



Why Imperial Oil (TSX:IMO) Stock Jumped 7.7% Last Week

Description

The **S&P/TSX Capped Energy Index** moved up 1.64% to close out the week on May 27. In late February, I'd looked at top energy stocks to scoop up as oil and gas prices remained strong. That momentum kicked into high gear after Russia's invasion of Ukraine on February 24. **Imperial Oil** ([TSX:IMO](#))(NYSE:IMO), a Calgary-based company that is engaged in exploration, production, and sale of crude oil and natural gas in Canada, has been a great pick in this climate.

Today, I want to discuss how the stock has performed a month removed from its first-quarter earnings release. Let's jump in.

Energy stocks have bounced back nicely in the middle of spring

Imperial Oil stock climbed 7.7% last week as of close on May 27. Its shares have increased 50% so far in 2022. Better yet, the stock is up 74% in the year-over-year period. Canadian energy stocks like Imperial Oil have been a fantastic hold since the beginning of 2021. The sector has benefited from a return to form for the global economy as well as key geopolitical pressures.

Oil and gas prices surged as the European Union has pushed harder to place an embargo on Russian oil. However, there is still fierce debate on the continent that has grown reliant on Russian oil and natural gas. That said, tensions have steadily increased over the course of the brutal Russia-Ukraine conflict. A peaceful resolution is as remote as ever, and NATO powers have further committed to providing billions in military aid to Ukraine.

Earlier this month, I'd suggested that investors snatch up energy stocks as the sector was set to regain momentum. It is not too late to take advantage of this recent surge.

How does Imperial Oil look after its recent earnings release?

Imperial Oil unveiled its first-quarter 2022 earnings on April 29. Like its peers, this company benefited from surging oil and gas prices. The company generated net earnings of \$1.17 billion, or \$1.75 per

share, in Q1 2022 — up from \$392 million, or \$0.53 per share, in the previous year. Meanwhile, total revenue rose to \$12.6 billion compared to \$7 billion in the first quarter of 2021.

The company has moved to take advantage of the oil and gas bull market. Management stated that refinery throughput averaged 399,000 barrels per day. That was up from 364,000 barrels per day in the first quarter of 2021. Moreover, capacity utilization rose to 93% compared to 85% in the previous year. Cash flows from operating activities rose to \$1.04 billion over \$423 million in Q1 2021. It achieved its highest first-quarter upstream production in three decades.

Should you buy Imperial Oil stock today?

Shares of Imperial Oil possessed a price-to-earnings ratio of 15 as of close on May 27. It currently offers a quarterly dividend of \$0.34 per share. That represents a modest 1.9% yield. I'm still looking to snatch up top energy stocks like Imperial Oil in this bull market.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/08/16

Date Created

2022/05/30

Author
aocallaghan

default watermark

default watermark