



Trending: The Top Canadian Energy Stocks That Are Booming Right Now

Description

The pandemic was hard on the entire market and economy, but it didn't hit all sectors the same way. The energy sector, for example, was decimated in the beginning since a significant portion of the world's population stayed indoors.

And both national and international travel was reduced to a mere fraction of pre-pandemic levels. That meant demand for fuel slumped hard. Oil prices dropped to negative territory in April 2020.

However, it didn't last long. The Canadian energy sector index on the **TSX** started climbing in November 2020, and its recovery-fueled growth was much more pronounced than other sectors.

Between November 2020 and June 2022, the index grew over 320%, which is significant for such a heavy-weight sector. The growth seemed especially promising because before the pandemic hit, the sector was mostly going down (since the 2014 peak).

After a 28% slump in about one and a half months, the sector is recovering again. One mid-cap and one large-cap energy stock are among the top growers in this sector.

A mid-cap energy stock

Vermilion Energy ([TSX:VET](#))([NYSE:VET](#)) is a Calgary-based international energy producer with a market capitalization of \$5.4 billion. It's riding the growth wave with the rest of the sector and has grown almost 260% in the last year alone.

But, the market value is still less than half of what it was at its 2014 peak, and it's currently undervalued. So, it may experience more growth than other energy stocks and could be heading towards a correction soon.

The stock dipped almost 30% in June, but it's already recovered from the slump, growing at a decent pace – 35% in the last thirty days. Three months at this pace and this stock could double your capital. It pays dividends, but the yield is a paltry 0.72%, so this shouldn't be a deciding factor.

Dividends aside, the company's international operations, spread over three markets – North America, Europe, and Australia is a solid reason to invest in this energy stock.

A large-cap energy company

Another top energy stock that's booming right now is **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)). The recent slump was harder on this stock than many others, and it fell by about 36%. Even though the stock has yet to reach its June peak, the pace of its recovery is promising.

The yield, while not very attractive at 1.7%, should still be taken into account. That's because if the stock keeps recovering at a decent pace for the next few months, the yield will become even smaller.

Cenovus Energy is also trading at a significant (40%) discount from its 2014 peak. And if the current bullish phase pushes the stock up to peak levels, you might see decent gains from your investment in this energy giant.

The company's core focus is oil sands, and it's a pioneer in Steam-Assisted Gravity Drainage (SAGD) technology, which is used to access oil sands while maintaining a relatively low surface-area footprint. This provides the company with an edge over oil sand developers and producers using less efficient technologies.

Foolish takeaway

If the current bullish phase is similar to the post-pandemic one, these two [energy stocks](#) can offer decent gains in a matter of months. The current market uncertainty, driven mainly through OPEC+ (Organization of the Petroleum Exporting Countries) supply projections, is pushing oil prices up. Consequently, energy stocks are rising too. Once this catalyst is no longer at play, stocks may normalize or even change course.

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