



3 Top Energy Stocks to Buy in October 2021

Description

The **S&P/TSX Composite Index** rose 131 points on October 5. Canada's energy sector led the way, rising 2.8%. Today, I want to look at three of my top energy stocks that are worth buying this month. I'd [suggested](#) that Canadian investors should look at top equities in this space last month. Fortunately, Canada offers a deep well of quality options. Let's jump in.

This top energy stock is still gaining momentum

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is a Calgary-based company that is engaged in the acquisition, exploration, development, production, marketing, and selling of crude oil, natural gas, and natural gas liquids. Shares of this energy stock have climbed 57% in 2021 as of close on October 5. The stock is up 127% from the prior year.

The company released its second-quarter 2021 results on August 5. It delivered adjusted net earnings of \$2.69 billion or \$2.28 per common share in the first six months of 2021 — up from a net loss of \$1.06 billion, or \$0.90 per share, in the prior year. Moreover, its adjusted funds flow rose to \$5.76 billion compared to \$1.75 billion in the first six months of 2020.

Shares of this energy stock last had a [favourable](#) price-to-earnings (P/E) ratio of 14. It offers a quarterly dividend of \$0.47 per share. That represents a 3.8% yield.

Why Suncor is still a strong hold

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is one of the largest integrated energy companies in Canada. This energy stock has increased 30% in the year-to-date period. Its shares have shot up 19% month over month. This was my top energy stock [pick](#) for the month of March.

Investors can expect to see Suncor's next batch of results later this month. In Q2 2021, the company reported operating earnings of \$722 million, or \$0.48 per common share — up from an operating loss of \$1.34 billion, or \$0.88 per common share. Its total upstream production rose to 699,700 barrels of oil

equivalent per day. This was up from the strong 655,500 boe/d that was achieved in the previous quarter. Suncor and its peers are well positioned to benefit from a continued increase in oil and gas demand.

This energy stock possesses a P/E ratio of 27, which still puts it in favourable value territory compared to its industry peers. Suncor still offers a quarterly dividend of \$0.21 per share, representing a 3% yield.

One more energy stock to snatch up today

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) is another top integrated oil company that is based in Calgary. Shares of the energy stock have increased 68% in 2021. The stock has shot up 23% over the past month.

The company unveiled its second-quarter 2021 earnings on July 30. It managed to boost production to its highest level in a quarter century. Moreover, it delivered net earnings of \$366 million or \$0.50 per share compared to a net loss of \$526 million or \$0.72 per share in the second quarter of 2020.

Shares of this energy stock are also trading in solid value territory in comparison to its top competitors. It last paid out a quarterly dividend of \$0.27 per share. That represents a 2.5% yield.

CATEGORY

1. Energy Stocks
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2. NYSE:SU (Suncor Energy Inc.)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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