



## The 3 Best Energy Stocks to Buy as Gas Prices Soar

### Description

Gasoline prices reached \$1.45 a litre in the first week of October according to data from retail analytics firm Kalibrate. This is the highest gas prices have reached since 2014. Predictably, the [bull market](#) for oil has had a [big impact](#) on this market. Earlier this month, I'd [looked](#) at some of the top energy stocks to snatch up in this environment. Prices will likely remain high through to the end of 2021 as tightening supply and high demand underpin the market.

## This top integrated oil and gas stock is still a very strong option

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is an energy stock I'm still bullish on in this climate. Its shares have climbed 33% in 2021 as of early afternoon trading on October 27. The energy stock is up 80% from the prior year.

The company is set to release its third-quarter 2021 results this evening. In Q2 2021, Suncor generated \$2.36 billion, or \$1.57 per common share, in funds from operations — up from \$488 million, or \$0.32 per common share, in the prior year. Meanwhile, operating earnings rose to \$722 million, or \$0.48 per share, over an operating loss of \$1.34 billion, or \$0.88 per common share, in Q2 2020. Total upstream production was very robust at 699,700 barrels of oil equivalent per day (boe/d).

In Q2 2021, Suncor predicted resurgent oil and gas demand that would bolster its business going forward. That projection has held weight so far. This energy stock is trading in solid territory compared to its industry peers.

## Target this energy stock as gas prices erupt

**Imperial Oil** ([TSX:IMO](#))([NYSE:IMO](#)) is another top oil and gas producer. This energy stock has increased 80% in the year-to-date period. Its shares are up a whopping 161% from the prior year. Imperial Oil will release its next batch of results this Friday, October 29.

Net income shot up \$892 million from the previous year to \$366 million in the second quarter of 2021. It

was bolstered by the highest Q2 production in over a quarter century. Like its peers, the company has been able to rebound in an improved environment for oil and gas.

Shares of this energy stock offer solid value over its top competitors. It last paid out a quarterly dividend of \$0.27 per share, representing a 2.4% yield.

## One more energy stock to target in this environment

**Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) is the third energy stock I'd recommend as oil and gas prices soar. This company acquired Husky Energy in the beginning of this year. It elected to pause its planned sale of Husky retail gas stations in the spring. That decision may pay off big time, as retailers mop up big revenues at the pump. This energy stock has increased 82% in 2021. Its shares are up over 200% from the previous year.

In Q2 2021, Cenovus delivered a net profit of \$224 million. It received a big boost from a surge in revenues to \$10.1 billion, bolstered by its Husky acquisition. This is still an energy stock that can win big as prices soar at the pump.

### CATEGORY

1. Energy Stocks
2. Investing

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2. NYSE:SU (Suncor Energy Inc.)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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