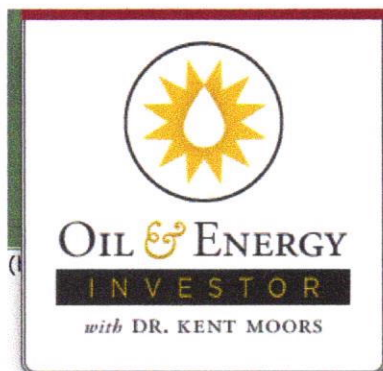


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Invest in Oil: Who, What, Why?

Posted on November 16, 2017 (<https://oilandenergyinvestor.com/acq/invest-in-oil-who-what-why/>) by OEI Staff (<https://oilandenergyinvestor.com/acq/author/staff/>)

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- While stocks are a popular way to invest, investors may also choose to invest in oil ETFs and futures contracts as well to diversify their portfolios.
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Many factors drive the price of oil, including supply and demand, geo-political circumstances, natural disasters, and speculation, to name a few.

Navigating the oil industry can be confusing for investors given the volatility that often comes with this market. However, the oil industry has long been an attractive one for investors, both novice and experienced, thanks to oil investing's capability of providing a means to hedge funds and take advantage of global demand. Considering the possibility that oil prices (<https://oilandenergyinvestor.com/>) may be bottoming out – if they haven't already – oil may be a very attractive type of investment to make today.

Who can invest in oil?

Anyone who is looking to hedge their funds, collect a regular income, and take advantage of global growth should consider investing in oil. One of the more effective ways to offset the future effects of rising oil prices is to invest in oil stocks today in an effort to hedge against this inevitable increase in price. Top oil stocks include the likes of Exxon Mobil Corp. (NYSE: XOM), or even oil ETFs like the Energy Select SPDR

ETF (NYSEMKT: XLE).

Many investors appreciate the sizeable income streams that they collect from oil stocks, which is often the main reason for investing in this particular sector. Before the most recent oil-price crash, oil stocks were pumping out billions of dollars to investors every year through dividends and distributions. Even after the crash, some oil stocks continued to pay out generously, including Exxon Mobil Corp. (NYSE: XOM) and Valero Energy (NYSE: VLO).

Investors who are looking to capitalize on the massive demand for oil should consider buying into this commodity. Oil demand is expected to grow exponentially and is anticipated to average over 97 million barrels a day in 2017. It's expected that the demand for oil will continue to rise well into the foreseeable future, fueled by emerging-market economies.

Who should invest in oil and gas?

Investors who are looking for long-term passive income and robust ROI potential should seriously look into investing in oil (<https://moneymorning.com/2017/03/17/how-to-invest-in-oil-for-double-digit-profits-in-2017/>) and gas. Despite the low price of oil these days, participating directly in oil and gas can still provide investors with the benefit of reaping the returns that rival the majority of market-based investments. More innovative technology and the shift to developmental drilling have lowered the investment risk associated with these commodities.

Those seeking to protect their investment portfolios from short-term market volatility would also be wise to consider oil investing. Energy investments are hard assets with a very low correlation to stocks and bonds. Exploration and production-based oil investments provide investors with the opportunity to benefit from potentially higher returns compared to other traditional investments.

Which oil company do I invest in Singapore?

Crude oil prices (<https://www.eia.gov/todayinenergy/detail.php?id=29532>) have taken a beating over the last few years, sending shockwaves all over the world, including Singapore. While it remains to be seen exactly when prices will rise again, according to historical oil price cycles, they inevitably will. Such a scenario creates real potential to get into the market while prices are low and ride the wave as prices begin to take off again at some point.

There may be real opportunities to buy stocks from oil companies listed on the Singapore Stock Exchange (SGX). There are currently 31 oil and gas stocks listed on the SGX to consider investing in.

Successful oil companies stick around and capture shares from the losers who inevitably leave the market after an extended crisis. Any company that's able to show positive returns throughout a five-year stagnant time frame for oil proves that their earnings are still increasing. Five years is a significant period for stock prices to reflect the fundamentals of oil companies.

During the time period when oil prices tumbled, the following companies on the SGX managed to grow their earnings and capture market share from stocks whose prices dropped dramatically:

- Ezion (SGZ: EZI)
- SBI Offshore (SGX: SPL)
- Gaylin (SGX: GHL)
- MTQ (SGX: M05)

- Interra Resource (SGX: 5GI)
- Keppel (SGX: BN4)
- Sembcorp Industries (SGX: U96)

Which oil company do I invest in 2015?

As with any other type of investment, going long on a stock requires sound research on the company. The fundamentals of a company must be thoroughly studied in order to gauge how healthy the financials, management, debt, and balance sheets are. This is true for any sector, including the oil industry.

While oil prices have taken a beating over the recent past, there's good news in the industry recently, as OPEC slashed production and oil companies have started drilling again. Having said that, certain oil companies may warrant a closer look as potential candidates to invest in based on asset quality, scale leadership, and the ability to efficiently and effectively finance future growth. These traits represent the ideal combination of competitive attributes:

- Chevron Corp. (NYSE: CVX)
- Exxon Mobile Corp. (NYSE: XOM)
- Concho Resources Inc. (NYSE: CXO)
- Pioneer Natural Resources Co. (NYSE: PXD)
- Halliburton Co. (NYSE: HAL)
- Kinder Morgan Inc. (NYSE: KMI)
- Valero Energy Corp. (NYSE: VLO)

What stocks invest in oil?

The energy sector can be extremely profitable, which is why many investors set their sights on oil companies when looking to invest. With that, there are certain things to consider before choosing which oil stocks to invest in.

Dividends – It's important to choose a company that can withstand bearish oil markets, which we've been immersed in over the past few years. Large companies with solid balance sheets are able to stay

standing throughout such turmoil while still churning out sizeable payouts to their investors.

Fundamentals – There are certain questions you should ask yourself before buying stocks from an oil company, including:

- What does the company's balance sheet look like?
- What kind of debt do they have, and is it manageable?
- What do analysts say about any future revenue growth?
- What types of assets does the company have?

Present state of the market – In a bullish oil market, investors may fare better with "upstream" companies, including drillers and producers, who have a greater incentive to drill and profit from higher prices. In a bearish market, investors may do better with refiners, who tend to earn a higher profit when oil prices are down.

What do I invest in oil?

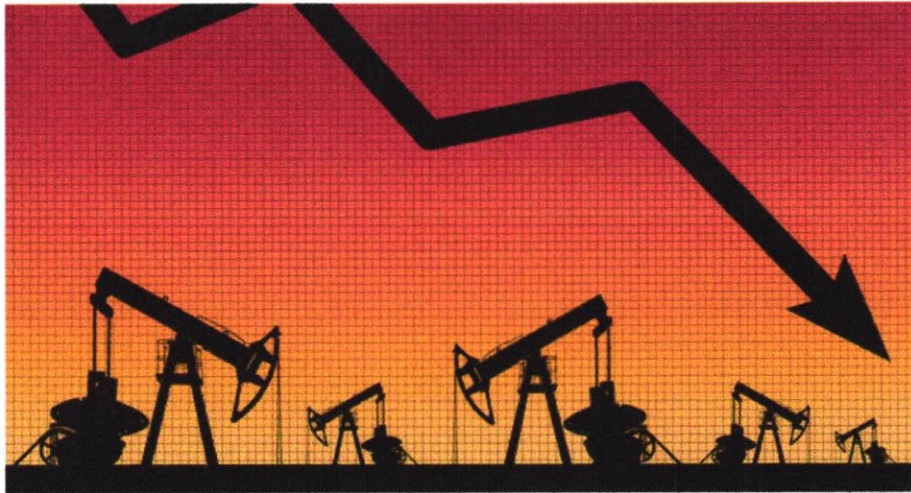
When investing in oil, there are different vehicles that can be chosen:

Oil stocks – Stocks are the more obvious choice for investors, especially if they are able to spot a stock that's well priced and poised to spike in the near future. By finding the right company to invest in, buying oil stocks can prove to be a sound way to add to an investment portfolio.

Oil ETFs – Exchange-traded funds offer investors another way to invest in the oil market. If you are unable to find the right company to dedicate a large chunk of capital to, you might want to buy an oil ETF that trades like a stock on an exchange but offers exposure to a variety of names in the same industry.

Oil futures contracts – This type of investing strategy is not for the faint of heart or for those with little capital and a low risk tolerance. Essentially, an oil futures contract is a legal agreement to purchase the commodity at an agreed-upon price at a certain time in the future. Oil futures can be very complicated and risky, which is why it's best left to highly experienced investors with an appetite for risk.





Given the low price of oil as of late, it may a great time to get into the market at a discount and benefit from subsequent increases in the near future.

Which fidelity funds invest in oil?

Fidelity Investments is involved in managing a variety of mutual funds and provides advice on fund investments. The Fidelity® Select Energy Portfolio (MUTF: FSENX) fund focuses on capital appreciation and generally invests at least 80 percent of assets in securities of companies that mainly have to do with the energy industry, including oil.

This particular fund is involved in investing in domestic and foreign oil firms and is centered on common stocks. The fund's risk management efforts are robust and involve analyzing the fundamentals of each company's financial background and position within the industry, as well as an in-depth look into economic and market conditions.

Why should I invest in oil?

There are three main reasons why you should consider investing in oil:

Passive income – Buying low and selling high isn't the only way to make money in the stock market. Many oil companies provide investors with handsome dividend payouts that investors can enjoy as passive income. Even during the recent fallout of oil, the more robust oil companies like Exxon Mobile Corp. (NYSE: XOM) are still paying out high dividends to its investors.

Hedge against market fluctuations – Considering the fact that oil is a hard asset without a large correlation to stocks and bonds, oil investments may be the ideal way to protect your loan portfolio from short-term market fluctuations. Portfolios with ownership in an oil investment can help to buffer against fluctuating market conditions and inflation.

Attractive tax incentives – Investors may be able to benefit from tax incentives from the IRS as an encouragement to invest in domestic oil and gas production companies.

Why you should invest in oil?

Few investment options provide the opportunity to take advantage of attractive tax incentives like oil. The IRS offers investors tax incentives to entice private investments in the realm of domestic oil and gas production.



Oil pumpjacks in a desert landscape.

Why should I invest in oil?

Oil is a vital resource for the world's economy. It is used to power transportation, industry, and electricity. The demand for oil is growing rapidly, and it is expected to remain high for many years to come. Investing in oil can provide a steady stream of income and a hedge against inflation.

There are several ways to invest in oil. You can buy shares of oil companies, invest in oil funds, or buy oil futures. Each method has its own risks and rewards. It is important to do your research and consult with a financial advisor before making any investment decisions.

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Approximately 60 to 80 percent of well costs can be fully deductible in the first year as intangible drilling costs. The rest of the amount will be categorized as tangible costs and can be depreciated over time. Not only that, 15 percent of the gross cash flow of a property is tax-free thanks to a depletion allowance. This can translate into a 100 percent deduction of costs associated with leasing, sale, legal services, administrative services, and accounting requirements.

Why should I invest in oil and gas?

Energy is a healthy market for investment, for many reasons. For starters, the sheer size of the energy market makes for a very fertile one. In fact, it's considered the most valuable market sector across the globe at a current value of approximately \$7 trillion. The delivery of usable energy forms to the global population is responsible for about 10 percent of the world's annual gross domestic product.

Another solid reason to invest in oil and gas is the anticipated future growth of this sector. It's expected that global energy demand will expand by over 30 percent by 2035. By that time, oil demand across the globe will hover around the 100 million barrels per day mark as the number of vehicles being driven will double to about 1.7 billion.

In order to effectively meet these soaring energy demands, \$37 trillion will need to be invested in production and supply infrastructure in the energy industry over the next few years. More than half of that amount will be needed by the oil and gas market for increases in exploration, transportation, and production.

Why invest in Canadian oil and gas?

Canada may be a viable option when it comes to determining where to invest in oil and gas. Canada's oil and gas producers are optimistic that 2017 will bring about growth in exploration and production. Fueling the revenue growth will be a combination of factors, including new growth projects, higher commodity prices, and efficiency gains in production.

Perhaps two of the biggest reasons that you should consider investing in Canadian oil and gas companies are their cost-cutting efforts and contribution to advancing drilling and extraction technology. Slashing operational costs will keep more money in their pockets, which they can then put towards developing the innovative technology required for fracking purposes to extract harder-to-reach shale oil.

Why invest in olive oil?

There is currently a unique investment opportunity in the production, distribution, and sale of olive oil. Global demand for olive oil is on the upswing and the supply chain that's required to provide good quality oil to the world's population is improving and expanding. Investors can take advantage of the myriad of offshore investment opportunities associated with this increase in olive oil demand.

The best investment opportunities for olive oil seem to be in the North African area of the Mediterranean Basin as a result of the expansion of olive production here. Nations such as Algeria are inviting and encouraging olive oil investment. In addition, investing in any areas where consumers are becoming more mindful of heart health and are realizing the importance of high-quality olive oil in achieving optimal health may also be wise, and that includes on domestic soil.

Why not invest in oil?

While there are plenty of reasons why oil might make a sound investment today, there are also some reasons why you may want to steer clear of oil – for now, anyway.

A downward move could be on the horizon as the correlation of oil with an inverted U.S. dollar has hit a historical low following a rather large diversion since mid-2016. Should a return of correlation arrive, it

could spark a sell-off and drive the price of oil down even further. A similar situation occurred both in 2010 and 2012. While the circumstances surrounding these other scenarios aren't necessarily comparable, it's still vital to analyze the situation when the correlation is this low.

Why invest in palm oil?

The palm oil industry has a few attractive economic characteristics that might prompt investors to want to potentially consider investing in this realm. With the global demand for palm oil consistently increasing over time alongside an increase in world population, investing in the palm oil industry is an attractive option for investors.

Crops have shown to be highly profitable and favorable over the years. The palm oil industry has shown solid crop economics – obviously, one of the best ways for crop growers to boost returns is to increase productivity per unit area of land. One of the benefits that palm oil has over other types of oil crops is that it's efficient – it produces a much higher average oil yield in comparison to other crops.

As the harvested fruits of palm oil plantations continuously yield healthy crops, palm oil stocks that pay out dividends will provide their investors with a steady stream of sizeable income.

Why invest in Tullow Oil?

Tullow Oil (LSE: TLW), which focuses on the exploration of oil in Africa, has taken a beating lately with the cost of shares in the company tanking in early 2017. Yet despite this, there are still a few reasons why Tullow Oil may be bullish very soon.

For starters, the company has managed to maintain an impressive exploration track record thanks largely to its recent discovery in Northern Kenya. In addition, Tullow Oil's capital expenditure budget is dropping as the firm gets close to completing the initial phase of an oil project off of Ghana's coastline. And as production is anticipated to spike this year, it's expected that the company will generate healthy cash flows that will help it pay down its debt.



Investors can realize long-term passive income in the form of dividends when investing in robust oil and gas companies.

Why invest in Canadian oil sands?

Canada's oil industry may be on the edge of a new investment cycle as oil settles into a US \$50 to \$60 per barrel range. With lower operational costs and advanced technologies, Canadian oil sands investments can

price range. With lower operational costs and advanced technologies, Canadian oil sands investments can generate healthy investment performances. Many companies in the Canadian oil sands industry can stay financially viable in this price range, with the capability of staying positive with cash flow and holding their production levels well into the future.

Investors may want to focus their attention on oil sands operations that come with high-quality assets, strong balance sheets, and the highest potential for cash flow when oil prices remain flat. Canadian Natural Resources (NYSE: CNQ) and Suncor Energy (NYSE: SU) seem to fit the bill.

Why invest in crude oil?

From a long-term investment point of view, investing in crude oil can bring about sizeable returns for the savvy investor, and there are plenty of reasons for this.

Peak oil is here for the long haul – Much of the oil wells to explore that were somewhat easy to extract oil from have been depleted, which means that just about all the oil resources that can still be explored will need further investment, additional effort, and more innovative technology. Take shale oil, for instance, which required new advances in fracking technology to extract oil. That means it will cost more to explore and is a great reason to go bullish on crude oil for the long-term.

Global population continues to grow – The increasing purchasing power of people – especially in places where the population is growing faster than in others, such as in Asia – means more vehicles on the road, and therefore more oil consumption. Over the long term, oil will continue to have strong demand.

We're far from having an alternative that replaces oil – Eventually, we may see some other type of energy that could potentially replace oil, but such a scenario is unlikely to happen in the near future, which is yet another reason to go long on oil.

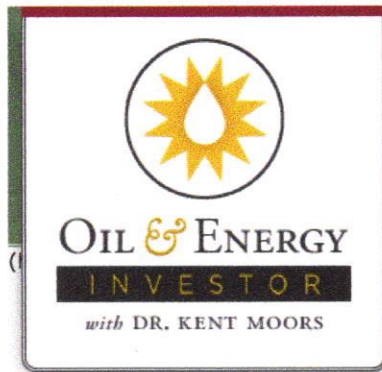
Why invest in oil production?

The fundamentals surrounding smart investing suggest looking for industries or companies that are selling low and are most likely to increase in the near future. Oil prices have been very low for some time now, prompting speculators to wonder if this is the bottom. If so, there's nowhere to go but up. On the oil exploration and production front, many maintain the view that oil prices and the exploration and production (E&P) sector may be technically bottoming. While it's still important to remain cautious, oil and E&P stocks appear to be oversold and could realize a significant snap back. Some potential candidates for investing in today include:

- Energen Corp. (NYSE: EGN)
- Pioneer Natural Resources Co. (NYSE: PXD)
- Diamondback Energy Inc. (NASDAQ: FANG)
- Cabot Oil & Gas Corp. (NYSE: COG)

Why invest in oil drilling?

Investing in drilling companies isn't always a popular choice when the [price of oil](http://www.cnbc.com/2017/05/01/oil-edges-down-as-libya-output-hits-highest-since-2014.html) (<http://www.cnbc.com/2017/05/01/oil-edges-down-as-libya-output-hits-highest-since-2014.html>) is down; however, there are certain drilling companies that could potentially make sound investment choices, even amidst our current low-oil-price environment.



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Invest in Oil: Who, What, Why?

Posted on November 16, 2017 (<https://oilandenergyinvestor.com/acq/invest-in-oil-who-what-why/>) by OEI Staff (<https://oilandenergyinvestor.com/acq/author/staff/>)

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Navigating the oil industry can be confusing for investors given the volatility that often comes with this market. However, the oil industry has long been an attractive one for investors, both novice and experienced, thanks to oil investing's capability of providing a means to hedge funds and take advantage of global demand. Considering the possibility that oil prices (<https://oilandenergyinvestor.com/>) may be bottoming out – if they haven't already – oil may be a very attractive type of investment to make today.

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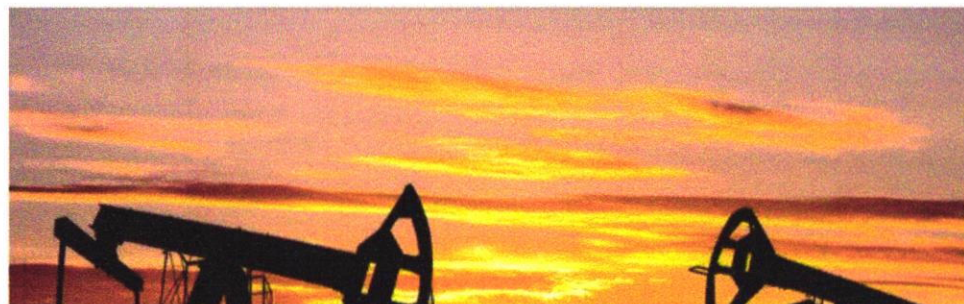
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Singapore. While it remains to be seen exactly when prices will rise again, according to historical oil price cycles, they inevitably will. Such a scenario creates real potential to get into the market while prices are low and ride the wave as prices begin to take off again at some point.

There may be real opportunities to buy stocks from oil companies listed on the Singapore Stock Exchange (SGX). There are currently 31 oil and gas stocks listed on the SGX to consider investing in.

Successful oil companies stick around and capture shares from the losers who inevitably leave the market after an extended crisis. Any company that's able to show positive returns throughout a five-year stagnant time frame for oil proves that their earnings are still increasing. Five years is a significant period for stock prices to reflect the fundamentals of oil companies.

During the time period when oil prices tumbled, the following companies on the SGX managed to grow their earnings and capture market share from stocks whose prices dropped dramatically:

- Ezion (SGX: EZI)
- SBI Offshore (SGX: SPL)
- Gaylin (SGX: GHL)
- MTQ (SGX: M05)
- Interra Resource (SGX: 5GI)
- Keppel (SGX: BN4)
- Sembcorp Industries (SGX: U96)

Which oil company do I invest in 2015?

As with any other type of investment, going long on a stock requires sound research on the company. The fundamentals of a company must be thoroughly studied in order to gauge how healthy the financials, management, debt, and balance sheets are. This is true for any sector, including the oil industry.

While oil prices have taken a beating over the recent past, there's good news in the industry recently, as OPEC slashed production and oil companies have started drilling again. Having said that, certain oil companies may warrant a closer look as potential candidates to invest in based on asset quality, scale leadership, and the ability to efficiently and effectively finance future growth. These traits represent the ideal combination of competitive attributes:

- Chevron Corp. (NYSE: CVX)
- Exxon Mobile Corp. (NYSE: XOM)
- Concho Resources Inc. (NYSE: CXO)
- Pioneer Natural Resources Co. (NYSE: PXD)
- Halliburton Co. (NYSE: HAL)
- Kinder Morgan Inc. (NYSE: KMI)
- Valero Energy Corp. (NYSE: VLO)

What stocks invest in oil?

The energy sector can be extremely profitable, which is why many investors set their sights on oil companies when looking to invest. With that, there are certain things to consider before choosing which oil stocks to invest in.

Dividends - It's important to choose a company that can withstand bearish oil markets, which we've been immersed in over the past few years. Large companies with solid balance sheets are able to stay standing throughout such turmoil while still churning out sizeable payouts to their investors.

Fundamentals - There are certain questions you should ask yourself before buying stocks from an oil company, including:

- What does the company's balance sheet look like?
- What kind of debt do they have, and is it manageable?
- What do analysts say about any future revenue growth?
- What types of assets does the company have?

Present state of the market - In a bullish oil market, investors may fare better with "upstream" companies, including drillers and producers, who have a greater incentive to drill and profit from higher prices. In a bearish market, investors may do better with refiners, who tend to earn a higher profit when oil prices are down.

What do I invest in oil?

When investing in oil, there are different vehicles that can be chosen:

Oil stocks - Stocks are the more obvious choice for investors, especially if they are able to spot a stock that's

well priced and poised to spike in the near future. By finding the right company to invest in, buying oil stocks can prove to be a sound way to add to an investment portfolio.

Oil ETFs - Exchange-traded funds offer investors another way to invest in the oil market. If you are unable to find the right company to dedicate a large chunk of capital to, you might want to buy an oil ETF that trades like a stock on an exchange but offers exposure to a variety of names in the same industry.

Oil futures contracts - This type of investing strategy is not for the faint of heart or for those with little capital and a low risk tolerance. Essentially, an oil futures contract is a legal agreement to purchase the commodity at an agreed-upon price at a certain time in the future. Oil futures can be very complicated and risky, which is why it's best left to highly experienced investors with an appetite for risk.



Given the low price of oil as of late, it may be a great time to get into the market at a discount and benefit from subsequent increases in the near future.

Which fidelity funds invest in oil?

Fidelity Investments is involved in managing a variety of mutual funds and provides advice on fund investments. The Fidelity® Select Energy Portfolio (MUTF: FSENX) fund focuses on capital appreciation and generally invests at least 80 percent of assets in securities of companies that mainly have to do with the energy industry, including oil.

This particular fund is involved in investing in domestic and foreign oil firms and is centered on common stocks. The fund's risk management efforts are robust and involve analyzing the fundamentals of each company's financial background and position within the industry, as well as an in-depth look into economic and market conditions.

Why should I invest in oil?

There are three main reasons why you should consider investing in oil:

Passive income - Buying low and selling high isn't the only way to make money in the stock market. Many oil companies provide investors with handsome dividend payouts that investors can enjoy as passive income. Even during the recent fallout of oil, the more robust oil companies like Exxon Mobile Corp. (NYSE: XOM) are still paying out high dividends to its investors.

Hedge against market fluctuations - Considering the fact that oil is a hard asset without a large correlation to stocks and bonds, oil investments may be the ideal way to protect your loan portfolio from short-term market fluctuations. Portfolios with ownership in an oil investment can help to buffer against fluctuating market conditions and inflation.

Attractive tax incentives - Investors may be able to benefit from tax incentives from the IRS as an encouragement to invest in domestic oil and gas production companies.

Why you should invest in oil?

Few investment options provide the opportunity to take advantage of attractive tax incentives like oil. The IRS offers investors tax incentives to entice private investments in the realm of domestic oil and gas production.

Approximately 60 to 80 percent of well costs can be fully deductible in the first year as intangible drilling costs. The rest of the amount will be categorized as depletable costs and can be depreciated over time. Not only that, 45 percent

rest of the amount will be categorized as tangible costs and can be depreciated over time. Not only that, 15 percent of the gross cash flow of a property is tax-free thanks to a depletion allowance. This can translate into a 100 percent deduction of costs associated with leasing, sale, legal services, administrative services, and accounting requirements.

Why should I invest in oil and gas?

Energy is a healthy market for investment, for many reasons. For starters, the sheer size of the energy market makes for a very fertile one. In fact, it's considered the most valuable market sector across the globe at a current value of approximately \$7 trillion. The delivery of usable energy forms to the global population is responsible for about 10 percent of the world's annual gross domestic product.

Another solid reason to invest in oil and gas is the anticipated future growth of this sector. It's expected that global energy demand will expand by over 30 percent by 2035. By that time, oil demand across the globe will hover around the 100 million barrels per day mark as the number of vehicles being driven will double to about 1.7 billion.

In order to effectively meet these soaring energy demands, \$37 trillion will need to be invested in production and supply infrastructure in the energy industry over the next few years. More than half of that amount will be needed by the oil and gas market for increases in exploration, transportation, and production.

Why invest in Canadian oil and gas?

Canada may be a viable option when it comes to determining where to invest in oil and gas. Canada's oil and gas producers are optimistic that 2017 will bring about growth in exploration and production. Fueling the revenue growth will be a combination of factors, including new growth projects, higher commodity prices, and efficiency gains in production.

Perhaps two of the biggest reasons that you should consider investing in Canadian oil and gas companies are their cost-cutting efforts and contribution to advancing drilling and extraction technology. Slashing operational costs will keep more money in their pockets, which they can then put towards developing the innovative technology required for fracking purposes to extract harder-to-reach shale oil.

Why invest in olive oil?

There is currently a unique investment opportunity in the production, distribution, and sale of olive oil. Global demand for olive oil is on the upswing and the supply chain that's required to provide good quality oil to the world's population is improving and expanding. Investors can take advantage of the myriad of offshore investment opportunities associated with this increase in olive oil demand.

The best investment opportunities for olive oil seem to be in the North African area of the Mediterranean Basin as a result of the expansion of olive production here. Nations such as Algeria are inviting and encouraging olive oil investment. In addition, investing in any areas where consumers are becoming more mindful of heart health and are realizing the importance of high-quality olive oil in achieving optimal health may also be wise, and that includes on domestic soil.

Why not invest in oil?

While there are plenty of reasons why oil might make a sound investment today, there are also some reasons why you may want to steer clear of oil - for now, anyway.

A downward move could be on the horizon as the correlation of oil with an inverted U.S. dollar has hit a historical low following a rather large diversion since mid-2016. Should a return of correlation arrive, it could spark a sell-off and drive the price of oil down even further. A similar situation occurred both in 2010 and 2012. While the circumstances surrounding these other scenarios aren't necessarily comparable, it's still vital to analyze the situation when the correlation is this low.

Why invest in palm oil?

The palm oil industry has a few attractive economic characteristics that might prompt investors to want to potentially consider investing in this realm. With the global demand for palm oil consistently increasing over time alongside an increase in world population, investing in the palm oil industry is an attractive option for investors.

Crops have shown to be highly profitable and favorable over the years. The palm oil industry has shown solid crop economics - obviously, one of the best ways for crop growers to boost returns is to increase productivity per unit area of land. One of the benefits that palm oil has over other types of oil crops is that it's efficient - it produces a much higher average oil yield in comparison to other crops.

As the harvested fruits of palm oil plantations continuously yield healthy crops, palm oil stocks that pay out dividends will provide their investors with a steady stream of sizeable income.

Why invest in Tullow Oil?

Tullow Oil (LSE: TLW), which focuses on the exploration of oil in Africa, has taken a beating lately with the cost of shares in the company tanking in early 2017. Yet despite this, there are still a few reasons why Tullow Oil may be bullish very soon.

For starters, the company has managed to maintain an impressive exploration track record thanks largely to its recent discovery in Northern Kenya. In addition, Tullow Oil's capital expenditure budget is dropping as the firm gets close to completing the initial phase of an oil project off of Ghana's coastline. And as production is anticipated to spike this year, it's expected that the company will generate healthy cash flows that will help it pay down its debt.



Investors can realize long-term passive income in the form of dividends when investing in robust oil and gas companies.

Why invest in Canadian oil sands?

Canada's oil industry may be on the edge of a new investment cycle as oil settles into a US \$50 to \$60 per barrel range. With lower operational costs and advanced technologies, Canadian oil sands investments can generate healthy investment performances. Many companies in the Canadian oil sands industry can stay financially viable in this price range, with the capability of staying positive with cash flow and holding their production levels well into the future.

Investors may want to focus their attention on oil sands operations that come with high-quality assets, strong balance sheets, and the highest potential for cash flow when oil prices remain flat. Canadian Natural Resources (NYSE: CNQ) and Suncor Energy (NYSE: SU) seem to fit the bill.

Why invest in crude oil?

From a long-term investment point of view, investing in crude oil can bring about sizeable returns for the savvy investor, and there are plenty of reasons for this.

Peak oil is here for the long haul - Much of the oil wells to explore that were somewhat easy to extract oil from have been depleted, which means that just about all the oil resources that can still be explored will need further investment, additional effort, and more innovative technology. Take shale oil, for instance, which required new advances in fracking technology to extract oil. That means it will cost more to explore and is a great reason to go bullish on crude oil for the long-term.

Global population continues to grow - The increasing purchasing power of people - especially in places where the population is growing faster than in others, such as in Asia - means more vehicles on the road, and therefore more oil consumption. Over the long term, oil will continue to have strong demand.

We're far from having an alternative that replaces oil - Eventually, we may see some other type of energy that could potentially replace oil, but such a scenario is unlikely to happen in the near future, which is yet another reason to go long on oil.

Why invest in oil production?

The fundamentals surrounding smart investing suggest looking for industries or companies that are selling low and are most likely to increase in the near future. Oil prices have been very low for some time now, prompting speculators to wonder if this is the bottom. If so, there's nowhere to go but up. On the oil exploration and production front, many maintain the view that oil prices and the exploration and production (E&P) sector may be technically bottoming. While it's still important to remain cautious, oil and E&P stocks appear to be oversold and could realize a significant snap back. Some potential candidates for investing in today include:

- Energen Corp. (NYSE: EGN)
- Pioneer Natural Resources Co. (NYSE: PXD)
- Diamondback Energy Inc. (NASDAQ: FANG)
- Cabot Oil & Gas Corp. (NYSE: COG)

Why invest in oil drilling?

Investing in drilling companies isn't always a popular choice when the price of oil is down; however, there are certain drilling companies that could potentially make sound investment choices, even amidst our current low-oil-price environment.

For instance, Concho Resources (NYSE: CXO) and Devon Energy (NYSE: DVN) both shifted their attention in 2016 to cutting costs by capturing drilling efficiencies and optimizing their oil well completions. Such efforts have placed these two companies in a position to begin growing again in 2017 at significantly reduced prices. For instance, if and when oil prices increase, Concho Resources has plenty of high-return drilling locations that will allow the company to capture these higher prices. In the meantime, Devon Energy is slated to double its cash flow in 2017, which will allow the company to deliver double-digit oil production growth next year.

Why invest in oil ETF?

A simple way to get exposure to oil is by investing in oil exchange-traded funds (ETFs), which provide an alternative to investing in oil without actually purchasing barrels of it. Oil ETFs are comprised of either oil company stocks or futures contracts to track the price of oil or oil-related indexes. Rather than having to make individual purchases of oil stocks, you can buy an oil ETF that already comes with hand-picked stocks and/or futures to help take advantage of gains in each company while minimizing risk. ETFs also make for a much easier type of trade.

Why invest in oil and gas sector?

Investing in the oil and gas sector certainly requires a great deal of research and education. Yet the returns it can bring when done right cannot be overstated. The fact that oil and gas are always in demand - and likely will be for the long haul - is reason enough to consider investing in oil and gas companies. The demand for oil and gas is high all across the globe. In the U.S. alone, more than 80 percent of energy comes from fossil fuels, and a big portion of that is derived from oil and gas. These commodities are needed to fuel cars and heat homes, and are also a big part of many industrial and manufacturing operations.

For now, there's a steady demand for oil and gas that isn't dissipating any time soon. While alternative energy is on the rise, the world still uses a great deal of oil and gas, and this usage is not slowing down. Quite the opposite, actually, as the demand continues to grow just about every month.

Why invest in oil companies?

Consistent demand is something that every investor should consider before investing capital in any type of industry, regardless of what it may be. The demand for oil products is robust and is generally resistant to changes in the economy, both local and global. While it's true that demand for oil might decrease slightly when the economy hits a downturn, the demand for oil does not drastically plummet. When the economy starts to grow again, the demand for oil products has a tendency to experience strong growth as well.

Savvy investors will want assurance that the products or services that a specific company churns out are in high demand today and will be into the future. Oil companies fit that bill.

Why invest in oil now?

Now may be as good a time as ever to invest in oil considering the low prices we've been seeing as of late. While it is possible that prices can dip even lower, they will inevitably rise at some point in the near future. According to historical oil price cycles, an increase in oil prices is bound to happen. With oil prices being as low as they currently are, you may want to consider investing in oil now.

Buying at these low prices can help increase the odds of benefiting from a sizeable ROI as prices inevitably rise in the near future. Demand for oil will continue to grow. The oil and gas industry is a great investment opportunity.

the near future. Demand for oil will never disappear. The world's 7 billion people depend on oil for some of the more important things in life, such as driving a car and operating a house. If you purchase oil stocks that also pay out dividends, you can also take advantage of passive income on a regular basis.

Why invest in oil?

Having a diversified portfolio is a must, and adding oil to a portfolio is a fabulous way to diversify it. Considering how big the energy market currently is - and will likely continue to be well into the future - it encompasses a wide array of market sectors. For instance, the majority of electricity plants - regardless of the source of energy - require water to be cooled, which means energy investing also means investing in the water sector.

Then, of course, there's the opportunity to experience significant growth while collecting a handsome income through dividends. Investing in oil allows investors to pursue a number of different investment goals, including income opportunities, growth companies, blue chip plays, and new start-up exploration companies.

Why invest in oil and gas industry?

There are so many excellent reasons to invest in the oil and gas industry, including the following:

Demand - Even when demand is seemingly low, there is still a certain dependence on energy like oil and gas. Everything requires energy. Driving a car, turning on the lights, and operating a computer all require energy. The world simply cannot do without oil and gas, which makes these commodities attractive investment channels. Unlike other sectors that rely on consumer discretionary spending or only enjoy short-lived trends, oil and gas are always in constant demand.

Recent returns - Thanks to rising demand, energy investments have provided above-average results in returns for decades, despite the recent lull in oil prices. For instance, Exxon Mobil Corp. (NYSE: XOM) returned 140 percent in comparison to the Dow Jones' 40 percent between 2003 and 2013, and during the period from 1993 to 2013, Exxon delivered 472 percent compared to the Dow's 324 percent return.

Why invest in oil and gas?

While there are many reasons why investors would consider investing in oil and gas, perhaps the income and growth potential may really capture their attention. Aside from diversified firms, energy investments can provide you with various means of achieving your investment goals. There are opportunities to strike it big with start-up companies or exploration firms, as well as blue chip value plays and income opportunities to benefit from.

Determining the right strategy that's in line with your current financial situation is obviously important. But once you've done your due diligence, oil and gas investing can help you reach those goals. Integrated oil and gas firms provide value and dividends, young oil and gas exploration companies can provide sizeable returns, and pipeline operators can provide a steady stream of income.

Why invest in oil stocks?

Oil prices have been hitting the bottom of the barrel over the recent past, but they're anticipated to start rising again in the near future. History dictates that they will. The cycle of oil prices repeats itself over the years, and once prices do finally start to increase, investors who purchase oil stocks when prices are low will be able to reap the rewards of a hefty return.

By the year 2035, global energy demand is expected to grow by more than 30 percent, with the Middle East, China, and India making up two-thirds of this growth. By then, international oil demand will be approximately 100 million barrels per day as the number of vehicles on the road will double. Not only that, demand for electricity is expected to grow exponentially over the same time period, causing prices to spike 15 percent by 2035.

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GREG MILLER

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More impressively, U.S. cannabis companies have managed to raise this tidy sum *at a significant disadvantage*, with their hands essentially tied behind their backs.

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Faced with that prospect, estimates and projections like "*the U.S. marijuana market could be worth \$77 billion by 2022*" start to look almost ridiculously conservative.

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