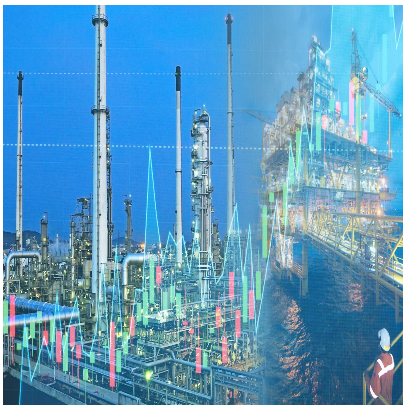

2 Energy Stocks You Can Buy Right Now to Play the EV Boom

Description

Canadian energy stocks were on fire in the first half of 2022. Oil and gas prices soared on the back of improved demand in the aftermath of the COVID-19 pandemic. Moreover, Russia's invasion of Ukraine stirred global concerns over oil and gas supply. That momentum petered out in the second half of the year.

Today, I want to zero in on two energy stocks that are looking to diversify in order to bolster their long-term prospects. This could help companies avoid overexposure to price volatility in the oil and gas space. In this article I will focus on the electric vehicle (EV) market.

Why should investors seek exposure to the EV market?

The EV market has reached a new phase in this decade. A flurry of top automobile manufacturers moved to unveil an EV alternative in response to a global push for renewables and consumer demand.

Beyond Market Insights recently estimated that the global EV market was worth approximately US$178 billion in 2021. The market researcher projects that this market will reach a valuation of US$1.10 trillion in 2028. That would represent a compound annual growth rate (CAGR) of 22% between 2022 through to 2030.

Market researcher Fortune Business Insights estimated that the global EV market was worth much more at US$246 billion in 2020. It forecasts that this market will rise from US$287 billion in 2021 to US$1.31 billion by 2028. This would represent a CAGR of 24%.

How this top oil and gas producer is moving into the EV space

Imperial Oil (TSX:IMO) is the first energy stock I'd target today. This Calgary-based company is engaged in the exploration, production, and sales of crude oil and natural gas in Canada. Shares of this energy stock have surged 51% in 2022 as of close on December 7.

In October 2022, Imperial Oil announced that it had begun a collaboration with FLO. This Quebec-based company that manufactures EV charging stations for property managers, business owners, and employers. The agreement will see the two companies develop a charging service option at Imperial's Esso and Mobil-branded wholesalers.

This energy stock currently possesses a very favourable price-to-earnings (P/E) ratio of 7.3. Imperial Oil offers a quarterly dividend of $0.44 per share. That represents a 2.4% yield.

This energy stock can be trusted for the long haul, as it commits to renewables

Enbridge (TSX:ENB) is the second energy stock that Canadians should look to snatch up in the first half of December. The Calgary-based energy infrastructure company is the largest in North America. Its shares have increased 8.2% in the year-to-date period.

This energy infrastructure giant has also sought exposure to the EV space. Last decade, Enbridge partnered with Hunt Electric, Minnesota Power, and other municipalities to develop solar-powered electric vehicle charging stations for public use in the region. The facility is expected to have a 25-year lifespan.

Shares of this energy stock last had an attractive P/E ratio of 19. Enbridge offers a quarterly distribution of $0.887 per share, which represents a tasty 6.6% yield.

CATEGORY

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