2 Stocks to Buy as Gasoline Hits Record Highs

### Description

It is no secret that gas prices have never been higher than they are right now. The average price for a litre was $1.95 over the last three months, up 50% from last year. At writing, the average price has climbed to $2.30 per litre, and it might continue going higher. Each visit to the gas station seems more expensive when you fill up the car.



Higher prices mean more pressure on the end consumer, resulting in significant challenges for consumer-facing companies, as their customers take measures to reduce their expenses. However, not all businesses are suffering from losses due to higher gas prices. Companies that make money with operations related to oil and gas are booming right now.

We are in the middle of a bear market right now, but investors who want to protect their capital might want to consider investing in energy stocks to get some measure of respite from the situation. Here are two energy stocks you can consider adding to your self-directed portfolio for this purpose.

## Suncor Energy

**Suncor Energy** (TSX:SU)(NYSE:SU) is a $68.45 billion market capitalization integrated energy company headquartered in Calgary. The company specializes in the production of synthetic crude oil through its oil sands operations, and it is enjoying a significant boost in its financial performance due to better refining margins.

The company owns and operates three refineries in Canada and one in the United States. 40% of its cash flow comes through its refinery operations.

The company's integrated structure means that all its business verticals are delivering substantial free cash flows and improving its profitability. Suncor Energy trades for $47.66 per share at writing and boasts a 3.94% dividend yield. This year has been fantastic for Suncor Energy so far, and higher profit margins will likely continue driving its profitability to greater heights.

# Canadian Natural Resources

**Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) is an $84.04 billion market capitalization senior oil and natural gas company headquartered in Calgary. The company boasts some of the top assets for natural gas and crude oil, and it has a long and stable historical performance. However, things have been significantly better for the Canadian energy giant this year, owing to the oil boom.

Canadian Natural Resources stock trades for $71.99 per share at writing and boasts a juicy 4.17% dividend yield. The demand for crude oil is substantial, and rising gas prices have yet to put a dent in pent-up demand. Its cash flows and returns are booming right now, and it could prove to be a lucrative asset for investors after its recent-most pullback.

# Foolish takeaway

Theoretically speaking, the entire situation should result in significant payouts for investors who own shares of major energy stocks. It is possible that the payouts might continue to grow in the coming months, as energy companies enjoy more substantial profits due to high gas prices. Rising crude oil prices have also been driving better returns for energy companies.



However, macroeconomic factors could still mean that investing in energy stocks is risky. The top energy stocks are going through a pullback at writing. It remains to be seen how things progress in the coming weeks. Investors bullish on the energy industry's strength can consider the pullback as an opportunity to invest in energy stocks like Suncor Energy and Canadian Natural Resources stock at a discount.

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adamothman