3 Canadian Energy Stocks With Monster Yields

### Description

If you're looking for high yields, you can do much worse than Canadian Energy stocks. Because their stock prices have been beaten down over the last seven years, their yields are generally very high. Today, TSX energy stocks have even higher yields than bank stocks, which are well known for their high yields. If oil prices keep rising, then this situation won't last long. Rising stock prices will take yields lower. But if you buy today, you may be able to lock in high yields on a class of assets that appears set for gains in the year ahead. The following are three energy stocks that offer high yields and low valuations in 2022.



## Suncor Energy

**Suncor Energy** (TSX:SU)(NYSE:SU) is a Canadian energy stock with 4.6% yield. The company extracts, refines, and sells oil. It is perhaps best known for its chain of Petro-Canada gas stations, where it sells gasoline directly to consumers. Suncor makes more money when oil prices are high. In 2020, SU lost money, because oil prices that year were too low for it to break even. In 2021, it was very profitable, because oil prices began to rise that year. For proof of that claim, we can look at Suncor's recent earnings. In the fourth quarter of 2021, the company earned

- $3.14 billion in funds from operations, up nearly 200%;
- $1.29 billion in operating income, up from a $109 million loss; and
- $1.5 billion in net income, up from a $168 million loss.

These were pretty good results. And in the first quarter, so far, oil prices are even higher than they were in the fourth quarter of last year. So, there is some serious potential for Suncor to crank out record earnings when it reports for Q1.

## Enbridge

**Enbridge** (TSX:ENB)(NYSE:ENB) is a pipeline company that is well known for its high yield. At 6.3%, it's among the highest you will find in Canadian energy stocks. Enbridge is quite different from Suncor.

SU makes its money by extracting and selling oil, ENB makes money by transporting it.

Enbridge's business is less sensitive to oil prices than Suncor's is. It has less downside than Suncor does when oil prices go down but also less upside when oil prices go up. If oil prices keep rising this year, then ENB probably won't rise as much as Suncor will. However, its yield is much higher than Suncor's is. So, it may be worth adding to a diversified energy stock portfolio.

## Pembina Pipeline

**Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is another pipeline company like Enbridge. It is involved in both transporting and storing crude oil. PPL is a much smaller company than ENB, but it is very diversified. In addition to its core pipeline operations, it's also involved in natural gas processing and buying/selling petroleum products.

So, it's a company with a pretty wide range of operations. Yet it is very much a typical pipeline stock in terms of dividends. With a 5.64% yield, it offers exactly the kind of income potential that investors expect from pipelines.

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)
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