



## Buy This 1 Top TSX Stock for “Green Economy” Upside

### Description

There may be bumps in the road for the green economy. Staunch oil bulls must be relieved to see it. After all, the emergence of better electric vehicle (EV) tech and the increasing cost efficiencies of renewables are major headwinds for oil. But the war for the middle ground of the energy sector is far from over. In fact, a pullback in green economy stocks could even be seen as a mid-term value opportunity.

### From wind farms to headwinds

From lithium to wind power, the coronavirus is impacting sector after sector. Even the most defensive of industries is proving to be far from immune. Look at gold miners, consumer staples, apartment REITs, and utilities. All four of these sectors are being hit. Miners are closing mines. Supply chain disruptions are causing food shortages. Renters are reneging on leases. Electricity usage is down.

The green economy seemed, for a while, as though it was immune to the crushing vagaries of market forces. Green power is a major worldwide growth trend, after all. The oil price crash seemed to underline the fact that a new order was emerging, and that green power would emerge the victor. While this may still be the outcome, there are headwinds even here.

Two of the biggest issues facing green economy stocks right now stem from the same market stressor: the virus. Sit-down meetings are off, meaning that key deals are not being brokered. This is impacting new industries reliant on forging networks. At the same time, demand for autos in a stay-at-home economy is hitting car makers. Consider the canceled or halted EV plans at **Ford** and **General Motors**, for instance.

### Green economy stocks are on sale

So, how should you invest? As always, it's best to simplify the investment strategy to its bare bones. In this case, it means that investors should [focus on commodities](#). And when it comes to the green economy, those commodities are copper and lithium. The latter metal gets plenty of air time, but

copper also has the potential to see explosive upside. Pack both of them in a stock portfolio, and you have an upside-generating machine.

The obvious choice for EV exposure would be **Tesla**. However, buying Tesla to capture green economy upside makes less sense than buying the critical components of its batteries, namely the metals. On the other end of the green economy spectrum is power generation. Again, you could (and probably should) [buy into a renewable power name](#). However, another play is the copper that many such companies buy in bulk.

Investors should instead consider buying shares in **Lundin Mining**. Copper is undervalued, which means this play could be rich with upside. Lundin is also a play for nickel, zinc, and even gold, making it a spread-risk option. Rallying 15% in the last five days at the time of writing, Lundin is a diversified and popular metals and mining stock. Lundin also pays a 2.3% dividend yield, making it a smart buy for the long-term income investor.

## CATEGORY

1. Dividend Stocks
2. Investing
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vhetherington

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