



Oil Bull Market: Here Are 3 Top Energy Stocks to Buy

Description

Earlier this week, I'd [discussed](#) some of the outrageous prices Canadians were wrestling with at the pump. American citizens have also been dealing with sky-high gas prices as geopolitical tensions have thrown the global oil and gas market into chaos. This has spurred many investors to look at Canada's top energy stocks.

This week, the United States elected to ban purchases of Russian oil imports. However, European allies have been less willing to jeopardize their supply of oil and gas, despite Russia's aggression against Ukraine. The price of WTI crude retreated below US\$120/barrel, as experts do not expect this recent move to have a significant impact on global supply. Where are [oil prices](#) headed in the weeks ahead? Moreover, what energy stocks are the best to snatch up right now?

Oil prices: Where are they headed?

When this month started, I'd discussed whether it was time for Canadians to [take profits](#) in top energy stocks. United States and Iranian negotiators are reportedly getting closer to yet another nuclear deal. This could open the market to a massive trove of Iranian oil. That flood of supply has the potential to drive down prices in the near term. This is something investors need to watch out for in the weeks ahead.

In the meantime, investors must deal with the reality of surging oil prices. That means targeting some of the top energy stocks on the TSX.

Here's a discounted energy stock to snatch up in this climate

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is a Calgary-based company engaged in the acquisition, exploration, development, production, marketing, and sale of crude oil, natural gas, and natural gas liquids. Shares of this energy stock have climbed 38% in 2022 as of late-morning trading on March 9. The stock is up 97% from the previous year.

The company released its fourth-quarter and full-year 2021 results on March 3. Canadian Natural Resources delivered earnings of \$2.53 billion — up from \$749 million in the prior year. Meanwhile, soaring oil prices allowed the company to generate \$3 billion in free cash flow in Q4 2021.

Shares of this energy stock possess a favourable price-to-earnings (P/E) ratio of 11. This stock offers a quarterly dividend of \$0.75 per share, which represents a 3.9% yield.

Two more energy stocks to buy as oil soars

Parkland Fuel ([TSX:PKI](#)) is another Calgary-based company that operates as a marketer, distributor, and refiner of fuel and petroleum products in North America and around the world. This energy stock has dropped 8.4% in the year-to-date period. Its shares are down 16% year over year.

In Q4 2021, Parkland saw net earnings plunge 57% year over year to \$23 million, or \$0.15 per share. For the full year, adjusted EBITDA climbed 30% to \$1.26 billion. Moreover, distributable cash flow per share jumped 35% to \$4.34.

This energy stock offers a monthly distribution of \$0.103 per share, which represents a monster 12% yield.

Tourmaline Oil ([TSX:TOU](#)) is another top oil and gas producer. This energy stock has surged 22% in 2022. Its shares have soared 120% in the year-over-year period.

The company delivered record profit of \$2 billion in the fourth quarter of 2021. Meanwhile, revenues more than doubled to \$1.53 billion. Shares of this energy stock possess a very attractive P/E ratio of eight. Meanwhile, it offers a quarterly dividend of \$0.20 per share. That represents a modest 1.5% yield.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:PKI (Parkland Fuel Corporation)
4. TSX:TOU (Tourmaline Oil Corp.)

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