



Uh Oh! A Recession Could Finally Happen in 2020

Description

Too many investors fear a recession and are unprepared for it. Consequently, they end up making many investing mistakes that hurt their portfolios. According to the latest data, a downturn is making its way soon. To add to that, weak economic data from the U.S. indicates that the manufacturing levels are the lowest they have been since the 2008 recession.

Harsh geopolitical and worsening economic conditions across the world, including rising tensions in the Middle East and the trade war between the U.S. and China, are triggering sell-offs across markets. Fears of a global recession are at an all-time high now. While I cannot predict when a recession will occur with certainty, there is an indication that it could finally happen in 2020.

A recession, if it hits, can be devastating — unless you prepare your portfolio for it. There are certain stocks that you can add to your investment portfolio to bolster your financial strength. Adding **Brookfield Renewable** ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock could present a growth opportunity for you at a time where most will likely falter.

Green opportunity

The world is likely to experience a change in several trends moving forward. The transition of energy, how it is produced, and how it is used will perhaps be one of the most significant shifts in the global economy. Experts have given estimates that the market for clean energy programs can be worth more than [\\$1.5 trillion in the next five years](#). Over the next decade, the numbers will only increase.

From the start of 2019, Brookfield stock is up by more than 69% at a price of \$60.55 per share at the time of this writing. The stock has just hit a little below its all-time high of \$64.46, but it has plenty of time and space to expand. Climate change and cost considerations are driving factors for the clean energy industry.

A growing number of countries promise lower emissions and carbon footprints. Governments are pushing the adoption of renewable energy as a more significant part of their overall energy mix within the coming decade. Brookfield, however, estimates that the majority of cities and provinces are lagging

behind their projected targets for cutting their carbon footprints.

Coal or gas still accounts for a significant 45% of energy consumption across Europe and North America. Brookfield, in essence, operates in a market worth trillions and has plenty of room to expand. The company's assets, as of now, are capable of producing over 18,000 MW derived from solar, hydroelectric, and wind power facilities. This effectively makes Brookfield one of the largest green energy providers in the world right now.

Foolish takeaway

Trading at over two times its price to book and with a forward price to earnings of 201.83, Brookfield seems like a stock that is massively overpriced right now. Considering the strength of Brookfield's balance and the sheer size and potential of the green energy industry, however, I think that the stock could have plenty of upside to capitalize on moving forward.

I think BEP may be an [excellent long-term option](#) for any value-oriented investor who wants to take a recession as an opportunity.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/25
Date Created
2019/12/30
Author
adamothonman

default watermark

default watermark