1 Stock to Make +40% Returns in 5 Years From the Explosive Green Economy

Description

Investors could see huge returns from the green economy — not just from the switch from hydrocarbon fuels to renewables, but also from alternative protein and other low-carbon market disruptors. From the end of single-use plastics to the rise of the electric vehicle, from floating solar farms to offshore wind parks, there is upside to be gleaned from any market sea change, and the green economy tops them all.

From **Starbucks** to **Microsoft** to the Scope 3 group of oil companies, going green is a multi-billion-dollar enterprise with far-ranging implications for the broader economy. The green economy has been estimated at $6.8 trillion worldwide, taking in tech and green infrastructure in addition to energy and the auto sector. With earnings season upon us, a corporate slowdown could see the green economy go mainstream.

2020 is the year of alternatives

If investors seeking growth from market disruption in the 2020s need a single word to define the movement, it should be *alternative.* From alternative energy to alternative milk (see the Starbucks initiative to cut down on emissions), this year will see a paradigm shift driven by the climate crisis and a slowing global economy hungry for increasing cost efficiencies and underscored by a trend in ethical investment.

Jim Cramer has been vocal on the subject of sustainability, carbon neutrality, and even carbon negativity, and has emphasized the need for companies to push a greener agenda in 2020. What this means for investors is manifold, but the bottom line is that companies need to have a workable carbon-cutting strategy heading into the 20s.

On the flip side, growth investors could see tantalizing opportunities in the green economy. Electric vehicles have captured the imagination south of the border, especially stocks such as **Tesla**, and their equivalent on the **TSX**, such as **Magna International**. For more investors of a more cautious stripe, though, green energy companies offer a mix of defensiveness, dividends, and growth.

This stock could yield high returns by 2025

With the potent combination of a potential annual income growth rate of 30% and a discount of more than 60% compared with its projected cash flows, **Lundin Mining** (TSX:LUN) could add mountains of upside to a stock portfolio in need of copper exposure. There's some gold in Lundin Mining's portfolio, too, plus a moderate (but tasty for its sector) dividend, currently yielding 1.7%.

With projected five-year total returns of 42.8%, stashing Lundin Mining shares to the value of $50,000 could reel in a sturdy $21,400 by 2025. Lundin Mining is a little more volatile than most other Canadian metals and mining stocks, though, so investors following a strategy of low-risk investing may have to keep an eye on this one. Still, with the potential for a sustained run on copper, driven by green economy growth, it's a diversified buy.

The bottom line

Canadian investors seeking exposure to the booming green economy have a strong power play in Lundin Mining with its access to the high growth potential of copper. With its general bias towards the upside and compounding passive income, it's a multifaceted play for metals investors.

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