of \$1.22 billion, or \$0.80 per common share, compared to \$1.16 billion, or \$0.76 per common share, in the prior year. This was a solid uptick considering the challenging conditions faced by Suncor as the pandemic rages on. Total

upstream production was down marginally from Q4 2019. Still, its Syncrude and oil sands operations upgraders achieved combined upgrader utilization of 95% — up from 83% in the previous year.

Suncor stock boasts better value than its industry peers at the time of this writing. It last paid out a quarterly dividend of \$0.21 per share, representing a 3.1% yield.

One more energy stock to snatch up right now

Cenovus Energy ([TSX:CVE](#))([NYSE:CVE](#)) is the last energy stock I want to recommend along with Suncor today. Its shares have climbed 27% in 2021 so far. Better yet, the stock has soared 182% in the year-over-year period. While Cenovus offers a modest dividend payout, it has made up for this with its growth performance.

Like its peers, the COVID-19 pandemic weighed on Cenovus's bottom line. In 2020, cash from operating activities came in at \$273 million — down significantly from \$3.28 billion in 2019. However, total production still enjoyed a 4% increase from the prior year.

Cenovus has posted impressive earnings growth in recent years, despite the setbacks in 2020. Canadians on the hunt for growth should snatch up this energy stock in April.

CATEGORY

1. Energy Stocks
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2. NYSE:SU (Suncor Energy Inc.)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/24

Date Created

2021/04/15

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