



2 TSX Stock Industries That I'm Well Overweight in

Description

To have a well-diversified portfolio, investors should generally have at least some exposure to each **TSX** stock industry.

However, depending on the state of the economy, stock market, and your views of the future, some industries will only see a little exposure while others make up a significant portion of your holdings.

In the current environment, the prudent move seems to be adding TSX stocks with the defensive attributes first as well as the potential for long-term growth.

So, it's no surprise that two of the industries I'm most overweight in are renewable energy and gold.

Renewable energy TSX stocks

[Renewable energy](#) is one of the best industries to be investing in right now. Not only are the businesses highly defensive, but the secular growth in green energy should provide investors with the potential for major gains for years to come.

There are several high-quality renewable TSX stocks for investors to choose from. However, there's no doubt that the top stock in the industry is **Northland Power** ([TSX:NPI](#)).

Northland operates a portfolio of generating assets spread across Canada and Europe. In Canada, the company owns onshore wind farms, solar, and gas-generating facilities. In Europe, it owns its offshore wind farms.

One of the main reasons Northland is so reliable is the makeup of its business. 10% of its revenue comes from utility businesses with regulated earnings. The rest of its business is from renewable energy, which has stable and long-term power-purchase agreements.

In total, its diversified portfolio of assets has over 2,000 megawatts of capacity, with another 1,000 in development. This will provide major growth for shareholders for years to come.

The stock has recovered a lot of ground it lost in early March. However, with so much potential and an attractive 4% dividend, it's still a buy today, especially for investors looking for a long-term TSX growth stock that will remain stable.

TSX gold stocks

The other major industry I'm well overweight in is precious metals, specifically gold miners. With all the economic stimulus that's been necessary around the world, conditions are ripe for gold to see superior performance.

And one of the best ways to gain exposure to rising [gold prices](#) is through a gold producer that's leveraged to the price of gold.

There are several high-quality gold stocks to choose from on the TSX. However, my favourite is **Equinox Gold** ([TSX:EQX](#)).

Equinox is a growing gold company that just commenced production in 2018. The business has been ramping up production in the last few years and has an annual production target of one million ounces by 2023.

Normally, gold stocks like this would be compelling buys for their growth alone. But as Equinox is growing its production each year and scaling its costs, the price of gold is likely to continue to rise.

This makes Equinox the perfect growth story in the gold sector.

In the last 12 months, the stock is up more than 130%. And there is considerably more upside as the price of gold rises and its annual production is increased.

Bottom line

In my view, gold and renewable energy are two of the best TSX stock industries to invest in today.

First and most importantly, both offer defensive attributes in the short run. And long term, these economic conditions are perfect for those two industries outperform the rest.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:EQX (Equinox Gold Corp.)
2. TSX:NPI (Northland Power Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
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Date

2025/08/24

Date Created

2020/05/28

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