# 4 Top TSX Energy Stocks to Buy Right Now

**Description**

Energy is the only primary sector among 11 that is in a bull run. The year-to-date gain of 65.3% is higher than the 41.8% annualized return in 2021.



If you were to buy energy stocks right now, the top choices are **Canadian Natural Resources** (TSX:CNQ), **Vermilion Energy** (TSX:VET), **Athabasca Oil** (TSX:ATH), and **Journey Energy** (TSX:JOY). All four stocks should sustain and extend their strong momentums in 2023 if commodity prices remain elevated.

## Sector heavyweight

Canadian Natural Resources is among the sector's heavyweights. The $95.17 billion senior oil and natural gas production company continues to benefit from the favourable pricing environment this year. Its net earnings after three quarters in 2022 soared 83.5% year over year to $9.41 billion.

Its chief financial officer Mark Stainthorpe said, "The combination of our leading financial results and our top-tier asset base provides unique competitive advantages which drive substantial cash flow generation and shareholder returns." In the nine months that ended September 30, 2022, adjusted funds flow rose 66.2% to $15.61 billion versus the same period in 2021.

Because of the strong balance sheet and financial flexibility, the board approved a 13% dividend hike. If you invest today, CNQ trades at $82.45 per share (+62.33% year to date) and pays an attractive 4.12% dividend.

## Dividends are back

Vermilion Energy was a dividend beast in pre-pandemic until management had to suspend payouts in 2020 due to the oil slump. However, the $5.36 billion oil and gas producer resumed dividend payments in April 2022. The current dividend yield is a modest 0.98%. But at $32.68 per share, the energy stock is up 107.05% year to date.

Management will present its third-quarter results this week, although market analysts expect strong numbers like in the first half of 2022. While net earnings fell 32% to $646.57 million after two quarters, funds flow from operations increased 152% year over year to $842.77 million.

Because the chances of achieving its next mid-cycle debt target are high, management intends to return an increasing amount of capital to shareholders. It added that dividends will remain a key component of Vermilion's return of capital framework. The goal is to provide a resilient and increasing base dividend for shareholders.

## High flyers

High-flyers Athabasca Oil and Journey Energy are price friendly and ideal for cost-conscious investors. At $2.92 and $6.15 per share, respectively, the year-to-date gains are 145.38% and 127.78%. While both energy stocks are non-dividend payers, there's plenty of room for further capital gains.



In the nine months that ended September 30, 2022, Athabasca's net income rose 12.4% to $82.6 million versus the same period in 2021. Notably, free cash flow climbed 89% to $127.5 million. This $1.71 billion low-leveraged oil stock has a low-decline, oil-weighted asset base.

Journey's net income of $93.6 million in the first three quarters of 2022 was only $93.6 million. However, despite the 39% year-over-year decline, the $356 million exploration and production company is confident about its long-life stable production.

With the acquisition of the petroleum and natural gas assets of Enerplus, management expects to end 2022 with adjusted funds flow of up to $108 million.

## Winning stocks

Most investors with investment appetites and in buying modes this month will surely pick winning stocks from the energy sector.

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1. Energy Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:ATH (Athabasca Oil Corporation)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:JOY (Journey Energy Inc.)
4. TSX:VET (Vermilion Energy Inc.)

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