



The Rise of 3 Top-Performing Energy Stocks Isn't Over Yet

Description

The TSX continues to draw strength from the [energy sector](#) in the fourth quarter (Q4) of 2022, despite the decision of the Organization of Petroleum Exporting Countries (OPEC) and its allies to cut production output by two million barrels per day. While Canada's primary stock market is down 8.25% year to date, the energy sector outperforms with a 57.63% positive gain.

Crew Energy ([TSX:CR](#)), **Tourmaline Oil** ([TSX:TOU](#)), and **Obsidian Energy** ([TSX:OBE](#)) are among the top performers, but it seems their upward momentum isn't over yet. As of this writing, the year-to-date gains are 99.95%, 100.15%, and 130.52%, respectively.

Record operating and financial results

Crew Energy remains a strong buy at \$5.71 per share. Market analysts covering the stock have a 12-month average price target of \$8.70 — a potential upside of 52%. The \$894.45 million growth-oriented natural gas and liquids producer deserves attention following the record operating and financial results in Q2 2022.

In the three months ended June 30, 2022, natural gas and condensate production increased 33% and 84% year over year to 158 mmcf (million cubic feet) and 5,570 barrels per day, respectively. Crew's net income reached \$88.7 million compared to the \$23.1 million net loss in Q2 2021.

Also, the \$172.4 million cash from operating activities in the first half of 2022 represents a 212% increase from last year. The strong commodity pricing environment and returns-focused capital program should help Crew maintain its outperformance.

Capital gain plus dividend

Tourmaline also carries a buy recommendation from market analysts for its strong showing in 2022. Based on their forecasts, the current share price of \$74.96 could still climb 28% to \$95.58 in 12months. The overall return should be higher to include the modest 1.20% dividend yield.

The \$25.24 billion company is Canada's largest and most active natural gas producer. In Q2 2022, management reported a record free cash flow (FCF) of \$1.1 billion, enabling the payment of a special dividend. Tourmaline's net earnings ballooned 96% to \$822.94 million versus Q2 2021.

Management also increased its full-year 2022 EP (exploration & production) capital budget to \$1.5 billion to reflect the EP program in the second half of the year and serve as a contingency for inflation.

Massive returns

Had you invested \$20,000 in Obsidian Energy a year ago, your money would be worth \$50,041.67 today. The \$986.64 million company explores, produces, and develops oil and natural gas properties in the Western Canada Sedimentary Basin. According to management, the 2022 development program recorded significant production growth from its Peace River, Pembina, and Willesden Green assets.

In Q2 2022, funds flow from operations (FFO) climbed 271% to \$157 million compared to Q2 2021. Obsidian will continue to execute its development program until the rest of this year while focusing on further reducing debt and leverage levels.

TSX30 winners

Crew Energy (third), Tourmaline Oil (eighth), and Obsidian Energy (second) belong to the TSX30 List in 2022. The 14 energy stocks that made this year's top 30 [growth stocks](#) are proof of the sector's resurgence due to the strong energy demand and rising commodity prices.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CR (Crew Energy)
2. TSX:OBE (Obsidian Energy)
3. TSX:TOU (Tourmaline Oil Corp.)

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

2025/08/14

Date Created

2022/10/31

Author

cliew

default watermark

default watermark