



## The 3 Best Energy Stocks Priced Below \$100 to Buy Right Now

### Description

Canadian energy stocks hit hard by the pandemic have shown a significant recovery in the recent past. For instance, shares of **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) are up about 38%, 36%, and 27%, respectively, this year.

The improving macroeconomic environment, steep growth in crude prices, and an uptick in demand can be attributed to the recovery in energy stocks. The steady increase in economic activities, ongoing vaccination, and higher average realized prices could continue to boost energy stocks. Moreover, I expect to see improving financial and operating performances from these companies, which could continue to support the uptrend.

### Pembina Pipeline

The steady improvement in global energy demand and increased commodity prices led to a strong recovery in Pembina Pipeline stock. Despite the recent move up, I see further room for growth as improving volumes, new assets entering into service, and integration of **Inter Pipeline** and Kinder Morgan could drive meaningful growth in its revenues.

Pembina owns a diversified business that is backed by take-or-pay/cost-of-service and fee-for-service contracts. Pembina is well positioned to gain from increased oil and gas producer activity and higher commodity prices. Furthermore, significant backlogs, debt reduction, and cost savings augur well for future growth.

Pembina could continue to enhance its shareholders' value through opportunistic share repurchases and higher dividend payments. Moreover, it is trading cheaper than peers and offers a stellar yield of 6.3%.

### Suncor Energy

Suncor Energy stock is an attractive [recovery pick](#) and could deliver strong returns in the medium- to long-term horizon. It has already appreciated a lot on higher crude prices and improving operating

environment. I believe the post-COVID return to normalcy could give a significant boost to Suncor Energy stock. Its integrated assets, recovery in crude oil and refined products demand, and favourable product mix are likely to support its business in the coming quarters.

I expect to see strong operating and financial performance from Suncor in the future. Its strategic investments, lower cost base, and incremental free funds flow could enable the company to reduce debt and repurchase shares. Furthermore, higher production and optimized inventory levels in the downstream business coupled with strong marketing and logistic network position it well to deliver impressive financials.

Suncor stock continues to trade cheap and is well below its pre-COVID levels. Also, it pays a regular cash dividend and offers a decent yield of over 2.9%.

## Enbridge

Enbridge is another excellent stock in the energy space. Its diversified sources of cash flows, contractual framework, predictable and growing cash flows, and [reliable dividends](#) make it a top investment at the current price levels. Despite the recent growth in its stock, Enbridge's valuation is well within reach. Its EV-to-EBITDA multiple is still lower than the pre-COVID phase.

With the continued strength in its core business, recovery in mainline volumes, productivity savings, and higher asset utilization rate, Enbridge could deliver strong operating and financial performance. Furthermore, its \$17 billion secured capital growth program, long-term power-purchase agreements in the renewable power segment, and momentum in the gas business augur well for future growth.

Enbridge has consistently delivered a solid average annual total shareholder return in the last 25 years. Moreover, it offers a juicy yield of 6.7%.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:SU (Suncor Energy Inc.)

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1. Business Insider
2. Koyfin
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