



## Top Energy Stocks to Buy Now Amid Canada's Oil Boom

### Description

Canadian investors shouldn't flinch in the face of recent volatility. While 2022 could end the year in the red, perhaps with deeper losses on the TSX Index and S&P 500, I think that the [energy](#) bull market is likely to continue stronger. Indeed, the Ukraine-Russia conflict is fueling surging oil prices. With WTI (West Texas Intermediate) rocketing above US\$120 this week, questions linger as to when the blow-off top will be.

As you know, commodities, especially oil, are incredibly volatile and tend to move big time based on macro news. Undoubtedly, peace talks between Russia and Ukraine could cause a blow-off top in the price of oil. However, many Canadian investors who threw in the towel on energy names in the early part of 2020 may have a reason to get back in, even at higher prices.

Top energy stocks aren't just a way to ride momentum to greater gains. They offer great dividends and are still dirt-cheap based on their profitability prospects!

## Oil stocks have made many contrarian investors rich, and they're likely just getting started

Further, they're a vital hedge in a market like this. Yes, renewable and green energy plays are the future. But as I've stated in numerous prior pieces, we're likely more than 10 years away from a world where green energy begins to really take off. Green energy is in short supply and it's going to take a heck of a lot more investment before it can reduce the world's dependence on oil. Further, with rates on the rise, investments in forward-looking projects may take a bit of a hit, even as firms look to clean up their energy sources.

Energy stocks are here to stay.

## Is it too late to buy oil stocks after such a run?

Probably not.

Heck, even *CNBC*'s Jim Cramer is a big fan of the oil plays these days, even though he stated they were in the "death knell" stage back in 2020, when nobody would touch anything fossil fuel related with a 10-foot pole! Indeed, Cramer went from bear to bull at the drop of a hat.

Still, many Canadian investors have likely yet to change their stances as a result of the momentum. It's easy to deem that you missed it and move on. However, I believe oil plays a vital role in any portfolio. It's not a mystery as to why the big money is so bullish on energy plays these days. Energy may be the only way to secure a positive return this year or next.

## CNQ stock: A top TSX energy stock that could get cheaper as shares soar

Currently, I'm a fan of **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), Canada's big-energy top dog. The stock has essentially gone parabolic in recent months, surging more than 56% year to date. Can the momentum continue? I'd argue that it can, given the cash flows on the horizon.

A higher-for-longer environment, I believe, has not been fully factored in, and there's a good reason for this. Oil is volatile, and it could find itself below US\$100-per-barrel in a week if the right cards fall into place. At the same time, oil could make a run past US\$150. That's an unthinkable level, but if the Ukraine-Russia situation worsens, we could easily see such heights. And arguably, such levels aren't nearly as bad as they were in the stagflationary days of the 1970s when inflation is taken into account.

Should oil continue its run, look for CNQ stock to surge to even higher highs. At just shy of 11 times trailing earnings, the 3.5%-yielding \$100 billion energy behemoth remains a great value and a critical hedge for investors who lack commodity exposure.

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