



NEED SPONSOR

Home > Business > Warren Buffett's favorite energy stock Occidental Petroleum saw earnings growth of more...

Business

Warren Buffett's favorite energy stock Occidental Petroleum saw earnings growth of more than 50% in the second quarter

By The Bharat Express News August 7, 2024



Backed by Warren Buffett **Occidental Petroleum** (OXY) reported better-than-expected second-quarter earnings on Wednesday night, with the energy producer's profit rising more than 50% from a year ago. Shares of OXY gained after the market closed on Wednesday.

MOST POPULAR



Crew of Titan submarine knew they would die before implosion, according to more than \$50 million lawsuit

August 7, 2024



Brandon Aiyuk trade looms, top players to watch during preseason | Inside Coverage

August 7, 2024



How Harris' 'Don't Go Back' Message Tries to Counter Trump's 'Make America Great Again' Slogan

August 7, 2024



Ordinance could force Washington Township man to remove statue honoring girl who died from cancer-related treatments

1 X

PLAY NOW

Oil Prices and Energy Stocks: What Investors Need to Know

Occidental Petroleum reported Wednesday that second-quarter earnings per share came in at \$1.03 per share, up 51% from the second quarter of 2023, on revenue up about 2% to \$6.817 billion. Analysts had expected Occidental Petroleum to post second-quarter earnings of 78 cents per share on revenue of \$6.93 billion. The company saw first-quarter earnings plunge 42% and revenue down 17%.

The company's total production in Q2 was 1.258 million barrels of oil equivalent per day, up 3% from Q2 2023 and slightly above the midpoint of guidance. Occidental Petroleum said this was led by production in the Permian Basin and the Gulf of Mexico. In Q1, production was 1.172 million barrels of oil equivalent per day, down 4% from a year ago.

Investors are also eyeing the company's plan to reduce debt and plans related to its \$12 billion acquisition of Permian Basin producer CrownRock. The deal adds 94,000 net Midland Basin acres and 170,000 barrels of oil equivalent per day of production to Occidental's holdings.

"The strength of our operational performance resulted in impressive financial results for the second quarter of 2024," Chief Executive Vicki Hollub said in the earnings report Wednesday. "We are excited to build on this positive momentum across our deep and diverse asset portfolio with the addition of CrownRock."

See also [S&P 500, Nasdaq gains mark huge week for markets](#)

The company added that about \$2.3 billion of debt will be repaid by the end of August.

Occidental Petroleum shares rose about 2% after the market closed Wednesday. OXY fell a fraction to 56.12 in regular market action Wednesday, marking six straight daily declines. The shares have fallen about 8% in August.

Table of Contents



OXY, [Ecopetrol](#) and oil prices

Occidental's second-quarter results follow the Permian Basin producer **Diamondback energy** (FANG) reported better-than-expected Q2 earnings and revenue on Tuesday, with EPS growth of 23%. **ExxonMobil** (XOM) and **Chevron** (CVX) also recently reported second-quarter earnings and revenue.

Buffett owns a 6.7% stake in CVX.

On August 1, Occidental Petroleum reported that the Colombia-based **Eco-gasoline** (EC) "decided not to acquire any interest in the assets of CrownRock," a regulatory filing said. There had been speculation that [Ecopetrol](#) would take a 30% stake, or \$3.6 billion, in CrownRock.

[Ecopetrol](#) has a joint venture in the Midland Basin with Occidental Petroleum. It has the first right of refusal to participate in any OXY projects or deals in the basin.

See also [Trump Media shares are plummeting as the SEC decision could flood the market with new shares](#)

On July 29, OXY also signed an \$818 million deal to sell its Barilla Draw property in the Delaware Basin to **Permian sources** (PR).

Warren Buffett Stocks: What's in Berkshire Hathaway's Portfolio?

Meanwhile, geopolitical risk in the Middle East has increased as the conflict begins to center between Israel and Iran. But instead of the usual spike in oil prices caused by the risk of such a conflict, U.S. West Texas Intermediate (WTI) oil prices rose 3% on Wednesday, trading around \$75.40 a barrel. Futures for Brent crude, the international benchmark, were trading above \$78 a barrel on Wednesday.

What appear to be healthy oil supplies for now, and continued weak demand in China, continue to keep oil at a low level. U.S. crude prices and Brent futures are both down about 9% in August and are roughly flat for the year.

Warren Buffett Keeps Buying OXY

Occidental Petroleum shares have retreated from an April high and are trading below both their 50-day moving average and 200-day lines. OXY is down about 6% year-to-date. It is down more than 20% since its April 12 high.

While Buffett sold a significant portion of his stocks **Apple** (AAPL) holdings, the investor has continued to add to OXY and this decline has presented a buying opportunity.

From June 5 to 17, Buffett's **Berkshire Hathaway** (BRKB) bought OXY every trading day, purchasing more than 7 million shares at a purchase price of around \$60, according to regulatory filings.

See also [Markets brace for a bumpy ride](#)

Since the second half of 2022, Buffett has been stocking up on OXY. The billionaire investor has targeted shares in the \$57-\$61.50 price range. Warren Buffett's Berkshire Hathaway has significantly increased its stake in the international oil sector over the past year, making OXY one of Buffett's top holdings.

Charts from MarketSurge show that OXY stock has found price support around the 55-57 range, going back to June 2022.

Buffett is not taking control

Berkshire Hathaway also owns \$10 billion of Occidental preferred stock and has warrants to purchase an additional 83.9 million shares of common stock for \$5 billion.

According to FactSet, Berkshire Hathaway has a 28.8% stake in Houston-based Occidental Petroleum.

In August 2022, the Federal Energy Regulatory Commission authorized Berkshire Hathaway to buy up to 50% of OXY's available shares. However, Warren Buffett told shareholders in early 2023 that he has no plans to acquire the company.

In December 2023, Warren Buffett also spent \$588.7 million on over 10 million shares of OXY, following Occidental's deal to buy CrownRock.

Occidental stock has a Composite Rating of 14 out of 99. Warren Buffett stock also has a Relative Strength Rating of 24 and an EPS Rating of 10.

Follow Kit Norton on X [@KitNorton](#) For more information.

YOU MAY ALSO LIKE:

Is Tesla Stock a Buy or a Sell?

Get full access to IBD stock lists and ratings

Want to learn how to pick great stocks? Read Investor's Corner

AI is driving a 'nuclear renaissance.' Bill Gates and Jeff Bezos are involved.

Rally attempt fails; Nvidia and Tesla are the biggest losers



Previous article

Israel on 'peak alert' as military awaits Iranian attack

Next article

Truck fire forces closure of southbound Highway 215 Fwy. in Devore, causing traffic backups on 15 Fwy.



The Bharat Express News

<https://thebharatexpressnews.com>

RELATED ARTICLES



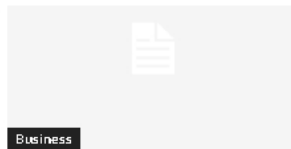
Business

Crew of Titan submarine knew they would die before implosion, according to more than \$50 million lawsuit



Business

Why Lumen Shares Soared Again Today



Business

Tim Walz and JD Vance's personal finances couldn't be more different



LEAVE A REPLY

Comment:

Name:*

[Load more /](#) Save my name, email, and website in this browser for the next time I comment.

EDITOR PICKS



ABOUT US



POPULAR POSTS



POPULAR CATEGORY

Top Stories	14439
Business	3475
Sports	2651
Politics	2020
Entertainment	196
Health	50
Cryptocurrency	0
START LEARNING	0

The Bharat Express News is your daily dose of Latest News, Entertainment, Music, Fashion, Lifestyle, World, Cricket, Sports, Politics, Tech, Business News Website. We provide you with the Latest Breaking News Straight from the US & all around the World on different categories.

Contact us: adthebharatexpressnews@gmail.com

