



3 No-Brainer Oil Stocks to Buy in November 2022

Description

2022 has been a bear market year for stock markets worldwide. As of this writing, the **S&P/TSX Composite Index** is down by 12.44% from its 52-week high after recently coming close to its 52-week low. Most stocks across the board have consistently declined this year. Regardless of the macroeconomic environment, one sector of the Canadian economy boasting stocks has outperformed the rest of the market.

[Energy stocks](#) have done surprisingly well this year. While the Canadian benchmark index is down by a substantial margin year to date, the **S&P/TSX Capped Energy Index**, the energy sector's sub-segment in the stock market, is up by a massive 60% in the same period. A few energy stocks have performed even better.

Energy stocks across the border have also performed better than the largely tech-heavy **S&P 500 Index**. Today, I will discuss three oil stocks you should consider adding to your portfolio to leverage the North American energy sector's strength.

Cenovus Energy

Cenovus Energy ([TSX:CVE](#)) is a \$55.12 billion market capitalization Canadian integrated energy company. Headquartered in Calgary, the oil and natural gas company primarily creates value by developing its oil sands assets while producing conventional energy products. As of this writing, Cenovus stock trades for \$28.49 per share, up by 75% year to date. It also boasts a 1.47% dividend yield deflated by the stellar growth in its share prices this year.

The energy company's performance has been terrific at a time most stocks are performing poorly. Cenovus benefits from higher oil prices and has taken full advantage of it in 2022. Its recent-most quarter saw the company bring in \$19.16 billion in sales, up by 80% from the same period last year. Provided oil prices stay strong, it can only mean better news for Cenovus Energy shareholders in the coming months.

Baytex Energy

Baytex Energy ([TSX:BTE](#)) is a \$4.16 billion market capitalization oil and gas corporation headquartered in Calgary. Baytex primarily engages in acquiring and developing facilities that let it produce crude oil and natural gas in the Western Canada Sedimentary Basin and Eagle Ford in the United States. As of this writing, Baytex stock trades for \$7.55 per share, up by almost 90% year to date.

Lower oil prices last year were devastating for the entire energy sector, but Baytex Energy's massive debt load made its decline on the stock market more pronounced. The large interest on its debt payments increased financial pressure on the company. Higher energy prices have allowed the company to improve its balance sheet and pay off some debt. The good news has sent its share prices soaring, and it still appears to have room to grow.

Occidental Petroleum

Occidental Petroleum ([NYSE:OXY](#)) is a US\$68.25 billion market capitalization American company engaged in hydrocarbon exploration in the U.S. and the Middle East. It also boasts petrochemical manufacturing operations in the U.S., Chile, and Canada. As of this writing, Occidental stock trades for US\$73.27 per share, up by a massive 135.90% year to date. It has shown the most growth among the three energy stocks, and for good reason.

Energy companies with refining operations tend to see some of their profits decrease amid rising oil prices due to weaker profit margins. Occidental stock has no refining operations, allowing the oil company to benefit greatly from rising energy prices and outperform the rest of the energy sector. It can be an excellent addition to your portfolio at current levels.

Foolish takeaway

These three market-beating energy stocks can be excellent additions to your investment portfolio to leverage the energy sector's strength amid a weak overall market. With Cenovus stock, you also can earn a passive income through its shareholder [dividends](#). Baytex stock has grown as rapidly as the other Canadian energy stock. It continues improving its balance sheet, making it a more attractive asset.

Occidental Petroleum stock has shown the most significant year-to-date growth of the three energy stocks, and it can be the perfect stock to own if you want exposure to American energy stocks.

CATEGORY

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2. NYSE:OXY (Occidental Petroleum Corporation)
3. TSX:CVE (Cenovus Energy Inc.)

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