



## 3 of the Best Canadian Energy Stocks to Buy on Sale Today

### Description

Diversification is important. You always want exposure to various industries. Canadian energy stocks, for example, are some of the best to buy today.

Energy stocks can be a major portion of your portfolio. From highly volatile oil and gas producers to pipeline businesses and even renewable energy stocks, each can play a crucial role in the long-term success of your portfolio.

Energy stocks are crucial to the economy. We need energy for everything. So even during recessions and times of economic turmoil, the energy industry and demand for energy is very robust.

The one exception was the early stages of the pandemic when so many people were staying home. For the long-term, though, having energy stocks in your portfolio is crucial. So here are three of the top Canadian energy stocks to buy while they are still cheap.

### A low-cost energy producer

Throughout 2021, energy stocks have been rallying as commodity prices recover. The reopening of economies worldwide has led to a major rebound in demand, pushing commodities prices higher.

This increased demand and increased prices can have a big effect, especially on small producers like **Peyto Exploration and Development** ([TSX:PEY](#)), which is why these Canadian energy stocks are some of the best to buy today.

When prices rise for commodities, these companies can see a huge increase in profitability. This is why the stocks can be highly volatile and leveraged to commodities prices.

And while hundreds of energy stocks would be affected similarly, Peyto is one of the best. First off, it's a natural gas producer, one of the cleaner fossil fuels and a crucial commodity for the energy industry as we cut down on carbon emissions.

Second, Peyto is one of the lowest-cost producers in Canada. So as prices are falling, it will continue to break even much longer than many of its competitors. And when prices rise, as they have been during the recovery, Peyto's profit margins will expand rapidly.

So if you're looking for a top Canadian energy stock to buy today, I'd consider a company like Peyto. Its low-cost operations mean you can take a long-term position. Peyto has a forward price-to-earnings ratio of just 8.0 times at its current price, making it extremely cheap.

## A top Canadian pipeline stock

In addition to these higher volatility stocks like Peyto, a Canadian energy stock like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) will always be worth a buy for long-term investors.

Enbridge is a massive \$100 billion energy giant with operations crucial to the North American economy. The company is so important to our economy that it's easily one of the best stocks you can buy and hold forever.

Enbridge transports up to a quarter of all the oil produced in North America and a fifth of all the gas consumed in the United States. Furthermore, it also has a massive utility business and a growing renewable energy segment.

It's the perfect business with highly defensive assets that can continue to grow consistently for years to come. It even pays an attractive [dividend](#) that currently yields 6.7% and is increased each year.

So if you're looking for top Canadian energy stocks to buy, Enbridge is always a stock worthy of consideration.

## A top green energy stock to buy today

Finally, in addition to traditional energy stocks, green energy businesses like **Northland Power** ([TSX:NPI](#)) are worth an investment in this environment.

Renewable energy stocks are some of the best Canadian investments to buy today. Climate change is a major issue the world has to tackle together, and one of the primary ways to do that is by increasing the amount of energy we get from renewable sources.

There are a few high-quality [green energy stocks](#) to buy today. Northland is one of the best, though, as it has one of the top management teams and an exceptional strategy going forward.

Right now, the stock is focused on growing rapidly to take advantage of all the potential in the industry. It has one of the most ambitious growth plans in the industry, which is why it offers so much long-term potential.

So if you're looking for a Canadian stock to buy today, I'd consider a top green energy company like Northland.

## CATEGORY

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1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NPI (Northland Power Inc.)
4. TSX:PEY (Peyto Exploration & Development Corp)

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danieldacosta

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