

Millennials: 2 Must-Own Dividend Stocks for Your TFSA

Description

The United Nations Intergovernmental Panel on Climate Change (IPCC) released a special report on Monday urging “rapid, far-reaching and unprecedented changes in all aspects of society” to combat the current trajectory for global warming. “If the current warming rate continues,” the report stated, “the world would reach human-induced global warming of 1.5 degrees Celsius around 2040.”

The report was prepared by 91 scientists from 44 countries. The last three years, the report states, were the three warmest years on record going back to 1880. The report states that to achieve the goal of limiting warming to 1.5 degrees would require the reduction of carbon dioxide emissions to 45% of their 2010 levels by 2030. It requires total elimination of carbon dioxide emissions by the year 2050.

In September, I'd [discussed](#) why renewable energy stocks should be a top target for investors going forward. This strategy rings especially true for millennials, who will live through the political, social, and economic transformations that could emerge from climate change and the policies that will be brought forth in response to its acceleration.

There continues to be ferocious debate on the climate issue and contradictory responses by governments who affirm the current scientific consensus. Still, some progress is being made in the public and private sector. A report from Bloomberg New Energy Finance projects that by 2030 renewable energy sources will account for over 60% of the 5,579 gigawatts of new generation capacity. The total share of power generation for the coal and natural gas industry is expected to fall below 50% by 2030 in comparison to the current 64%.

Today, we are going to go over two stocks that investors can turn to in response to this alarming UN report.

Innergex Renewable Energy ([TSX:INE](#))

Innergex Renewable Energy is a Quebec-based independent Canadian renewable power producer. Back in July, I'd discussed why Innergex was an [attractive income play](#).

Shares of Innergex were down 15.9% in 2018 as of close on October 10. In the second quarter, the company reported a 37% year-over-year increase in revenues to \$149.5 million. Adjusted EBITDA increased 15% to \$99.1 million. Results in the quarter were primarily powered by recent acquisitions and improved performance at its facilities. The stock offers a quarterly dividend of \$0.17 per share, representing a very solid 5.5% dividend yield.

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#))

Brookfield Renewable owns a global portfolio of renewable power-generating facilities. Shares were down 12.6% in 2018 as of close on October 10. The company is expected to release its third-quarter results on the morning of October 31.

Brookfield is a powerhouse in this sector and worth considering for its dividend alone. Currently, the stock offers a quarterly dividend of \$0.49 per share, representing a 6.5% dividend yield. Power generation has posted growth in the first six months of 2018 and normalized funds from operations (FFO) rose to \$206 million compared to \$170 million in the prior year in the second quarter. The stock is well worth holding on to for the long term.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:INE (Innergex Renewable Energy)

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Date

2025/09/23

Date Created

2018/10/14

Author

aocallaghan

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