

An aerial photograph of a swimming pool with a rocky waterfall on the left side. The pool water is a vibrant turquoise color, and the surrounding rocks are brown and jagged. The pool is bordered by a white concrete deck.

FUNDAMENTAL TRENDS

TOP 9 ENERGY STOCKS

GUIDE

The top Energy Stocks you
need to know about

Energy Stocks

Why we're focused on energy

With energy use increasing at the fastest pace in history with the advent of AI data centers, we are going to need an all-of-the-above energy strategy until renewables are completely built out over the next couple decades.

As things stand, oil demand is still growing at about 1% per year. Natural gas demand is growing a bit over 2% per year according to the IEA. Coal is also growing at about 1% per year, but that is down significantly as it most places are trying to swap to gas and alternatives. Coal demand should turn over this decade.

Alternatives are growing at breakneck rates near 50% year-over-year. It is anticipated that renewables have growth rates over 30% throughout the decade as they absorb most new energy demand. Solar is the fastest growing energy source by far.

Utilities recently had a small run up and remain unexciting unless they correct again. High capex and regulated rates rarely lead to great opportunities. Yield Cos screamed higher recently and seem poised for a decline. I am not a big fan of that business model.

Stocks powering into the future

Energy pipelines are all fairly to slightly overvalued in my opinion as yield chasers push prices up. Yes, you can own them if you don't care much about growth and just want the dividend, but, there are safer ways to go about generating middle single digit returns.

In energy I want to find the biggest cash flows and growth. Oil and gas are poised to do very well through the next couple cycles. Yes, at some point everything declines on a recession, but I don't see energy demand going anywhere buy up for the next decade. Remember, that is unusual, we had been flat on energy use for a decade before data centers started to explode.

Data centers are forecast to triple the energy needs in the US alone by 2030...

Energy Stocks

Stocks powering into the future

The transition to EVs is at least a year behind and probably four or five. What I thought would happen in 2026-7, now appears more likely around 2030. I still think we see oil demand flatten and tip, but the cash flow rich period for oil and gas will last a bit longer than I thought, hence, my interest at least until the next recession.

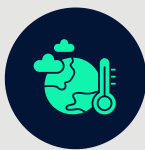
Because of the delay in EVs and the negative narratives, lithium stocks got destroyed. This might be a very rare opportunity to buy the future for literally dirt cheap.

Very Short Lists aka VSLs

Our VSLs lists of Mega Cap, Growth, International, Dividend Stocks and ETFs are chosen because they aligned to the major secular trends unfolding in today's economies globally.

Companies not aligned and that are being disrupted by new technologies will go the way the way of the dinosaurs if they do not adapt and change.

Massive GOVT stimulus, incentives, regulation and penalties are what can change the timing of secular trends i.e. speed them up or slow them down – think 'follow the money' ...



Climate change

As climate change continues to be at the forefront of government and corporate priorities, we keep a keen eye on how this influences government policy and the activity of large investment funds.



Ageing demographics

With the retirement of the baby boomers, the workforce will continue to shrink, in turn driving up wages. We look to see how healthcare and AI can improve the quality of aged care coupled with productivity improvements.



Technological change

We look for how technology can bring productivity gains and better ways of working to increase quality of life. We believe fast adopters of Artificial Intelligence (AI) will prevail over those who are laggards.



Global debt

Massive corporate debt will make it hard for one-third of all companies to refinance during the next recession. We focus on companies with growing revenues and decreasing debt obligations.

Top energy Stocks Snapshot

Publication Date: February 1st, 2024

Name	Secular Trends	Industry	Mkt cap	Bottom fishing price	5 year target	Potential % 5yr Growth
Permian Resources (PR)	Energy Transition & Sustainability. Renewable Energy Integration	Oil & Gas exploration & Production	12.1B	\$12	\$30	150%
Occidental Petroleum (OXY)	Energy Transition & Sustainability. Renewable Energy Integration & Carbon Capture	Oil & Gas exploration & Production	45.9B	\$56	\$125	123%
Coterra (CTRA)	Renewable Energy Integration. Natural Gas Focus + Energy Security & independence	Oil & Gas exploration & Production	20.9B	\$22	\$56	155%
New Fortress Energy (NFE)	Renewable Energy Integration. Energy Infrastructure Development + Innovation & Diversification	Regulated Gas	4.2B	\$30	\$100	233%
Aemetis (AMTX)	Renewable Energy and Environmental Sustainability	Oil & Gas Refining	114M	\$4	\$50	1150%
Enphase (ENPH)	Renewable Energy Integration. Grid Modernisation and Smart Energy Management	Solar	8.4B	\$80	\$400	400%
Generac (GNRC)	Renewable Energy Integration. Smart Grid Technology, Grid Modernisation and Energy Resilience	Industrial Machinery	9.1B	\$80	\$400	400%

Name	Secular Trends	Industry	Mkt cap	Bottom fishing price	5 year target	Potential % 5yr Growth
Global X Lithium & Battery ETF (LIT)	Full energy Cycle. EV's, Renewable Energy Storage, Battery Tech Innovation, ESG, Supply Chain Resource Management	Lithium & Battery Technology	1.05B	\$30	NA	NA
Lithium Americas Corp (LAC)	Energy Transition and Sustainability. Supply Chain and Resource Management. Electrification	Industrial Materials	663.8M	\$4	\$20	500%

The following is our condensed version of our research, analysis and thoughts.

This are not a full analysis, but a snapshot and should give you a very good insight into why we are recommending these companies to our members and adding to our own portfolios

The date of publication for the Options trade alerts was on the 9th of June 2024. Please consider whether the trade alerts are suitable for you, if you have any questions please contact my team before taking any positions on the below stocks, ETF or options.

Kirk Spano.

Top Oil Growth Stock

PERMIAN RESOURCES Permian Resources (PR)

Permian Resources Corporation (PR) is an independent oil and natural gas company focused on the acquisition, optimization, and development of high-return assets in the Permian Basin, primarily in the Delaware Basin.

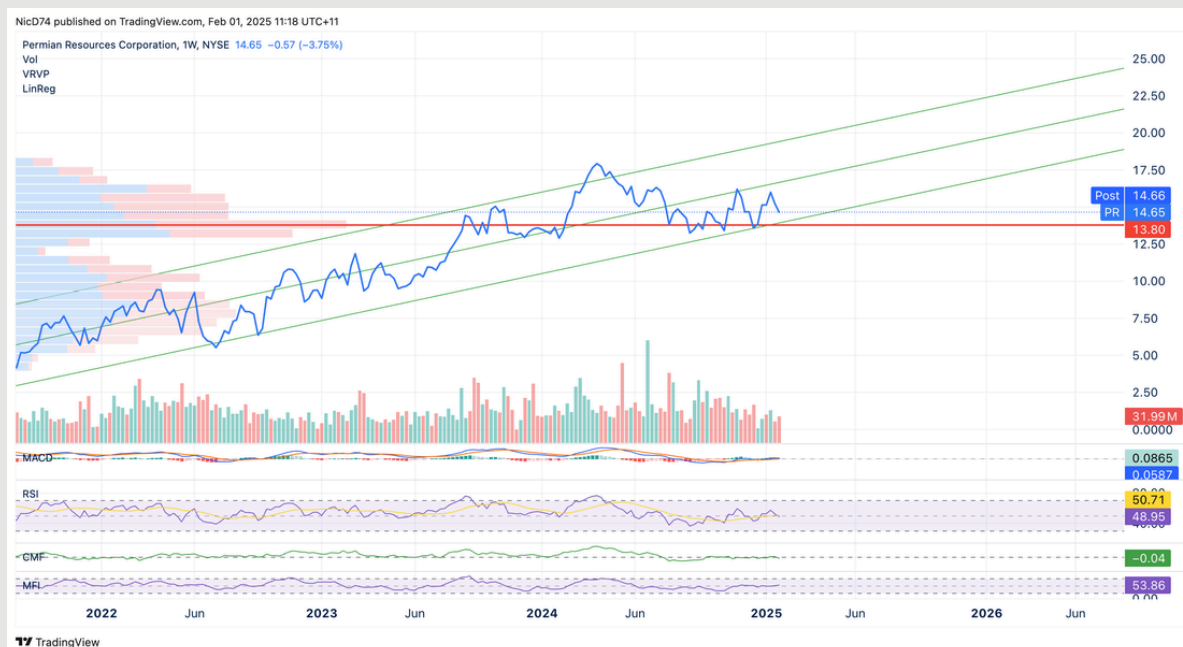
Strategic advantages of Permian Resources include:

- Strong presence in the Delaware Basin with over 400,000 net acres
- Vertically integrated business model controlling the entire supply chain
- Focus on operational efficiency and cost reduction
- Innovative use of technology to improve drilling and completion times
- Strategic acquisitions to expand its asset base and unlock synergies

Permian Resources is considered a favored growth stock for several reasons:

- Consistent production growth and efficiency gains
- Strong financial performance with high EBITDA and gross profit margins
- Projected revenue growth to \$1.95 billion by 2028
- Strategic positioning in one of the most productive oil regions globally
- Potential for significant cash flow generation from long-term contracts
- Focus on shareholder returns through dividends and share buybacks
- Undervalued compared to peers, suggesting potential for stock price appreciation

While Permian Resources faces challenges such as commodity price volatility, its strong market position, innovative technology, and expansion into clean energy solutions position it well for continued growth in the evolving energy sector





Safest Oil Stock

Occidental Petroleum (OXY)

Occidental Petroleum (OXY) is an international energy company primarily engaged in oil and gas exploration and production, with operations in the United States, Middle East, and North Africa. The company also has a chemical manufacturing division and is investing in carbon capture technologies.

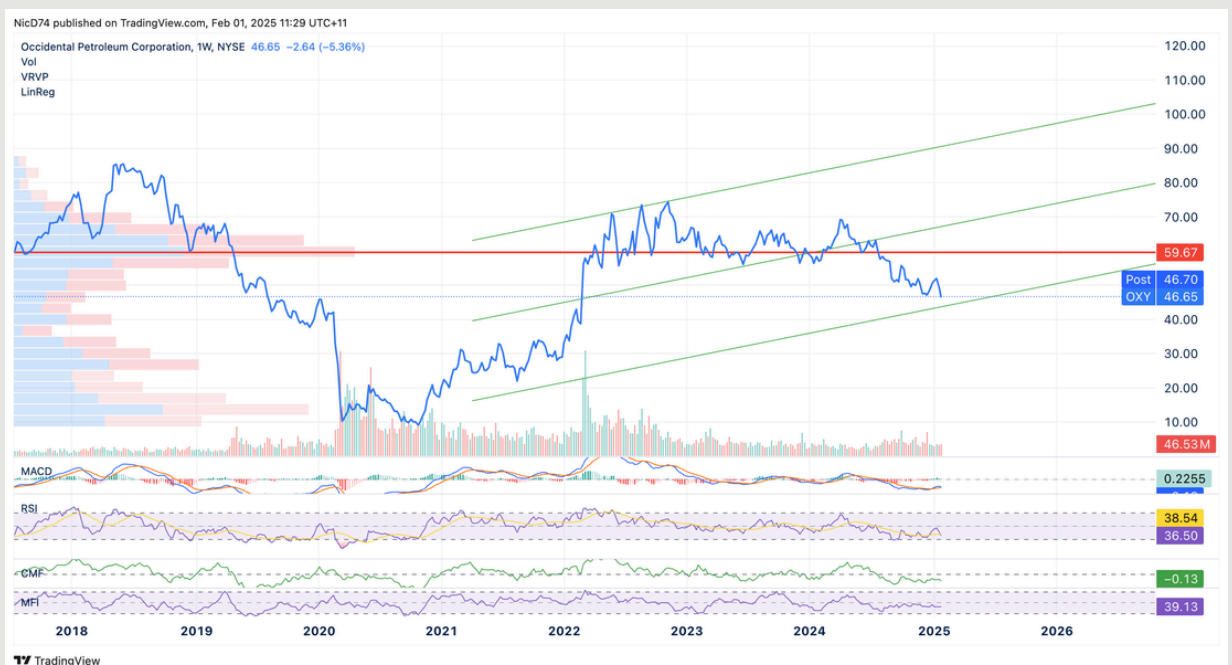
OXY's strategic advantages include:

- Strong presence in the Permian Basin, one of the most productive oil regions in the U.S.
- Diversified portfolio of assets across multiple geographies, reducing risk exposure
- Focus on technological innovation to improve operational efficiency and reduce costs
- Commitment to sustainability and carbon management through its Oxy Low Carbon Ventures subsidiary

OXY is considered a favored stock for several reasons:

- Strong operational capabilities and expertise in enhanced oil recovery techniques
- Strategic acquisitions, such as the recent CrownRock deal, which expand its resource base
- Backing from Warren Buffett's Berkshire Hathaway, which has been increasing its stake in the company
- Focus on developing low-carbon technologies, positioning the company for future energy transitions

While OXY faces challenges such as debt concerns and oil price volatility, its strong market position, technological innovation, and strategic focus on both traditional and low-carbon energy solutions make it an attractive option for investors seeking growth in the energy sector.



Top Natural Gas Stock

Coterra (CTRA)

Coterra Energy Inc. (CTRA) is an independent oil and gas company operating in the Permian Basin, Marcellus Shale, and Anadarko Basin.

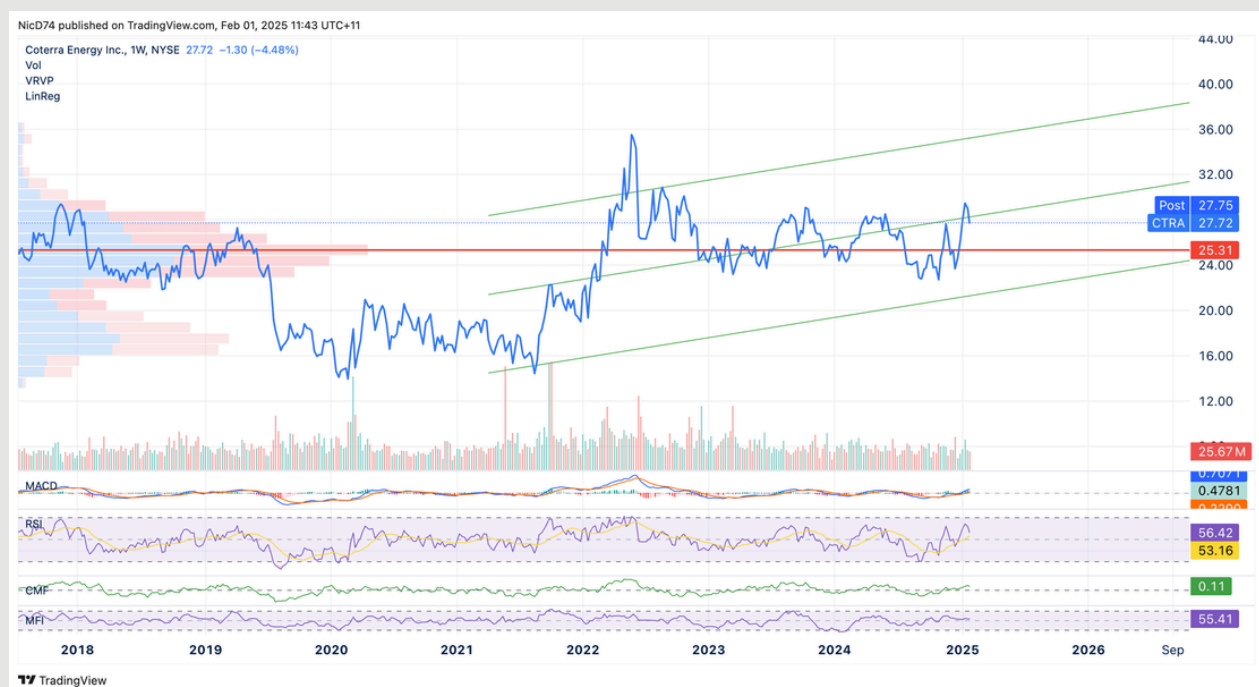
Strategic Advantages

- Diversified portfolio of high-quality assets
- Strong operational efficiency and cost control
- Robust financial position with low debt-to-capital ratio
- Focus on innovation and technology adoption

CTRA is a favored growth stock due to:

- Consistent production growth and efficiency gains
- Strong cash flow generation and disciplined capital allocation
- Low-cost, high-return inventory for long-term growth
- Focused on sustainable development

Despite challenges like commodity price volatility, Coterra’s strategic positioning, operational efficiency, and financial strength make it attractive for investors seeking growth in the energy sector.



Top LNG Stock

New Fortress (NFE)

New Fortress Energy Inc. (NFE) is an integrated energy infrastructure company that specializes in providing natural gas and liquefied natural gas (LNG) solutions globally. The company operates across the entire LNG value chain, from procurement and liquefaction to logistics, shipping, and power generation.

Its strategic advantages include:

- Vertically integrated LNG supply chain
- Proprietary Fast LNG technology
- Strong presence in emerging markets
- Focus on transitioning customers to cleaner natural gas

NFE is a favored growth stock due to:

- Expanding global LNG market
- Strategic positioning in underserved markets
- Innovative approach to LNG production and distribution
- Potential for significant cash flow generation
- Backing from high-profile investors

Whilst we started buying at circa \$9 Investors should consider risks such as NFE's significant debt load and energy market volatility. The company's success depends on executing its growth strategy and managing financial obligations effectively.





Top Alternative Fuels Stock

Aemetis (AMTX)

Aemetis, Inc. (AMTX) is a renewable fuels and biochemicals company focused on producing low-carbon intensity products. The company operates through three main segments: California Ethanol, California Dairy Renewable Natural Gas (RNG), and India Biodiesel.

Aemetis' strategic advantages include:

- Diversified portfolio of renewable energy products, including ethanol, biodiesel, RNG, and sustainable aviation fuel
- Vertically integrated business model controlling the entire supply chain
- Strong presence in key markets like California and India
- Proprietary technologies for carbon capture and utilisation
- Focus on negative carbon intensity fuels, aligning with global sustainability goals

Aemetis is our favourite growth stock for several reasons:

- Projected revenue growth to \$1.95 billion by 2028, with a compound annual growth rate of 38%
- Expanding global demand for renewable fuels and low-carbon alternatives
- Strong government support and incentives for renewable energy projects
- Planned IPO of its India subsidiary, which could unlock significant value of approx \$1B

While Aemetis is currently pre-profit, the company's innovative approach, strategic positioning, and growth potential make it an intriguing option for investors willing to embrace the dynamic renewable energy sector. As with any growth stock, investors should be mindful of the associated risks and conduct thorough due diligence.



Top Energy Management Companies

ENPHASE Enphase (ENPH)

Enphase Energy (ENPH) is a global energy technology company that designs, develops, manufactures, and sells home energy solutions, primarily focusing on solar microinverters, battery energy storage, and EV charging stations for residential customers.

Enphase’s strategic advantages include:

- Innovative micro-inverter technology
- Vertically integrated business model
- Strong global market presence
- Robust intellectual property portfolio
- Focus on continuous R&D

Enphase is a favored growth stock due to:

- Strong revenue growth potential
- Expanding global demand for renewable energy
- Market leadership in microinverters
- Solid financial position
- High gross margins
- Potential to benefit from government incentives

Enphase’s strong market position, innovative technology, and global presence position it well for continued growth in the rapidly expanding renewable energy sector. While government policies can influence market dynamics, Enphase’s diverse product portfolio and international reach provide resilience and multiple avenues for sustained growth.



Top Energy Management Companies

solaredge SolarEdge (SEDG)

SolarEdge Technologies Inc (SEDG) is a global leader in smart energy technology, specializing in solar inverters, power optimisers, and energy storage solutions for residential and commercial solar installations.

SolarEdge’s strategic advantages include:

- Innovative DC-optimized inverter technology
- Strong global market presence
- Robust intellectual property portfolio
- Vertically integrated business model
- Continuous focus on R&D

SolarEdge is a promising growth stock due to:

- Market leadership in global solar inverter market (25% share)
- Strong revenue growth potential
- Expanding global demand for renewable energy
- Solid financial position
- Increased U.S. production, capitalising on government incentives

Recent developments include full capacity at its new Texas facility and a restructuring plan to improve efficiency. Despite challenges, SolarEdge’s market position and innovation potential support its growth prospects in the renewable energy sector.



Top Energy Management Companies



Generac (GNRC)

Generac Holdings Inc. (GNRC) is a leading global designer and manufacturer of energy technology solutions, specializing in power generation equipment and backup power systems for residential, commercial, and industrial applications.

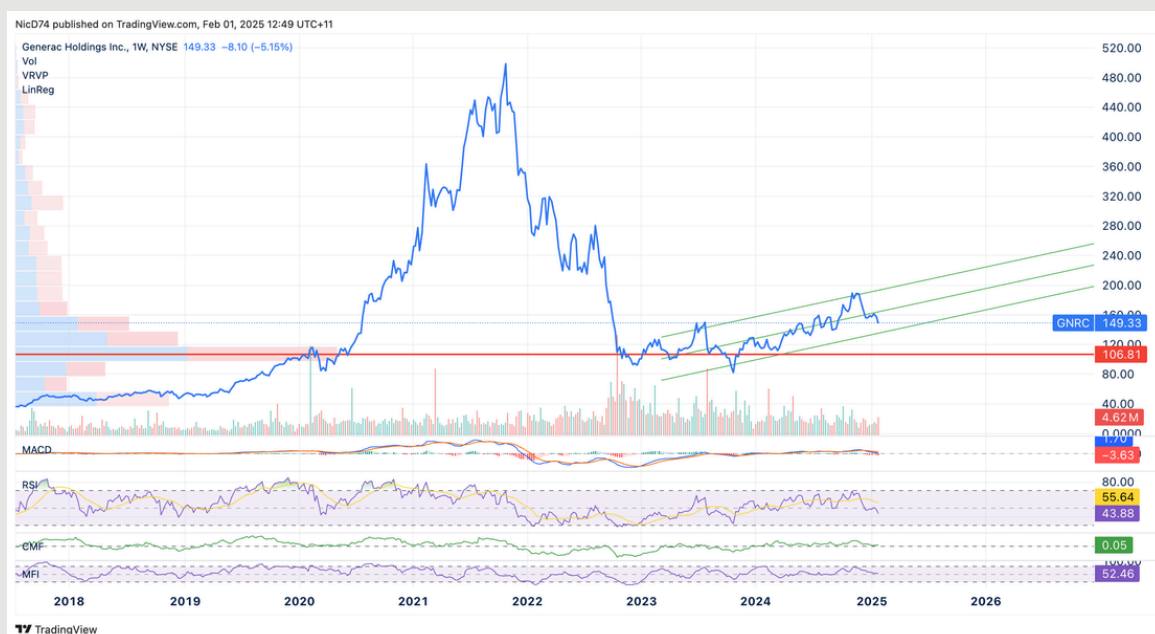
Generac’s strategic advantages include:

- Market leadership in home standby generators with approximately 80% market share
- Diversified product portfolio spanning residential, commercial, and industrial sectors
- Continuous focus on innovation and R&D, including expansion into clean energy solutions
- Vertically integrated business model controlling the entire supply chain

Generac is considered a favored growth stock for several reasons:

- Increasing demand for backup power solutions due to aging power grids and extreme weather events
- Projected revenue growth of 5% to 9% for full-year 2024
- Expanding into high-growth markets like energy storage and management systems
- Strong financial position with high gross margins and solid cash flow generation
- Strategic acquisitions to enhance product offerings and market reach

While Generac faces challenges such as market competition and economic pressures, its strong market position, innovative technology, and expansion into clean energy solutions position it well for continued growth in the rapidly evolving energy sector.



Top Lithium Stocks

Lithium has bottomed and has almost no room to go but up. The clean energy secular trend is well intact even if it is lumpy. Use that volatility to your advantage like the Karate kid uses his opponents leverage.

GLOBAL X Global X Lithium & Battery Tech ETF

by Mirae Asset

The Global X Lithium & Battery Tech ETF ([LIT](#)) offers investors a comprehensive way to gain exposure to the lithium and battery technology sector, which is crucial for the growing electric vehicle (EV) and renewable energy storage markets.

Key features:

- Broad exposure across the lithium cycle
- \$1.04 billion in assets under management
- Holds about 40 companies, reducing single-stock risk
- Global reach with international exposure

Strategic advantages:

- High growth potential due to increasing EV adoption
- Focus on battery technology innovation
- Market-cap weighted approach

Investor considerations:

- Expense ratio: 0.75%
- Offers sector diversification but still subject to market volatility

For investors seeking to participate in the clean energy revolution without the complexities of picking individual stocks, LIT offers a compelling solution. Its comprehensive coverage of the lithium cycle, coupled with a reasonable expense ratio for a specialized ETF, makes it an appealing choice for both long-term investors and those looking to diversify their portfolio with exposure to a critical component of the green energy transition.



Top Lithium Stocks

Lithium Americas

Lithium Americas Corp. (LAC)

Lithium Americas Corp. (LAC) is a Canadian mining company focused on developing lithium projects, primarily the Thacker Pass project in Nevada, USA.

LAC's strategic advantages include:

- Ownership of Thacker Pass, North America's largest known lithium resource
- Strong partnerships, including a joint venture with General Motors
- Advanced stage of project development with construction underway
- Focus on sustainable and responsible lithium production

LAC is considered a favored growth stock for several reasons:

- Positioned to become a major domestic lithium supplier in the US
- Significant production potential, with Thacker Pass expected to support up to 800,000 electric vehicles annually
- Strong government support, evidenced by the \$2.26 billion loan from the US Department of Energy
- Alignment with national security interests and efforts to reduce dependence on foreign lithium supplies
- GM to invest \$650 million and a 15 year deal to buy 100% of phase one lithium

The DOE loan and Thacker Pass project are significant for US national security and supply chain resilience. The project supports the government's goal of securing domestic critical mineral supplies, reducing reliance on foreign sources, particularly China. Thacker Pass is expected to play a crucial role in building a domestic electric vehicle supply chain, supporting the transition to clean energy, and strengthening America's economic and national security



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