



## Investing in 2020: This 1 Industry Will Have All the Best Stocks to Buy

### Description

Investing in specific industries while they are still in the growth stage can be extremely rewarding.

The renewable energy industry is at the point where it's about to begin to grow rapidly, as the concept has been proven to be economic, making the demand for renewable energy grow by the day.

According to the International Renewable Energy Agency (IRENA), more than \$10 trillion of fossil fuel investments need to be redirected over the next decade, in order to meet the global goal on climate change.

Currently renewable energy only supplies about a quarter of the world's power, a figure that will need to more than double to 56% of world's power by 2030 in order to meet the targets.

While the capacity for energy needs to more than double, the speed at which the renewables energy industry is growing needs to be increased fourfold in order to meet the targets.

This will create major opportunities for investors around the world, so you'll want to gain some exposure ahead of this major global shift in order to secure a prosperous long-term investment.

There are a number of high-quality renewable stocks to consider on the TSX and the two with the best value today are **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) and **TransAlta Renewables Inc** ([TSX:RNW](#)).

### Brookfield Renewable Partners

Brookfield is one of the largest renewable energy companies on the **TSX**. While most Canadian renewable energy stocks have assets in only a handful of countries, Brookfield has a portfolio of green energy producing assets located around the globe.

It has more than 18,000 megawatts of total capacity and operates on four continents.

In addition to its traditional wind, solar and hydro generation, which make up roughly 80% of its capacity, it also has a distributed generation business as well as a storage business.

Through its stake in **TerraForm Power**, Brookfield's distributed generation business is a fast-growing green energy project that offers consumers access to the power they are generating at the point of consumption.

Its storage business is also a unique part of the business that not every renewable company has and is crucial to stabilizing the electrical grid in both the United States and United Kingdom.

It pays a dividend that yields roughly 4.7% and has been raised consistently over the last five years, making it one of the most attractive stocks you can buy.

Plus, you can gain exposure to [Brookfield Renewable Partners](#) at an attractive valuation of just 9.3 times its enterprise value to earnings before interest, taxes, depreciation and amortization (EBITDA), extremely cheap for a company with growth opportunities of this magnitude.

## TransAlta Renewables

TransAlta renewables is a relatively new stock. It's a spin-off from **TransAlta Corp**, that began trading in 2013 and is up nearly 60% from its IPO price.

While 60% isn't bad it may not seem that impressive, especially in a major growth industry like renewables.

The returns investors are actually seeing, however, are much higher considering the major dividend payouts that TransAlta makes.

It currently has one of the highest yields in the industry, at just under 6%, and it too has been increasing its dividend as it grows its business. In fact, since 2013, TransAlta Renewables has increased its dividend by more than 200%.

Furthermore, although up until now the renewable energy industry has been a great growth industry, it's widely expected to accelerate its growth rate, which means that we could see even more impressive returns for investors going forward.

TransAlta's portfolio has just over 2,400 megawatts of capacity that come from its numerous facilities. Its renewable assets are composed of 20 wind facilities, 13 hydro and one solar facility, that are located across Canada and the United States.

For a company in a growth industry like renewables, a price-to-earnings ratio of just 18 times is pretty fair, and with its 6% dividend paying you monthly, you can't go wrong gaining exposure today.

## Bottom line

The renewable energy industry is set to grow not for years but for decades, so an investment today will surely be ideal for both the capital gains and dividend, and may be one of the best investments you'll

ever make.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:RNW (TransAlta Renewables)

## PARTNER-FEEDS

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## Author

danieldacosta

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