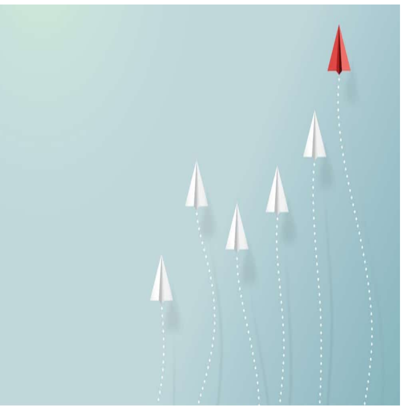

Buy These 2 Safe Stocks Now and Lock In Richer Yields

Description

It's all change in the markets at the moment, from looming market instability to rapidly shifting growth opportunities. Investors seeking defensive strategies are moving into safety assets, while stockholders seeking growth sectors can tap a burgeoning trend in green investing that covers some of the most stable assets available, such as utilities and consumer staples.

Pair safety with growth and income

Paying a 4.3% yield, **Nutrien** (TSX:NTR)(NYSE:NTR) isn't in the top tier of the richest yields available on the TSX. However, it satisfies a 4% yield strategy and adds exposure to one of the most defensive asset types an investor can pack in a portfolio built for long-term safety and capital gains: food production. Nutrien also has a defensive, wide moat, plus its market ratios display attractive valuation.

Down 23% in the last year, Nutrien faced a scale-back in potash demand. However, the thesis for this major agri input material is strong going forwards. With a growing need for crop efficiencies, the developing world in particular is likely to continue to drive demand for precision fertilizers in order to maximize agricultural performance.

With food security among the top concerns for the future, Nutrien could see steady, longer-term improvement. This is only going to continue to be the case, as a changing climate increasingly impacts agricultural yields. From rising temperatures to water shortages and climate-induced crises, such as droughts and wildfires, boosting the efficiency of crops will be a growth industry in itself.

The green economy is going mainstream

Just look at **Amazon** CEO Jeff Bezos's $10 billion commitment to fighting the climate crisis. And with major stock market pundits like Jim Cramer turning their backs on fossil fuels, and the likes of Warren Buffett getting defensive with moves into consumer staples and away from banking, there is a strong, rapidly emerging trend that favours green growth. As an investment thesis, the green economy is booming.

For investors seeking to both capitalize on the green economy megatrend as well as future-proof a long-term stock portfolio built around only the strongest of Canadian energy companies, names such as **Northland Power** (TSX:NPI) stand out. The company is active in wind, solar, and thermal energy production, with exposure that extends beyond Canada to Germany, Mexico, and the Netherlands.

With international wind power initiatives, among other green power operations, of particular appeal to ethical investors, Northland Power's 3.8% dividend yield, gradual share price appreciation, and five-year returns in the 100% region make for a solid buy. The stock is a little on the expensive side in terms of its multiples — see a P/B ratio of eight times book for instance — but it's worth snapping up at almost any price.

The bottom line

Pairing Nutrien with Northland Power is a strong bid for long-term growth, income, and safety. Both stocks suit a strategy based around the green economy and are tailored towards a changing climate with built-in economic responsiveness. Since both stocks also pay dividends, an investor stacking shares in both Nutrien with Northland Power will find their returns mounting up reassuringly in regular payments.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NPI (Northland Power Inc.)
3. TSX:NTR (Nutrien)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise

5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

Tags

1. Editor's Choice

Date
2025/08/25
Date Created
2020/02/21
Author
vhetherington