



2 of the Best Energy Stocks on the TSX Today

Description

With energy prices soaring, the war in Ukraine likely to go on for some time, and inflation already a significant factor in the economy, there's no question that the best stocks you can buy today are the top energy companies on the **TSX**.

Buying energy stocks today is appealing for a couple of reasons. First, it can help Canadians significantly offset increasing prices at the pump and all the inflation that's set to come because of these rising gas prices. However, it also offers an opportunity to gain exposure to stocks that could see their operations continue to grow significantly for some time.

That's why in times like these, where there is a tonne of uncertainty and [volatility](#) in the short term, it's still paramount we keep a long-term mindset.

So while there is an opportunity with energy stocks today, we want to ensure we're still buying the best stocks possible on the TSX. This way, if energy prices unexpectedly reverse, you still own a top-notch business that you can commit to for the long run.

With that in mind, here are two of the best energy stocks that you can buy on the TSX today.

A top ETF providing exposure to the best energy stocks on the TSX today

If you want exposure to energy stocks as the industry sees major tailwinds, one of the best investments to buy is a high-quality energy ETF that offers exposure to several stocks. That's why you might want to consider the **iShares S&P/TSX Capped Energy Index ETF** ([TSX:XEG](#)).

[ETFs](#) are always an excellent choice due to the fact that they help investors reduce single stock risk, which can be especially relevant with energy producers. So with the XEG ETF offering exposure to 22 of the best Canadian energy stocks, it's one of the top investments to buy for exposure to the industry today.

Some of the largest holdings include high-quality companies such as **Canadian Natural Resources** and **Suncor Energy**, two massive Canadian energy producers with diversified operations.

It's not surprising that over the last month, the ETF has gained more than 12% in value. It may not offer the largest returns in the energy industry, but it's an investment that you can have confidence owning long term. So if you're looking for one of the best energy investments on the TSX today, buying an ETF full of the top stocks in the sector is never a bad idea.

A top Canadian gas stock

If you really want to find a high-quality stock that you can own for decades and one with even more upside potential than XEG, **Peyto Exploration and Development** ([TSX:PEY](#)) would be my top recommendation.

Peyto is a low-cost natural gas producer that is well managed and is always taking a long-term approach to operating its business. However, when the energy industry has several tailwinds as it does today, Peyto has proven to be an incredible growth stock.

Much of the reason Peyto can gain so much value when commodity prices are rallying is due to it being one of the lowest-cost producers in the industry. That's also the main reason it's one of the best energy stocks to buy for the long haul.

The fact that it's such a low-cost producer gives it many advantages over its competitors. Plus, because it's a natural gas producer, a fossil fuel that's much cleaner than oil or coal, you can expect Peyto to be ramping up its production for years to come.

And as if you needed any more reasons to consider buying this top energy stock, in addition to all the long-term potential Peyto offers, it also pays a dividend that currently yields over 5.3%. So if you're looking for a top energy stock to buy today, they don't get much better than Peyto.

CATEGORY

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2. Investing

TICKERS GLOBAL

1. TSX:PEY (Peyto Exploration & Development Corp)
2. TSX:XEG (iShares S&P/TSX Capped Energy Index ETF)

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