



The 3 Best Energy Stocks to Own This Summer

Description

Oil and gas prices have built significant momentum in 2021, extending gains from late in the previous year. On one hand, prices have been bolstered by a return to normal, as the developed world is pushing ahead with its vaccine rollout. However, rising inflation cannot be discounted as a factor in this renewed bull market. This week, WTI crude closed above US\$70 for the first time since 2018. Today, I want to look at the three best energy stocks to own in this climate.

Why Suncor is still a top energy stock in Canada

Back in March, I'd [discussed](#) why **Suncor** ([TSX:SU](#))([NYSE:SU](#)) was my favourite energy stock to own in 2021. The Calgary-based company specializes in production of synthetic crude from oil sands. Its shares have climbed 42% in 2021 as of early afternoon trading on June 10. The stock is up 14% from the prior year.

In Q1 2021, Suncor reported operating earnings of \$746 million or \$0.49 per common share — up from an operating loss of \$421 million, or \$0.28 per common share. The company's total upstream production climbed to 785,900 barrels of oil equivalent per day (boe/d) — up from 739,800 boe/d in Q1 2020. Suncor has been one of the biggest beneficiaries of the spike in oil prices, especially after enduring a brutal 2020 due to the COVID-19 pandemic.

This energy stock offers a [quarterly dividend](#) of \$0.21 per share, representing a 2.7% yield.

Don't sleep on this super oil producer

Imperial Oil ([TSX:IMO](#))([NYSE:IMO](#)) is another Calgary-based company that explores for, produces, and sells crude oil and natural gas in Canada. The energy stock is up 68% in the year-to-date period at the time of this writing. The company unveiled its first-quarter 2021 results in late April.

In the first quarter, Imperial Oil reported a \$392 million, or \$0.53 per share profit. It achieved nearly \$7 billion in revenue. This is compared to a net loss of \$188 million, or \$0.25 per share, in the first quarter

of 2020. Like Suncor, Imperial Oil also achieved strong production output from its oil sands projects as oil and gas production rose to 432,000 boe/d.

The energy stock increased its quarterly dividend payout to \$0.27 per share. This represents a 2.6% yield.

One more energy stock that offers a tasty monthly dividend

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) was one of the energy stocks I'd [targeted](#) in February for its attractive value and high dividend yield. This Calgary-based company provides transportation and midstream services for the energy sector. Its shares have increased 30% so far this year.

Earnings and adjusted EBITDA were in line with the same period in the prior year in Q1 2021. However, total revenue rose to \$2.04 billion compared to \$1.67 billion. Cash flow from operating activities was reported at \$456 million — up from \$410 million in the first quarter of 2020.

Pembina still offers solid value compared to its industry peers. Moreover, it last paid out a monthly distribution of \$0.21 per share. That represents a tasty 6.3% yield.

CATEGORY

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3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:IMO (Imperial Oil Limited)
5. TSX:PPL (Pembina Pipeline Corporation)
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