



2 Bullet-Proof Stocks You'll Want to Own

Description

Are you trying to decide on your next stock purchase? **Atlantic Power** (TSX:ATP)(NYSE:AT) and **AltaGas Canada** (TSX:ACI) are probably two of your best options on the Toronto Stock Exchange.

In the utility sector, these stocks provide defensive positions for your retirement portfolio in the event of a recession. Moreover, they are relatively new additions to the exchange, meaning these stocks have enormous potential to soar over the next two decades — perfect timing for Generation X savers to retire.

Long-term Canadian investors should be on the lookout for utility stocks like Atlantic Power and AltaGas, as these two companies are at the start of a technology revolution in the energy sector. Renewable energy sources are growing faster than demand, and these corporations are set to overtake traditional energy by 2023.

Here's why Atlantic Power and AltaGas are two of [your best options](#).

Atlantic Power

Atlantic Power is a Canadian renewable energy exporter supplying power to 11 U.S. states and two provinces in Canada. Atlantic Power sells long-term utility contracts under power-purchase agreements. Expiration dates on Atlantic Power Corporation extend as far out as the year 2043, meaning your money is safe for the term of the contract.

The company has invested heavily in biomass plants throughout Canada. Biomass is a renewable energy source derived from plants. It is the organic material in which plants and animals store the sun's energy during photosynthesis.

Canadians who are worried about excessive garbage collecting in dumps all over the world will be thrilled to know that every bag of waste produced in your home could potentially be converted into biomass electricity. Although municipal waste to date only generates about 10% of the biomass energy consumed, that might change in the future thanks to shareholders in Atlantic Power.

AltaGas Canada

Investors should be excited about AltaGas's asset sales. AltaGas is quickly divesting its interests in pipelines, including the Central Penn Pipeline in Calgary.

In 2019, the corporation sold \$2.2 billion in assets. It wouldn't be surprising to hear that AltaGas plans to give some of that cash back to shareholders in the next year, [much like Thomson Reuters](#). It would be a shame if the company doesn't; the decision would certainly establish the company as one that takes care of its investors.

Since its 2018 initial public offering (IPO), the stock price on AltaGas climbed steadily by nearly 70%. It has at least performed better than many unicorn IPOs in the United States. AltaGas could very likely be a top-performing stock over the next two to three decades.

Foolish takeaway

Canadian investors should be looking into cheap, profitable stocks like Atlantic Power and AltaGas, which are making sizeable investments in clean energy. These are the next "power players" of tomorrow.

It works even more in favour of shareholders in renewable energy that these companies not only stand to benefit from the high growth of technology innovation, but they are also in one of the most defensive and reliable industries: utilities.

Utility stocks will dependably return high yields to shareholders, especially during a recession. Thus, Canadian savers should feel confident that their Tax-Free Savings Accounts and Registered Retirement Savings Plans are safe in this bullet-proof sector.

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