



## Suncor Stock: A Renewables Play?

### Description

Big oil has been a big topic of discussion for investors of late. Indeed, this is the case for a variety of reasons.

A coup for environmentalist activist investors is taking place in the board rooms of big oil giants in the United States. And with expectations that green energy is the future, oil producers are having their hands forced into thinking about their long-term prospects, perhaps more than they'd like to.

Canadian [oil giant Suncor Energy](#) ([TSX:SU](#))([NYSE:SU](#)) is no exception. With these headwinds on the horizon for big oil, investors may be hesitant to consider this stock. However, Suncor recently made 52-week highs yesterday. It's a stock that's really in favour right now.

Accordingly, let's dive into why this is the case.

### Suncor and ATCO team up

Suncor and **ATCO** — two Alberta-based companies — recently announced they're joining forces. The two entities are pursuing a hydrogen project near Edmonton.

This project is beneficial for a few reasons.

First, the obvious benefit of transitioning toward a greener future — before regulators or activist investors demand this — is huge. Hydrogen is expected to play a key role in Canada achieving its emissions targets by 2050. The benefits of such a shift are real and meaningful for Suncor in its leadership position in the Canadian energy sector.

Second, this project simply makes economic sense. The project will be partially funded by the provincial and federal governments. Regulators have stepped up to the plate to ensure this project gets done. Indeed, a favourable political environment is huge for Suncor moving forward. This project will help pave the way for good regulatory relationships. That's always good for shareholders.

## Strong fundamentals make the case for Suncor stock

From a fundamentals standpoint, Suncor remains one of the best picks in the energy space today.

This company's recent earnings actually held up quite well. Factoring in pandemic-related production issues, Suncor is doing quite well. In fact, these earnings surpassed investor expectations, particularly on the bottom line. The company produced earnings of \$821 million — a stark improvement from last year's \$3.5 billion loss.

Suncor provides investors with a healthy dividend yield of 2.8%. This yield has been cut and has also been reduced due to share price appreciation of late. However, should cash flows continue to rebound, future hikes could be on the table.

### Bottom line

The bottom line is, Suncor is an excellent stock to consider right now. It's stepping up to the plate to change in necessary ways. And it's a company with great fundamentals. What more could investors ask for?

#### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

#### POST TAG

1. Editor's Choice
2. energy
3. investing
4. market
5. Stocks

#### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

#### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

## Tags

1. Editor's Choice
2. energy
3. investing
4. market
5. Stocks

## Date

2025/08/14

## Date Created

2021/06/03

## Author

chrismacdonald

default watermark

default watermark