



Got \$3,000? Make It \$6,000 in 5 Years With Green Power Stocks

Description

Investors eyeing a V-shaped recovery might want to bet on a resurgence in energy prices. As the nation gets back to work and consumer sentiment springs back, energy producers and utilities companies should enjoy a rise in share prices. A sea change in energy is also still underway, with a growing green movement becoming a major international trend. Investors have some clear options for upside in the near and mid-term.

A diversified utilities stock with growth potential

Northland Power's ([TSX:NPI](#)) near and mid-term trajectory is a little more easy to plot out. While uranium could have big gains ahead, its track record is undeniably on the patchy side. Nuclear power could very well see huge upside, but it's likely to blindside most investors if and when it breaks out. This is not the case for renewables, however. Investors already know full well that green energy is a [major growth trend](#).

This is why **Cameco's** ([TSX:CCO](#))([NYSE:CCJ](#)) currently projected total returns for the middle of the decade are negligible, while Northland is looking at 200% growth. Investors should take these kinds of projections as strictly conservative estimates based on current arcs. More reliable right now are those dividend yields. Northland pays a moderate 3.29% yield. Cameco's smaller 0.55% could also grow in time.

But let's take that 200% total returns growth rate and run with it. An investor could expect to grow \$6,000 in returns from their initial \$3,000 investment. While Cameco operates in a tangential sector to Northland, the bold growth investor may consider holding both names in the same portfolio. Their markets are, after all, rather different.

Cameco stock could pack some steep upside

What kind of upside could Cameco enjoy if all goes as planned? At the present moment, Cameco is looking at total returns of around 30% in a year. That's not bad at all, given the demand landscape. In

fact, there's already evidence of growth in this name. Investors not *au fait* with uranium producers may be surprised to note that Cameco is actually up by an impressive 19.5% in the last 12 months. Furthermore, Cameco is looking at earnings growth in the region of 77% annually.

Not only that, but while the energy sector was getting chewed up this summer, uranium was rallying. By May, uranium was even outperforming some other commodities. And while demand hasn't shifted that much, supply constraints during the pandemic have helped to lift spot prices.

The news that another province had just signed on to push small reactor development and deployment further strengthens the bull thesis for the radioactive metal, [increasing the likelihood of upside](#) in this space.

Nuclear energy could be big in Canada going forward. By mixing nuclear with other clean power sources, the country's energy diversification would be increased, while also adding job creation.

Investors looking to head off an oil industry beset by headwinds therefore have a strong play in Cameco. Adding it to a portfolio alongside Northland would help to diversify an energy segment and add a mix of upside streams.

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1. clean energy

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