



What Downturn? These 3 Stocks Could Keep Surging in 2022

Description

The global economy has been shaken up in recent weeks. Sanctions on Russia, rising fuel costs, and supply chain issues in China have left a dent in the capital market. Most stocks have lost value year to date, but some have surged. These outperformers seem to be detached from the chaos and could keep soaring for the rest of the year.

Here are three top winning picks.

Canadian Natural Resources

Canada's largest oil and gas company **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) is a clear winner this year. The stock is up 34.9% year to date. But that performance is only part of the story.

The real story lies in [its dividend yield](#). CNQ currently offers a 4% dividend yield, which is above average for the Canadian stock market. However, the dividend-payout ratio is just 31%, which means the company has been paying less than a third of earnings as dividends.

Earnings, meanwhile, are expected to surge throughout 2022. Experts believe the price of oil and natural gas could remain elevated for the rest of the year, as Russia faces sanctions and other oil-producing nations refuse to ramp up production. Put simply, CNQ's earnings could jump further, giving the management team much more room to expand dividends.

In fact, I wouldn't be surprised if the company announced a special dividend soon.

Nutrien

Fertilizer company **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) has had a similar run this year. The stock is up 36.4% since the year began. It's still trading at just 17.7 times earnings per share, which implies an earnings yield of 5.6%.

Russia is the world's largest fertilizer exporter, which means the supply of this essential material is being disrupted right now. Canada, meanwhile, is the third-largest exporter of fertilizer, and much of it is produced by mega-corporations like Nutrien. The rising cost of potash, phosphate, and nitrogen has helped push Nutrien stock higher this year.

The trend could continue, as countries stockpile fertilizers to ensure their food security. Keep an eye on this stock.

Brookfield Renewable Partners

Energy independence means different things in different places. While Canada produces enough oil and gas to ensure its own energy security, other nations may have to turn to renewable sources to secure their energy supply. India or Germany cannot produce enough oil to meet domestic needs, so the only alternative is nuclear or solar power.

This is why the ongoing oil shock will accelerate the transition to green energy across the world. This thesis seems to be validated by the fact that **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock is soaring. The stock is up 15% year to date.

Brookfield's green energy infrastructure is spread across the world, which makes it a prime beneficiary of this trillion-dollar energy transition. It's also the reason why investors should keep an eye on it for the foreseeable future.

CATEGORY

1. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:NTR (Nutrien)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:NTR (Nutrien)

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