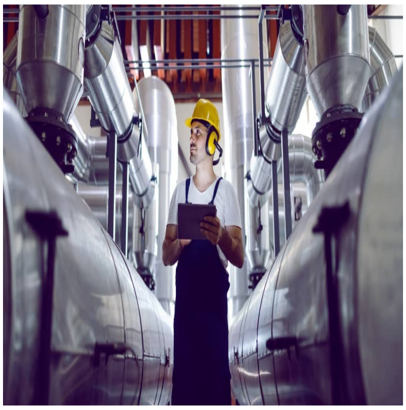

Canadians: Should You Take Profits in These Energy Stocks?

Description

The oil and gas bull market kicked into overdrive after Russia's invasion of Ukraine on February 24, 2022. NATO and European allies responded with historic sanctions that sought to target Russia's economy and its wealthiest citizens. Moreover, soaring inflation in the Western world has also propped up prices at the pump. Canada's top energy stocks have erupted in response to these conditions. However, oil prices have softened somewhat in recent weeks. Central banks are also pursuing an aggressive rate-tightening policy that could impact broader prices. Is it time to take profits in Canada's top energy stocks?

Here's why I'm still holding onto this top energy stock in April

Suncor (TSX:SU)(NYSE:SU) is a Calgary-based integrated energy company. Shares of this super energy stock have climbed 24% in 2022 as of close on April 12. The stock has shot up 60% in the year-over-year period.

Canadian investors should not be worried about recent fluctuations. Suncor is a company that has its long-term security more than wrapped up. Indeed, its management boasted that its oil sands business could last for another century. Renewable power providers have experienced solid growth over the past decade, but recent events have shown how crucial oil and gas supply remains in the present day.

This energy stock last possessed a favourable price-to-earnings (P/E) ratio of 14. In January, Suncor doubled its quarterly dividend back to its 2019 level of $0.42 per share. That represents a solid 4% yield. I'm still looking to hold Suncor stock well into the future.

This oil producer looks overbought right now

Imperial Oil (TSX:IMO)(NYSE:IMO) is another top energy stock that is engaged in exploration, production, and sale of crude oil and natural gas. Its shares have jumped 37% in the year-to-date period. The stock has shot up nearly 105% from the same period in 2021. Imperial Oil has put together a phenomenal performance, but investors should be worried about overheating in a choppy market.

In 2021, the company delivered a net income swing of $4.33 billion to $2.47 billion for the full year — up from a net loss of $1.85 billion in a very challenging 2020. Imperial Oil posted its highest chemical earnings and upstream production in over three decades. Better yet, it increased its quarterly dividend payout by 26% to $0.34 per share. This represents a 2.1% yield.

Shares of this energy stock still have an attractive P/E ratio of 18. It last possessed an RSI of 70. That means Imperial Oil is in technically overbought territory. Canadians may want to take profits in this top energy stock today.

One more energy stock to watch this spring

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) is the third and final energy stock I want to zero in on today. This company is also engaged in the acquisition, exploration, development, production, marketing, and sale of crude oil, natural gas, and natural gas liquids. Shares of this energy stock are up 48% in 2022. The stock has surged 114% year over year.

Like its peers, this company has hugely benefited from the surge in oil and gas prices. For the full year, the company reported a whopping $30.1 billion in total revenues. Meanwhile, it posted net earnings of $7.66 billion. This was up from $16.9 billion and a net loss of $435 million in 2020.

This energy stock last had a favourable P/E ratio of 12. It last had an RSI of 62, putting it just outside overbought levels. Investors should consider gobbling up profits in Canadian Natural Resources in the middle of April.

CATEGORY

1. Energy Stocks
2. Investing

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3. NYSEMKT:IMO (Imperial Oil Limited)
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Date
2025/08/16
Date Created
2022/04/13
Author
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