3 Canadian Energy Stocks You Won’t Regret Buying Today

Description

A recent rally in oil prices has taken most Canadian energy stocks higher in the last few months, helping the main Canadian market index outperform its U.S. peers. As supply concerns remain intact amid growing demand, you could expect the prices of energy products to remain firm. That’s one of the reasons why investors may want to consider adding some quality energy stocks to their portfolio now.

Interestingly, most large energy companies also reward their investors with attractive dividends. In this article, I’ll highlight three such energy stocks long-term investors can add to their portfolios today.

Suncor Energy stock

Suncor Energy (TSX:SU)(NYSE:SU) is one of the most popular Canadian integrated energy firms with a market cap of about $71.6 billion. The recent oil rally has significantly expanded its profit margins as the company reported an adjusted net profit margin of around 20.4% in the March quarter compared to just 8.6% a year ago and 11.6% in the previous quarter. While its total revenue in Q1 jumped by 56.3% YoY (year over year), its adjusted earnings reflected a massive 292% YoY increase.

The shares of Suncor Energy have already risen by nearly 60% in 2022 so far. But the stock still may keep soaring, as the demand for energy products continues to recover from pandemic lows — hugely benefitting energy companies like Suncor. This energy stock currently has a dividend yield of about 3.6%.

Gibson Energy stock

Gibson Energy (TSX:GEI) is a Canadian energy company that mainly focuses on providing infrastructure for the storing, processing, and gathering of liquids and refined energy products. It currently has a market cap of $3.8 billion as its stock trades with 15% year-to-date gains at $25.83 per share.

The energy company kicked off 2022 on a positive note, with its marketing operations helping it post a steady first quarter. With this, Gibson Energy's total revenue in Q1 2022 jumped by 67% YoY to $2.7 billion. Similarly, its adjusted earnings for the quarter rose by 59% from a year ago to $0.35 per share.

While Gibson's profit margins might not directly benefit from surging commodity prices, consistently rising demand for energy products could help its business grow faster, making this energy stock attractive to buy now. Apart from these positive fundamental factors, its stock also offers a handsome 5.7% dividend yield.

Parex Resources stock

Parex Resources (TSX:PXT) could prove to be another hidden gem for long-term investors seeking exposure to the energy sector. The shares of this Canadian oil and natural gas company have risen by 27% this year so far to $25.86 per share, as surging oil prices continue to boost its growth outlook. PXT stock has a dividend yield of 3.4% right now.

After registering a more than 69% YoY rise in its total revenue in 2021, Parex posted a solid 68% revenue jump in the first quarter this year. A strong commodity price environment also pushed its adjusted earnings for the quarter higher by 258% YoY to $1.29 per share. Its management's continued focus on growing production and free funds flow further should help Parex Resources maintain its strong financial growth in the long run and deliver strong returns to investors.

CATEGORY

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2. TSX:GEI (Gibson Energy Inc.)
3. TSX:PXT (PAREX RESOURCES INC)
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