



## 4 Top “Green Economy” Stocks for Energy Investors

### Description

The oil price crash may have had a muted effect on Canadian stocks, especially in comparison with those down in the United States. But the fact is that hydrocarbon producers are facing some stiff headwinds.

Let’s take a look at alternative sectors for investment today. Here’s what energy investors need to know right now from commodities and a popular green power play to an exciting new IPO to watch.

### Oil isn’t done yet, but it needs to change tack

There’s a strong case for going green in a stock portfolio. However, the black gold isn’t finished just yet. Oilfields could be repurposed for hydrogen sequestration. In the long run, therefore, some oil names may well be worth holding for long-term upside. Investors should also look beyond the energy industry for an oil recovery, since oil is also a major chemical and manufacturing component.

That said, it seems safe to say that there is no upside left in oil stocks in their current form. Where, then, should energy investors look for stronger returns and a healthier long-term outlook? With [demand destruction](#) eating away at the thesis for holding oil stocks, the green economy could provide an alternative source of upside. Undervalued commodities, such as lithium and uranium, are a potentially lucrative long-term play.

### Scouting for green economy stocks? Buy for growth

Selling for \$4.40 a share, **Lithium Americas** fits the bill as an undervalued pure play for [potentially steep upside](#). Its high price target of \$20 shows just how hefty the returns from this name could be in the mid- to long term. Uranium is a similar play for an undervalued commodity attached to the green economy. **Cameco** is strong a buy in this space, bringing the potential of 30% upside if uranium gains.

If you’re buying green power stocks, though, **Brookfield Renewable Partners** should be on your wish list. The Brookfield stable is renowned for world-class asset management expertise, so that’s reason

number one to get invested. Other selling points include strong diversification across energy types and regions, and a tasty and reliable dividend. Revenue from wind, solar, and hydro sources feeds a 4.6% yield.

**GFL Environmental** is a key new IPO in the green economy space, and a strong buy. Comparing GFL and its closest competitor **Waste Connections** shows the main reason to buy the new IPO: GFL's P/B is a touch lower at 2.5 times book. Its share price is also considerably lower at \$24.80 at the time of writing. A dividend yield of 0.26% is on offer from GFL and could potentially grow as time goes on.

## The bottom line

Investors should know how exposed they are to hydrocarbon in their portfolios. Rallies are as good a time as any to trim these types of names, especially the ones that are the most exposed to cratering crude prices. In the meantime, stacking shares in top names that span the full gamut of the green economy could bring tangible rewards from a global growth trend.

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