Exxon Mobil

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Investors play the oil patch as Chevron, Cabot, Imperial get the thumbs-up and Exxon, Phillips disappoint

America's biggest oil companies surprised investors with a mixed bag of first quarter earnings. Exxon Mobil Corp. (NYSE:XOM) missed earnings again Friday hit by weak refining despite the recent surge in oil prices, while Chevron Corp. (NYSE:CVX) fell short on revenue.

The oil sector failed to fully reflect the knock-on effect from higher oil prices. Brent crude, the global benchmark for oil, surged 3.5% in April to $71.04 a barrel, the highest since late 2014. The average price of oil will rise to US$2.74 per gallon this summer, according to US government estimates.

For the quarter ended March 31, Exxon booked earnings of US$1.09 per share on revenue of US$68.2bn, while Chevron reported earnings of US$1.90 on revenue of US$37.76 bn.

Exxon shares were punished, falling nearly 5% to US$77 on Friday after it missed consensus earnings estimates of US$1.14 per share on revenue of US$67.3bn.

Still, Exxon's profits have somewhat improved over the last year helped by climbing oil and natural gas prices. However, the positive impact from higher oil prices on Exxon's oil and natural gas exploration units was erased by falling profits in its refining and chemical business.

Read: Exxon Mobil 1Q earnings disappoint, hit by weak refining, chemical businesses
Exxon attributed the poor performance in the downstream business to its international operations, where it saw higher expenses, lower profit margins and weaker gains from sales of assets.

The company's chemicals business also slumped, with profits falling about 14% from last year. Both at home and abroad, Exxon's profit margins fell while it expands the refining division. The company is investing US$20 bn through 2022 to expand its chemical and oil refining plants on the U.S. Gulf Coast.

Price: US$67.25

Market Cap: US$288985000000M

Share Information

Code:		XOM
Listing:		NYSE
52 week	**High**	**Low**
	$87.36	**$64.66**
Sector:		**Oil & Gas Exploration & Production [T3]**
Website:		**www.corp.exxonmobil.com**

Company Synopsis:
Exxon Mobil is a manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a range of specialty products. It also has interests in electric power generation facilities and is a major oil and gas exploration and production player.

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Investors were kinder to Chevron which missed forecasts for US$40.97bn in sales by only fetching US$37.76 bn. Shares of the company were slightly up in afternoon trading.

"Our cash flow continues to increase with the powerful combination of expanding upstream margins and volumes," said Chevron CEO Michael Wirth.

Oil and gas production increased in the liquified natural gas projects in Australia, according to the company's release. Shale developments in the Permian Basin straddling Texas and New Mexico grew 65% compared to last year.

Houston-based Phillips 66 (NYSE:PSX) said Friday that its net profit fell 2.1% in the first quarter, dragged down by lower year-on-year refining income.

The energy and logistics company earned a quarterly profit of US$524 mln, or US$1.07 a diluted share, compared with US$535 mln, or US$1.02, for the same quarter last year.

Read:Chevron shares up after beating first-quarter earnings estimates
In a better showing for the oil sector, Cabot Oil & Gas Corp. (NYSE:COG) posted a profit of US$0.28 beating the average analyst estimate of US$0.27.

Cabot was up 2.22% at US$23.99.

Similarly, Canada's oil producer and refiner Imperial Oil Ltd (USA) (NYSEAMERICAN:IMO) reported a 55% rise in quarterly profit, as strength in its refining and chemicals businesses offset discounted Canadian crude prices.

Imperial Oil was up 3.79% to US$31.24.

Both Cabot and Imperial Oil have ramped up production, in tandem with OPEC's efforts to cut global output, to take advantage of rising prices.

The results come as the rally in crude prices has left oil producers more flush with cash, putting pressure on them to return more capital to shareholders.