



## Forget Suncor (TSX:SU) Stock: This Energy Stock Is a Better Buy

### Description

Motley Fool investors continue to keep their eyes on **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) for signs that a rebound is on the way. And frankly, it may have already begun. Or at least, as far as it's going to for Suncor stock.

The oil and gas rebound has sent gas prices soaring. As Canada's largest fully integrated energy company, Suncor stock stands to make a killing. But the question is, how long can that last?

An even better question is, will it be enough?

### In short: Probably not

The pandemic couldn't have come at a worse time for Suncor stock. There was already a volatile environment before the pandemic hit. The Organization of Petroleum Exporting Countries (OPEC+) continued to cut production, creating a glut that hurt Suncor stock. But then the market crash hit, sending shares to lows not seen since the early 2000s!

Even Warren Buffett, who had a fair stake in the company, cut his losses in the stock. Usually, the investment mogul would take the opportunity to buy up more stock if he believed a full rebound is on the way. But in the case of Suncor stock, at least, that may not be the case.

Revenue continues to drop for the company. Even with the pandemic restrictions easing, production is far lower. And what's worse, the company made a poor investment choice by making a pricey acquisition amid the volatile market.

So, instead of watching Suncor stock, I would choose another energy producer. One that's diversifying its interests.

### Not just crude oil

**Imperial Oil** ([TSX:IMO](#))(NYSE:IMO) recently made the announcement to investors that, with approval, it will start turning vegetable oil into diesel. This is part of the company's move towards clean energy production, with low emissions by 2025.

This comes on the back of a wave of movement from energy producers [wanting to get in](#) on the clean energy action. In the next decade, it's estimated about US\$10 trillion will go into clean energy initiatives around the world. Wouldn't you want to get in on that if you could?

So, that's why Imperial Oil has started this new line of business. Of course, it's unclear whether it will work or not. And it's unlikely to be the only initiative it has. But it's more than Suncor stock has: Suncor currently has a few wind turbines in its name.

Imperial Oil performed better than Suncor stock as well in recent months. Shares of Suncor stock are up about 10% year to date (with huge dips and jumps in between), compared to Imperial Oil and its 38% growth at a [quite stable](#) rate.

## Foolish takeaway

Even energy producers that have typically been linked solely to oil and gas see the future that's coming. More than that, they see the dollar signs attached. While the rest of the world gets in on biofuels and other clean energy initiatives, Suncor stock looks stuck. So, I would absolutely take Imperial oil over Suncor stock for long-term Motley Fool investors any day of the week.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:IMO (Imperial Oil Limited)
4. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

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

### PP NOTIFY USER

1. alegatwolfe
2. kduncombe

**Category**

1. Energy Stocks
2. Investing

**Date**

2025/08/23

**Date Created**

2021/08/29

**Author**

alegatwolfe

default watermark

default watermark