



3 Oil Stocks That Have Plunged at Least 5.55% in 1 Month

Description

The year isn't over, but it seems the **TSX** might be hard-pressed to match its 21.74% total return in 2021. As of July 15, 2022, the index is losing 13.33% thus far in 2022. In the same stretch last year, the index's year-to-date gain was already 15.8%, thanks to the comeback of the [energy sector](#) from the oil slump in 2020.

Oil stocks are frontrunners for most of this year, although the sector's gain is down to 25.86% from almost 70% in Q1 2022. The energy sector lost 5.32% in one week due to uncertainties in the oil market. Crude prices are seesawing in response to tightening monetary policies by central banks and recession fears.

Individually, **Imperial Oil** ([TSX:IMO](#))(NYSE:IMO) declined 5.55% to \$54.30 in five days. Oil bellwether **Suncor Energy** ([TSX:SU](#))(NYSE:SU) and high flyer **Cenovus Energy** ([TSX:CVE](#))(NYSE:CVE) plunged 7.33% and 9.04%, respectively, within the same period. Should investors ditch the three oil stocks before their share prices drop further?

Dividend Aristocrat

Imperial Oil remains stable amid the market chaos. At its current share price, the year-to-date gain is a respectable 20.33%. Income investors who have long held this stock aren't fearful, despite the declining price because the 2.5% dividend should be safe and uninterrupted.

The \$34.57 billion oil major and **Exxon Mobil** subsidiary is a Dividend Aristocrat. Apart from its dividend track record of over 100 years, management has raised its dividends for 27 consecutive years. The \$1.17 billion net income in Q1 2022 was Imperial Oil's highest first-quarter income in more than 30 years.

More importantly, cash flow from operating activities increased 83.2% to \$1.91 billion versus Q1 2021. Imperial Oil's Brad Corson, chairman, president, and CEO, Brad Corson, said, "With strong margins across all our businesses, we are very well positioned to continue generating substantial free cash flow this year."

Accident and CEO resignation

Suncor's decline was primarily due to a workplace accident on July 6, 2022, leading to Mark Little's resignation as president and CEO. Michael Wilson, its board chairman, said, "Suncor is committed to achieving safety and operational excellence across our business, and we must acknowledge where we have fallen short and recognize the critical need for change."

The energy stock's performance in 2022 has been steady. At \$39.32 per share, the trailing one-year price return is 48.14%, while the year-to-date gain is 26.72%. Suncor regained investors' confidence in 2021 when the dividend returned to pre-pandemic levels. Management slashed the payouts by 55% in 2020.

Increasing payout

Cenovus Energy remains a high flyer, notwithstanding the recent pullback. The current share price of \$21.23 is 100.7% higher than a year ago. Also, current investors enjoy a 37.6% year-to-date gain on top of the 2.02% dividend.

In Q1 2022, net income increased 638.6% to \$1.62 billion versus Q1 2021. Because of the 209.3% year-over-year increase in free funds flow to \$1.83 billion, the \$42.07 billion integrated energy company will triple its base dividend starting in Q2 2022.

Winning stocks

Imperial Oil, Suncor Energy, and Cenovus Energy are winning stocks in 2022, although the downward trend is concerning. However, the companies should overcome an economic downturn due to strengthened balance sheets and financial positions.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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Date

2025/07/03

Date Created

2022/07/18

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