3 Hot Energy Stocks to Add to Your TFSA Today

Description

Canadian energy stocks had a hot start to 2021. The oil and gas sector surged on the back of higher prices, which were bolstered by rising demand. This dissipated in the spring and early summer, especially as investors grew concerned with the rise of the Delta variant. Fortunately, this sector has rebounded again on the back of an improved economic outlook and supply issues. Today, I want to look at three energy stocks that are worth adding to your Tax-Free Savings Account (TFSA) at the end of the summer.

It is not too late to buy this surging energy stock in September

Arc Resources (TSX:ARX) is a Calgary-based company that is engaged in the exploration, development, and production of crude oil, natural gas, and natural gas liquids in Canada. Its shares have climbed 66% in 2021 as of early morning trading on September 17. The stock has bounced back quickly from its mid-summer dip. This is an energy stock worth targeting for TFSA investors.

The company unveiled its second-quarter 2021 results on July 29. Arc Resources exceeded its guidance and achieved average daily production of 335,701 barrels of oil equivalent per day. There was a 60/40 split in natural gas, and crude oil and liquids production. Net income rose to $178 million compared to a net loss of $123 million in the second quarter of 2020.

Shares of this energy stock possess a price-to-earnings ratio of 20. That puts Arc Resources in solid value territory relative to its industry peers.

This red-hot stock still offers solid value

Kelt Exploration (TSX:KEL) is another Calgary-based oil and gas company engaged in the exploration, development, and production of crude oil and natural gas resources. This energy stock has surged 125% in 2021. Its shares have soared 144% year over year. TFSA investors can still take advantage of this scorching stock.

In Q2 2021, Kelt Exploration posted petroleum and natural gas sales growth of 33% to $60.6 million. Meanwhile, adjusted funds from operations (AFFO) climbed 151% year over year to $29.4 million. Kelt exploration benefited from its strong cash position and from higher commodity prices. It is well-positioned to take advantage of the broader economic rebound currently underway.

This energy stock last had an attractive P/E ratio of 13, which is much better than the industry average.

One more rising energy stock to snatch up today

Tourmaline Oil (TSX:TOU) is the third oil and natural gas producer I want to focus on today. Like Kelt Exploration, this energy stock has been red hot in recent months. Its shares have climbed 137% in the year-to-date period. The stock has gained huge momentum since falling below the $30 price point in late August.

The company unveiled its second-quarter 2021 results on July 28. It delivered a record-free cash flow of $343 million and strong average production of 410,339 boe/pd. Tourmaline reported net earnings of $668 million for the first six months of 2021 – up from a net loss of $15.7 million for the same period in 2020.

Shares of this energy stock last had an attractive P/E ratio of 9.2. It last paid out a quarterly dividend of $0.17 per share. That represents a 1.6% yield.

CATEGORY

1. Investing

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2. TSX:KEL (Kelt Exploration Ltd.)
3. TSX:TOU (Tourmaline Oil Corp.)

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