



Top Canadian Stock to Buy in July 2021

Description

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is Canada's largest oil and gas company. The company's capital portfolio focuses on value-driven investments to enhance margins, improve business processes, and reduce Suncor's operating and sustaining capital costs. The company's commitment to returning cash to shareholders is incredible. As market demand recovers and commodity prices increase, Suncor has indicated that the company aims to deliver increased cash returns to shareholders, targeting annual cash returns of 6 to 8%.

Technological advances

The company has been making significant advances in [technology and innovation](#) which, it believes, are critical to achieving the bank's economic, operational, environmental, and social goals. Suncor continues to accelerate the company's digital transformation in areas such as improved data analytics, drones, remote sensing technology, and automation to help improve the safety, productivity, reliability, and environmental performance of Suncor's operations.

Further, the company has continued to make progress in next-generation [extraction technologies](#) and has increased Suncor's investments in clean-tech venture capital in collaboration with industry organizations. This includes equity investments in Enerkem, a waste-to biofuels and chemicals producer, and LanzaJet, a company working to bring sustainable aviation fuel and renewable diesel to the commercial market.

Focused on a low-carbon future

In 2020, Enerkem, Suncor, and other partners announced construction plans for a carbon recycling facility in Quebec. The plant is designed to convert non-recyclable commercial and industrial waste, as well as forestry waste, into biofuels and renewable chemicals.

The company also supports customers in the transition to a low-carbon future, with Canada's Electric Highway, a cross-Canada network of more than 50 fast-charging electric vehicle chargers at Petro-

Canada stations.

During the COVID-19 pandemic, Suncor assumed these unparalleled circumstances would last for some time and took significant and swift measures to increase the company's cash liquidity. The company also reduced operating expenses by 10% or \$1 billion and leveraged Suncor's integrated model to optimize volumes and margins.

Productivity increases

Further, the company preserved cash by reducing Suncor's capital spending by 33% compared to the company's original 2020 guidance and made the prudent decision to reduce the dividend. Suncor prioritizes sustaining projects to support safe and reliable operations and high-value initiatives like the interconnecting pipelines between Syncrude and Suncor's oil sands base, an autonomous haul system at Fort Hills, and Suncor's digital investments to increase productivity and efficiency.

Suncor is not afraid to take the actions necessary to preserve the financial resilience of the company. The company has also continued to make structural changes to Suncor's business to increase the company's cost competitiveness, a path it started on prior to the challenging circumstances of 2020.

And Suncor remains focused on operational discipline and the company's participation in the global energy transition. The company has the primary objective of increasing the cash flow of the company and shareholder returns.

Sustainable investing

Further, Suncor recently assumed operatorship of Syncrude, which is expected to unlock significant value. The company has enhanced Suncor's use of technology and data to make the company's operations safer, more reliable, and efficient.

The company is also investing strategically in sustainability initiatives that foster overall improvements to Suncor's environmental performance.

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