



## ALERT: Are Energy Stocks Headed Lower This Week?

### Description

The Russian invasion of Ukraine on February 24, 2022, has sparked a geopolitical crisis and general chaos in the energy sector. NATO allies and European nations looked to exact significant sanctions on the Russian economy in response to the aggression. This threatened to cut off and disrupt one of the world's leading oil and gas suppliers. Canadian energy stocks rose sharply in response and oil and gas prices soared. However, volatility has recently [reared its head](#) in the energy sector. Today, I want to discuss this phenomenon and look at two top Canadian energy stocks that will likely be impacted.

### Why energy stock investors have seemingly turned bearish in late April

Back in early March, I'd [recommended](#) that investors look to take advantage of the oil bull market. At the time, the price of WTI crude has surged above the US\$120 mark. It is trading below US\$100/barrel as of pre-market open on April 25. Meanwhile, the price of Western Canadian Select (WCS) also surged above the \$100/barrel mark. It was priced at \$87/barrel at the time of this writing. Predictably, Canadian energy stocks have been negatively impacted.

There are several developments that have led to bearish sentiment in the oil space. A dip in Chinese demand has had an impact. However, the fears of a global economic slowdown have almost certainly been the most significant factor. The International Monetary Fund (IMF) slashed global growth forecasts in the face of the Russia-Ukraine war.

### Where are Canada's top energy stocks heading?

The **S&P/TSX Capped Energy Index** fell 1.9% on Friday, April 22. This occurred on the same day that the TSX suffered a 464-point loss. Canadians need to keep an eye on the top domestic energy stocks.

**Suncor** ([TSX:SU](#))([NYSE:SU](#)) is one of the largest integrated energy companies in Canada. Shares of this energy stock fell 4.2% week over week as of close on April 22. The stock was still up 23% in the

year-to-date period.

In 2021, Suncor benefited from soaring oil and gas prices. Net earnings rose to \$4.11 billion in 2021 — up from a net loss of \$4.31 billion in the previous year. Shares of Suncor still possess a very solid price-to-earnings ratio of 14. It offers a quarterly dividend of \$0.42 per share, which represents a 4% yield.

**Imperial Oil** ([TSX:IMO](#))(NYSE:IMO) is another top energy stock that investors should watch this week. Its shares have plunged 4.4% week over week. Imperial Oil stock is still up 30% so far this year.

Investors can expect to see its first-quarter fiscal 2022 results on April 29. In 2021, the company delivered net income of \$2.47 billion — up from a net loss of \$1.85 billion in 2020. Meanwhile, Imperial Oil saw annual upstream production reach a 30-year high.

## Should you bail on this sector before May?

Back on April 13, I'd suggested that investors may want to [take profits](#) in some of the top energy stocks. The situation looks even more precarious for this sector today. Fortunately, it is not too late for Canadian investors to take profits in a volatile market.

### CATEGORY

1. Energy Stocks
2. Investing

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2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:IMO (Imperial Oil Limited)
4. TSX:SU (Suncor Energy Inc.)

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