2 Oil Stocks to Buy Before it Spikes Again

Description

Volatile market conditions can easily scare newer investors worried about their immediate investment returns. Seasoned investors with a long-term view of the market can recognize these market trends' impact on short- and medium-term returns across different industries.

Russia's invasion of Ukraine on February 24, 2022, sparked geopolitical tensions. Western nations have imposed heavy sanctions against the world's third-largest oil producer. Commodities have seen prices spike over recent weeks due to these factors, causing significant uncertainty to impact the stock market.

Among these commodities, oil prices have surged to new heights. It remains to be seen how long the uncertainty will continue. Rising oil prices are a concern for consumers, but savvier investors can use this as an opportunity to find and invest in growth stocks benefitting from rising oil prices.

At writing, the benchmark West Texas Intermediate crude oil price is US$96 per barrel, and it could go higher. I will discuss two oil stocks you can consider investing in before oil prices spike again.

Suncor Energy

Suncor Energy Inc. (TSX:SU)(NYSE:SU) is a $56.50 billion market capitalization Canadian integrated energy company headquartered in Calgary. The company specializes in producing synthetic crude oil from its oil sands operations. It is one of the largest integrated energy companies in the country, and it has a lot to gain with positive momentum in oil prices.

The previous slump in oil prices drove the company to pursue greater efficiency in its processes to decrease its per-barrel production costs. Suncor succeeded in its goals, allowing the company to post massive profits as oil prices began rising. At writing, Suncor stock trades for $39.34 per share, and it boasts a juicy 4.27% dividend yield. It might be an ideal time to invest in its shares.

Keyera

Keyera Corp. (TSX:KEY) is a $6.65 billion market capitalization Canadian midstream oil and gas company. Headquartered in Calgary, Keyera is one of the country's largest midstream oil and gas operators. Like its peers in the energy sector, Keyera stock struggled during the oil price slump. Last year saw the company make a significant financial recovery due to the rising oil demand.

A continued recovery in industrial activity, its strong performance across all its business segments, and positive momentum in oil prices mean stellar news for Keyera investors. Keyera stock has not registered significant capital gains this year despite all the positive developments. At writing, Keyera stock trades for $30.10 per share, and it boasts a juicy 6.38% dividend yield. It could be the right time to pick up its shares before oil prices spike again.

Foolish takeaway

WTI crude oil hit US$121 in recent weeks before declining to US$96 at writing. Oil price shocks could persist due to roaring demand for black gold and supply issues resulting from rising geopolitical tensions. While it means you have to contend with hefty bills when you fill up your gas tank, you can take advantage of rising oil prices as a stock market investor.

Higher oil prices, increasing production, and surging demand could provide energy companies with a substantial boost to their financial performances. Greater profit margins for oil producers can translate to improved shareholder returns for their investors. Taking positions in oil stocks could help you capitalize on rising oil prices.

Suncor Energy and Keyera are two such energy stocks that could be ideal for this purpose.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:KEY (Keyera Corp.)
3. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. adamothman
2. jguest

Category

1. Energy Stocks
2. Investing

Date
2025/08/18
Date Created
2022/03/21
Author
adamothman