



## 2 Top Energy Stocks to Buy Right Now

### Description

2022 has been a tough year to be a stock market investor. Between the economic pressure created by inflation, rising interest rates, and geopolitical tensions, equity markets have seen significant downturns this year.

As of this writing, the **S&P/TSX Composite Index** is down by 5.30% year to date and 9.46% from its 52-week high after its recent upward trend. The Canadian benchmark index's performance reflects the state of the overall economy and market.

However, the Canadian energy industry has outperformed the broader market. The **S&P/TSX Capped Energy Index** is up by 58.94% year to date, but it is down by 6.28% from its 52-week high at writing. Based on how the industry has fared better than the rest of the market, it might make sense to consider investing in [Canadian energy stocks](#) right now.

Today, I will discuss two of the top Canadian energy stocks to have on your radar if you're looking for viable investments from the oil and gas industry.

### Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#)) is a \$25.81 billion market capitalization Canadian pipeline company. It owns and operates a portfolio of energy transportation and storage infrastructure and is responsible for delivering natural gas, oil, and other traditional energy products from Western Canada.

Unlike many other energy stocks, it does not produce the commodities itself. Rather, Pembina Pipeline offers a service to energy-producing companies, generating income based on its services. It means the cyclical nature of commodity prices impacts its revenue less than energy producers.

As of this writing, Pembina Pipeline stock trades for \$46.50 per share and boasts a juicy 5.61% dividend yield. Its shares are down by 13.21% from its 52-week high, making it an attractively priced stock.

There is a significant demand for natural gas in European markets, and companies like Pembina Pipeline are well positioned to capitalize on it.

Provided the European energy demand remains high and the volume of natural gas shipped to the region stays healthy, Pembina Pipeline stock could be an excellent addition at current levels.

## Tourmaline Oil

**Tourmaline Oil** ([TSX:TOU](#)) is a Canadian energy company based in Calgary. With a market capitalization of \$27.03 billion, Tourmaline stock primarily engages in the exploration, development, and extraction of crude oil and natural gas. The company is the largest natural gas producer in Canada, making it an excellent investment for exposure to the essential commodity.

As of this writing, Tourmaline Oil stock trades for \$80.04 per share and boasts a 1.25% dividend yield. It is up by an astounding 90.62% year to date but still down by 5.08% from its 52-week high. The company's management has used its strong performance well, reducing its net debt to \$565 million.

It has even freed up 90% of its free cash flow that it can pay out as special dividends to its shareholders. If natural gas prices remain stable, it could be an excellent asset for Canadian investors to buy at current levels.

## Foolish takeaway

It's no secret that the world is slowly phasing out fossil fuel reliance to move to cleaner and greener energy sources. However, it will take time for renewable energy to replace traditional energy commodities completely.

Despite everything that happens, natural gas and LNG demand will likely remain strong. Investing in companies with significant operations related to these energy commodities can prove profitable in the long run.

Between the strong energy industry performance and reliable shareholder dividends, these two [dividend stocks](#) from the Canadian energy sector could be good investments right now.

### CATEGORY

1. Energy Stocks
2. Investing

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2. TSX:TOU (Tourmaline Oil Corp.)

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