



Is Cenovus Stock a Buy in February 2023?

Description

Over the past three years, the earnings of companies in the energy sector have increased by 50% annually. These businesses' revenues have also increased by 19%. Indeed, these incredible results indicate that energy stocks are moving in the right direction. Of course, rising commodities prices have a lot to do with these improved fundamentals.

Various analysts point to an optimistic outlook for Canadian energy equities, despite popular forecasts of a recession in 2023, because they believe that oil demand in China is returning to normal. That thesis certainly makes sense and is one I think could drive energy prices higher in the near term.

Accordingly, for those looking for the best way to play this trend in 2021, **Cenovus Energy** ([TSX:CVE](#)) is certainly a top stock to pay attention to.

Let's dive into whether Cenovus stock is a buy right now.

Cenovus made a \$100,000 donation to Influence Mentoring

Let's start with a heart-warming story that has positive financial implications for investors.

Influence Mentoring Society recently announced that Cenovus Energy has donated \$100,000 to its cause. Cenovus has supported Indigenous-led initiatives for more than 10 years, and this investment shows how seriously the firm takes promoting reconciliation.

Thanks to financing from Cenovus, more students from throughout the nation will be able to participate in Influence's free mentoring program. Influence Mentoring is an organization run by Indigenous peoples that helps ambitious Indigenous post-secondary students build relationships with business innovators, leaders, and artists. Cenovus has promised to support Influence by offering staff the chance to take part as mentors as well as making a financial donation.

Cenovus will gain from the expansion of the Trans Mountain Pipeline

The eagerly anticipated Trans Mountain pipeline extension project will start operating later this year, most likely in the fourth quarter. Cenovus stock is likely to benefit from its expansion, being able to ship more of its product to refineries.

Of course, investing in the communities in which Cenovus operates remains key to the company's success. Thus far, Cenovus's management team seems to take to heart the concerns of its constituents and is among the best energy stocks in this regard, in my view.

More share repurchases coming

Cenovus's normal course issuer bid (NCIB) to buy up to 136,717,741 common shares over a 12-month period beginning on November 9, 2022, and ending on November 8, 2023, has been renewed. This share-buyback program, which delivers capital to shareholders in a tax-efficient way, has been cheered by investors.

Of course, the company is also a substantial dividend payer, and is also reducing the debt on its balance sheet. Thus, overall, this is a stock I think long-term investors certainly want to consider here.

Bottom line

Cenovus is certainly a stock I think long-term investors want to consider right now. Yes, commodity prices are likely to be volatile. However, for those looking for exposure to this sector, there are few better plays in the Canadian market right now.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CVE (Cenovus Energy Inc.)

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. chrismacdonald
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/08/11

Date Created

2023/02/10

Author

chrismacdonald

default watermark

default watermark