



## Top TSX Stocks to Consider as Natural Gas Price Races to US\$10

### Description

You must have heard that inflation has been hitting multi-decade highs this year. And that's prominently because of rising crude oil and natural gas prices. While oil has soared a notable 65%, gas has been up a massive 210% since last year!

This week, natural gas prices soared beyond US\$9 MMBtu (million British thermal units) — its 14-year high. Interestingly, natural gas prices are expected to remain strong, at least in the short term, thanks to rapidly rising demand and a supply crunch.

### Natural gas prices to remain strong

The natural gas price is a function of its demand and supply. The price rises during economic growth due to higher demand or due to a supply disruption caused by a hurricane.

This time, a war in Europe has been mainly behind the recent surge. Natural gas is one of the vital commodities Russia exports to the European Union. Several European countries are considering banning Russian energy by the end of this year, which would wipe out a significant chunk of supply in already tight markets. Moreover, a higher demand due to colder weather expectations has also driven [natural gas prices](#) higher.

So, there is a high possibility that we might have to shell out more at the gas stations. But while consumers are concerned about rising costs, energy producers are sitting on a cash pile. Canadian energy producers saw record profit growth during the first quarter of 2022, which doubled or, in some cases, tripled over last year.

Thus, it makes sense for investors to jump on board and bet on TSX natural gas stocks. Their reliable dividends and potential for solid capital gains should outperform markets in 2022.

Here are two TSX natural gas stocks to bet on as prices rise.

## Tourmaline Oil

**Tourmaline Oil** ([TSX:TOU](#)) is Canada's biggest natural gas-producing company. Since the pandemic, the company saw a massive recovery in its earnings and margins due to increased scale and operational efficiency. Then came the natural gas price rally, which was a double delight for its investors.

Tourmaline has created immense value for its shareholders in the last few years. The management has notably upped the [dividend game](#), and thus, the stock has risen 170% since last year.

More than Q1 2022, Tourmaline will likely see much superior earnings growth in Q2 2022. So, investors can expect faster deleveraging for TOU and more dividend hikes.

Tourmaline is certainly firing on all cylinders this year. The stock could continue to soar higher, driven by solid earnings growth potential, an improving balance sheet, and rising natural gas prices.

## Enbridge

Top energy midstream stock **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) could also be an interesting bet. Its pipeline network moves about 20% of natural gas consumed in the U.S.

Enbridge stock might not replicate rising natural gas prices as Tourmaline could. However, it is still a stable pick for income-seeking investors because of its handsome dividends. Moreover, rising gas prices will likely motivate producers to drill more, ultimately increasing business opportunities for companies like ENB.

ENB stock yields 6% — way higher than [TSX energy stocks](#) on average. Its earnings stability and low-risk business model make it an apt bet for conservative investors.

### CATEGORY

1. Energy Stocks
2. Investing

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2. TSX:ENB (Enbridge Inc.)
3. TSX:TOU (Tourmaline Oil Corp.)

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