



BP Says Big Oil Is Dead: Buy This Stock Instead

Description

BP ([NYSE:BP](#)) is one of the largest oil companies in the world. At the start of the year, its market cap exceeded \$100 billion. Once the [coronavirus pandemic](#) began, however, the company took a big hit.

Right now, BP stock trades at *half* its former valuation. Oil prices are a big factor. In January, they were above US\$60 per barrel. Today, they're below US\$40 per barrel.

Fossil fuel producers are hurting right now, and according to a new report, the pain won't go away anytime soon. But fear not: this is actually a great time to look at alternatives.

Oil is dead

Oil companies aren't incentivized to publicly announce the secular decline of their main source of income. For years, these players rejected any notion that the clock was ticking. The world would always need fossil fuels they said. That may be true, but it doesn't mean demand won't ever subside.

This month, BP shocked the industry by releasing its latest energy forecast [report](#), which had some startling predictions.

In two scenarios, demand *never* recovers beyond pre-pandemic levels. This would mean we've already reached peak oil consumption. In BP's third scenario, demand recovers once the pandemic passes, but then flatlines over the next 20 years before entering a permanent decline.

Global populations are still growing, but at a slower rate than the past. China, for example, is expected to reach its peak population by 2030. Europe and many North American countries are already starting to shrink if you exclude the effects of immigration.

"The scale and pace of this decline is driven by the increasing efficiency and electrification of road transportation," BP's report stated. In essence, the report concludes that our shift to renewables will permanently damper oil demand, even in the company's bullish scenario.

This stock will win

Oil companies were a great bet over the last century. The next century will be dominated by renewable energy players. Like oil, several *massive* players will evolve. Now is the time to get involved.

The most obvious pick is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). It already has an early lead.

As BP mentions in its report, renewable energy will be just as big as the oil boom. Over the last five years, \$1.5 trillion has been invested in renewable projects worldwide. But over the next five years, investment should total \$5 trillion. Over the next decade, spending should surpass \$10 trillion. Few opportunities are as big as this.

Brookfield is positioned to target this truly global opportunity as it already has assets across several continents. Its access to capital is also unparalleled.

Most importantly, Brookfield has a proven appetite for early-stage projects. These investments have higher risk, but significantly more reward. If a company wants to tap the entire opportunity, it must show a willingness to invest across the board. Brookfield has done just that.

Over the last 20 years, Brookfield stock rose by 500%. Over that period, BP stock *fell* by nearly 50%. The future is renewable energy, not oil. Brookfield gives you a front row seat at the table.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Investing

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2. NYSE:BP (BP)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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