



## Buy Alert: 1 of the Top Energy Stocks to Buy Now!

### Description

Energy stocks are some of the best investments to buy because it's an industry that's crucial to our economy. Not only that, but the energy sector is consistently growing. As populations expand and the economy grows, more energy is demanded by residential and commercial customers.

Over the last few years, green energy has been rising in popularity. In addition, governments around the world continue to make clean energy a priority and are investing for the future.

So many investors may wonder if it's worth it to buy energy stocks today if fossil fuels are going to be phased out in the future.

## Are energy stocks a buy with fossil fuels on the way out?

The first thing to consider is that while renewable energy stocks are on the rise, fossil fuels will still be a crucial source of our energy for quite some time. Until [renewable energy](#) can sufficiently replace fossil fuels, we run the risk of seeing more energy issues just like we're seeing today.

In Canada, we've seen gasoline, as well as natural gas prices, soar in recent months. In other countries, though, such as those in Europe, natural gas prices have been up 500% since last year, showing this is a global energy crisis we are currently facing.

One of the reasons prices have been rising so rapidly is due to the demand for energy outpacing supply. Since we have invested so much in renewable over the last few years, countries around the world have neglected fossil fuels. That makes sense to an extent. We've even seen this with energy stocks and green energy investments.

However, in 2019 fossil fuels still accounted for more than 84% of global energy consumption. In contrast, wind provided just 2% of total energy, and solar provided just 1%. So while we need to lower our emissions, we can't just stop investing in fossil fuels altogether because that could lead to an energy crisis like we're seeing today.

The most prudent option is to invest in natural gas, which could help eliminate all the coal we still use, lowering the emissions in the process. That would cut carbon emissions by almost 50% while still allowing us to use fossil fuels until clean energy makes up a sufficient amount of the energy being demanded.

## A top natural gas stock to buy for the long haul

Since natural gas will be a key commodity in the years-long transition from dirty fossil fuels to clean energy, these producers are some of the best energy stocks you can buy today. There are several high-quality natural gas stocks to choose from in Canada. But one of the very best has to be **Peyto Exploration and Development** ([TSX:PEY](#)).

Peyto is an excellent stock due to its low-cost production and incredible management team that has always positioned the stock for the long run. CEO Darren Gee has made the case for an investment in Peyto and natural gas for years as a much cleaner source of energy to help lower carbon emissions today without sacrificing any supply.

The company itself is one of the best to buy for the long-term, too, since it has such low-cost operations. When prices are falling, Peyto can remain profitable longer than almost all of its peers. This makes the stock a lot safer, especially if investors commit to the long run.

Just one year ago, the energy stock traded below \$3 a share. Today it trades at more than \$9 a share with a market cap of \$1.5 billion, showing how volatile it can be.

And while the volatility can be a drawback when prices decline, because it's a low-cost producer, you can commit to it for the long run. Plus, in this environment, you don't necessarily need to worry about that. Currently, prices for natural gas are soaring, which is why the energy stock has earned investors a total return of more than 215% already this year.

So if you're looking for a high-quality energy stock to add to your portfolio that offers a tonne of short-term potential but that you can also commit to for the long run, Peyto is one of the best to buy today.

### CATEGORY

1. Energy Stocks
2. Investing

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