
3 Great Momentum Stocks You Should Buy Today!

## Description

The selloff in the TSX likely would have extended to six days on September 2, 2022, if not for the news from the oil front. Energy stocks saved the day, as they reacted positively to reports of a potential cut back in oil production. The Organization of Petroleum Exporting Countries (OPEC) are worried about falling oil prices.

default watermark

OPEC agreed on a modest production increase (100,000 barrels per day) for September. Unfortunately, oil prices posted their biggest monthly loss of the year in August. Thus, Saudi Arabia, the cartel's biggest producer, suggested an output reduction to drive prices higher again.

Meanwhile, **Vermilion Energy** (TSX:VET)(NYSE:VET), **Enerplus** (TSX:ERF)(NYSE:ERF), and **Cenovus Energy** (TSX:CVE)(NYSE:CVE) advanced the most on Friday. If OPEC decides to cut back production and oil prices remain relatively high, the three energy stocks will likely keep soaring.

# Massive gains

Given its trailing one-year price return of 320.99%, Vermilion Energy has rewarded investors with massive gains. Also, the momentum stock is handily beating the broader market year to date (+120.29% versus -9.20%). The current share price of $34.87 could still soar under a favourable pricing environment.

The reward to investors was sweeter with the return of capital framework and a 33% dividend increase. Moreover, the plan is to return an increasing amount of capital to shareholders as debt levels decrease. Management said it has a clear line sight to achieving the next debt target of $1.2 billion by the end of 2022.

In the first half of the year, Vermilion's free cash flow (FCF) increased 273.59% to $644.27 million versus the same period in 2021. The $5.72 billion international energy producer expects to generate shareholder value over the long-term through its globally diversified asset base.

## Compelling free cash flow profile

Enerplus, a $4.74 billion independent exploration and production company in North America, focuses on unconventional, organic growth opportunities. Its president and chief executive officer (CEO), Ian C. Dundas, said, “Enerplus is in a solid financial position with a compelling free cash flow profile (estimated $800 million).”

Because of the impressive financial results after two quarters in 2022, management will increase the cash returns to shareholders by least 60% of FCF in the second half of this year. The minimum commitment this year is $425 million through dividends and share repurchases. Enerplus also announced dividend increase of 16%.

At 20.41 per share, this energy stock pays a modest 1.25% dividend. Like Vermilion, Enerplus outperforms the TSX with its 54.33% year-to-date gain.

## Return to normal operating rates

Cenovus is a high flyer too and continues to soar. The year-to-date gain is now 61.14%. Market analysts covering this energy stock recommends a buy rating. Their 12-month average price target is $32.41, or a 30.37% climb from its current share price of $24.86. The dividend offer is 1.74%.

default watermark

In the second quarter (Q2) of 2022, the $48 billion integrated oil and natural gas producer generated free funds flow of $2.27 billion. The amount is 77% higher compared to Q2 2021. Its president and CEO Alex Pourbaix said Cenovus is well positioned for even better performance in the second half of 2022, as the assets return to operating at normal rates across the portfolio.

## Unstoppable momentum

Momentum is on the side of Vermilion, Enerplus, and Cenovus. You can buy any of the energy stocks for massive capital gains and growing dividends in the near term.

**CATEGORY**

1. Energy Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:ERF (Enerplus Corporation)
3. NYSE:VET (Vermilion Energy)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:ERF (Enerplus)
6. TSX:VET (Vermilion Energy Inc.)

**PARTNER-FEEDS**

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

**PP NOTIFY USER**

1. cliew
2. kduncombe

**Category**

1. Energy Stocks
2. Investing

**Date**
2025/08/16
**Date Created**
2022/09/05
**Author**
cliew

default watermark

default watermark