



1 Stock to Buy Now, And 2 Stocks to Sell

Description

Market volatility is crushing some stocks, but it's providing [buying opportunities](#) for others. The trick is to separate the good from the bad.

The most impactful shift is happening in energy. For decades, big oil ruled the day. Leaders like **Exxon** were the largest companies in the world. That era is now over.

This shift will create winners and losers. If you want to minimize your risk and maximize your upside, keep reading.

Ditch these losers

BP thinks oil is dead.

According to a new report from the company, the world has already surpassed peak oil demand. Demand may experience a slight uptick once COVID-19 fears ease, but over the next decade, demand should steadily trend lower.

This turning point wasn't expected to hit for at least another decade. That's bad news for many stocks.

"In earlier editions of the BP outlook, global oil demand was expected to continue rising steadily. Indeed, successive editions had raised the outlook for oil," [reports](#) *Carbon Brief*. "In contrast, the newly released BP outlook shows that oil demand could indeed fall significantly, declining by at least 10% by 2030 and by as much as 50% by 2040."

Any company that makes money by selling oil will hurt. That includes best-in-class stocks like **Suncor** ([TSX:SU](#))([NYSE:SU](#)) and **Imperial Oil** ([TSX:IMO](#))([NYSEMKY:IMO](#)).

Sunocr and Imperial are both considered *integrated* oil companies. That means they control the entire value chain, including production, transportation, and refining.

Integrated oil stocks were traditionally strong. Diversification allowed them to minimize volatility and invest throughout the cycle. However, these strengths will not overcome falling selling prices.

It doesn't matter how well-run a company is. If their profits are a direct function of commodity prices, they'll suffer when those prices fall. With demand entering secular decline, the future will be difficult for fossil fuel businesses.

This stock will win

It's time to find the *next* oil. There are already investable options to choose from.

Brookfield Renewable ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock is the best way to profit. If history is any suggestion, some companies will grow big enough to become the Exxon's and Chevron's of renewable energy. Brookfield has an early lead.

The biggest advantage this company has is experience. Since 2000, shares have posted double-digit annual gains, including a dividend that regularly exceeds 4%. Renewable energy is an emerging opportunity, but Brookfield already has a resume that you can trust.

Over the last five years, \$1.5 trillion was invested in renewable energy infrastructure. Over the next five years, investment should total \$5 trillion, growing even more as time goes on. Certain stocks will benefit from this massive growth market, and it won't be oil companies.

The best news is that renewable energy will be an even bigger money-maker than oil. That's due to differing economics. Oil plays by the rules of resource economics. This is a volatile model, full of bull and bear markets. Renewable energy, however, is a technology. Production costs are virtually zero once a project is completed, giving businesses extreme cash flow visibility.

Over time, Brookfield stock should become the new Exxon.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SU (Suncor Energy Inc.)

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