



## Canada's 3 Awesome Natural Resource Stocks Could Make You Rich

### Description

Canadian stock markets are outperforming the U.S. stock market. This turn of events comes as the Russia-Ukraine war has made commodities the king. Commodities are very volatile and not the [growth stocks](#) to hold for the long term. They are cyclical, as commodity prices depend on demand and supply. And the war has disrupted the supply worldwide.

## Canada's rich natural resources make it a viable alternative to Russia

Russia is a major exporter of oil, natural gas, uranium, wheat, and fertilizers. Due to war-related disputes between Russia and the western countries (the United States, Europe, and Canada), both parties imposed sanctions on each other. Russia won't export, and the western countries won't import Russia's natural resources. Hence, the west is looking for alternatives, Canada is a viable alternative with its rich natural resource reserves.

A range of Canadian stocks would benefit from the supply chain disruption. I have picked three Canadian stocks with strong fundamentals:

- **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#))
- **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#))
- **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#))

## Canadian Natural Resources

Natural resources talk is incomplete without Canada's largest natural resource company, Canadian Natural Resources. It provides oil and natural gas and mostly operates in Western Canada. The United States has imposed sanctions on Russian oil, and Europe has sanctions on Russian natural gas. Europe is in dire need to find an immediate alternative, as it depends on Russia for 39% of its natural gas needs. It has no replacement for Russian gas, which has caused natural gas prices to shoot up.

The United States could come to the rescue and supply natural gas to Europe, especially during winters. Europe was already suffering from natural gas shortage, as climate change affected the output from renewable energy sources. This prolonged supply shortage more than doubled Canadian Natural Resources's stock price in a year. The winter season could see a significant rally in this stock.

## Suncor Energy stock

Canada has the third-largest oil reserves and is a [major oil supplier](#) to the neighbouring country. Canada caters to more than 61% of the United States oil imports. With the sanctions on Russian oil finally in place, Canada is the most viable option for the United States. Canada supplies 99% of its oil exports to the United States, hinting that oil prices are unlikely to fall in the near term.

Suncor is one of the most likely beneficiaries in this situation, as it is the largest integrated oil company in Canada. There is also **Cenovus Energy**, but Suncor has the highest [dividend](#) yield of 4.11%. It will likely announce dividend growth until 2025 to compensate for the dividend cut [announced](#) during the pandemic.

## Cameco stock

Another natural resource common between Canada and Russia is uranium. Canada is the [fourth-largest](#) producer of uranium from mines, while Russia is in seventh place. When the United States imposed sanctions on Russian energy imports, it specifically left out uranium imports. This is because Russia accounts for about 16% of the United States imports.

Russian news agency TASS reported that Russia is considering a ban on uranium exports. Uranium prices have shot up amid this supply uncertainty and rising oil and gas prices. Western countries are looking at nuclear, wind, and solar as alternatives to oil and gas. Among the three options, nuclear is the most reliable source of energy, as it is not affected by climate.

Cameco is Canada's largest publicly traded uranium company and the world's second-largest uranium producer, accounting for 18% of the world's production. Canada is a viable alternative for the United States for Russian uranium, and Cameco is a beneficiary of this renewed situation. This renewed interest in uranium has boosted Cameco stock by 29% year to date.

## Bottom line

All three Canadian natural resource stocks could continue to surge throughout the year and give dividends.

## CATEGORY

1. Energy Stocks
2. Investing

#### **TICKERS GLOBAL**

1. NYSE:CCJ (Cameco Corporation)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CCO (Cameco Corporation)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:SU (Suncor Energy Inc.)

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