



## 2 Canadian Oil Stocks That Have Seen Huge Surges in 2022

### Description

The energy industry is one of the [primary growth drivers](#) for the Canadian economy right now. It boasts one of the biggest energy sectors worldwide. The strength of the Canadian energy sector is a double-edged sword, because energy crises can negatively impact the Canadian financial markets. But when oil prices are going strong, and demand soars, it improves the broader market's performance.

The energy industry has been on a tear since lockdowns began easing up last year. Many of the strongest [growth stocks](#) on the **TSX** have been from the energy sector for several months. Several energy stocks have delivered stellar growth and still boast the potential to deliver much more due to the current geopolitical climate.

Today, I will discuss two such Canadian oil stocks that have seen huge surges so far in 2022.

### Imperial Oil

**Imperial Oil** ([TSX:IMO](#))(NYSE:IMO) is a \$41.94 billion market capitalization Canadian petroleum company headquartered in Calgary. The integrated energy company has upstream and downstream operations that generate significant cash flows. Imperial Oil does not boast the production capacity of some of the biggest oil producers, but it constantly keeps improving its production costs and profit margins.

Its downstream operations are where it enjoys competitive advantages in the industry because it is the largest domestic refining company. It is also the largest retailer of asphalt in Canada. The oil demand spike makes the perfect opportunity for Imperial Oil to deliver stellar growth. Imperial Oil stock trades for \$62.68 per share at writing, and it boasts a 2.17% dividend yield at writing.

### Tourmaline Oil

**Tourmaline Oil** ([TSX:TOU](#)) is a \$19.65 billion market capitalization natural gas liquids company headquartered in Calgary. The company represents itself as a natural gas liquids producer, but it also

boasts significant crude oil production operations. It relies primarily on its position as the top natural gas producer for its price movements on the stock market, but it has benefitted from rising oil prices.

The company is well past the challenges it faced due to the initial onset of COVID-19. The discount in its valuation due to the pandemic-induced crash was nothing compared to the massive boost in its valuation when the energy industry picked up the pace last year. Tourmaline Oil stock trades for \$59.26 per share at writing, and it boasts a 1.35% dividend yield at writing.

## Foolish takeaway

Remember that there is an inherent risk involved with making any investments in the stock market, and [investing in growth stocks](#) carries greater risk. Oil prices began rising last year due to global travel restrictions and lockdowns cooling down. The pent-up demand for traveling led to a huge uptick in energy prices, as oil producers rushed to meet the demand.

Rising geopolitical tensions have left one of the world's largest oil-producing nations in a state of economic limbo. Uncertainty surrounding the Russia-Ukraine war has led to a bigger rise in oil prices, but the factors could just as easily turn oil prices on their head.

Suppose that you are willing to assume the risk that comes with investing in oil stocks and remain bullish on oil prices. In that case, Tourmaline stock and Imperial Oil stock could make viable investments for you to consider.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)
3. TSX:TOU (Tourmaline Oil Corp.)

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