



U.S. Election: 2 TSX Stocks to Buy if Biden Wins

Description

The U.S election is a major event that's watched around the world. For investors, paying attention to policy can be crucial to understanding the impacts on **TSX** stocks.

A Trump win could bring more policy changes down the road that would impact TSX stocks. For now, however, the biggest changes and potential for opportunity lie with a win from the democratic nominee Joe Biden.

One of the biggest talking points of Biden's policy so far has been his intent to invest heavily in green energy. This creates a major opportunity for several TSX stocks and for those savvy investors who recognize the potential.

I've mentioned before how I believe that green energy is one of the best long-term growth industries for investors. Power consumption only continues to increase at a time when many are campaigning for cleaner energy.

Here are two TSX growth stocks that you may want to consider adding today.

Top green energy stocks on the TSX

The first stock to consider is **TransAlta Renewables** ([TSX:RNW](#)). TransAlta Renewables is a typical top TSX green energy stock, offering investors impressive long-term growth in addition to an attractive dividend today.

At current prices, the stock is yielding roughly 5.9%. That's no doubt attractive, but the real opportunity when investing in TransAlta is for its long-term growth potential.

The company has been adding capacity consistently, and with the trends in green energy, it can be expected to continue to grow well into the [future](#).

And a Joe Biden victory at the election in November certainly wouldn't hurt. At the moment, just 13% of

TransAlta's capacity is in the U.S., so there's clearly considerable room for growth.

Another top green energy stock to consider is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield is by far the largest renewable operator on the TSX. This is a significant advantage, and it gives the company access to major deal flow that other small generators wouldn't have access to.

Similar to other green energy stocks, the stock offers both resilient operations as well as the significant potential for [long-term growth](#).

The company has assets on multiple continents with many already in the United States.

Plus, the TSX stock has been taking prudent investing measures. Management has said the company is investing the most in solar going forward, as the technology continues to get better and costs come down. Currently, its total capacity from solar is just 17%. Management thinks that could be upwards of 50% in just a decade.

The massive company is financially secure as well. Brookfield has over \$3 billion in liquidity; plus, it pays a dividend that's currently yielding roughly 3.75%

Even if Biden doesn't win, states are investing in green energy on their own, so I still believe that these are great investments today. However, a Biden win certainly would add another major catalyst to these high-potential companies.

TSX stocks to avoid

While a Biden win could create some opportunities, investors should also be aware of some stocks it could impact negatively.

One of the biggest industries to watch are TSX energy stocks. A large portion of the energy produced in Canada gets shipped to refineries in the United States.

Without pipeline capacity, the industry can't grow. This has been why pipelines have been one of the most discussed issues in the Canadian energy industry.

Biden has already mentioned his dismay for pipelines. This doesn't bode well for the entire Canadian energy industry.

Plus, with several investments in green energy, over time, the demand for Canadian energy could naturally decline anyway.

Bottom line

There will no doubt, be more policy announcements to come. It's up to investors to watch how it impacts TSX stocks and take advantage of every opportunity. For now, though, there doesn't look to be better long-term TSX stocks to buy today than these.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:RNW (TransAlta Renewables)

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