



Biden Bull? Buy These 6 Canadian Stocks Today With up to 1,200% Returns

Description

A new era of North American investing is about to begin. In fact, after watching two trends in recent days, I've determined that the consensus seems to be that this new era has already begun. As the ambiguity surrounding the U.S. election begins to recede, it's become clear that a Joe Biden presidency is imminent. At the same time, though, the Senate retains a strong Republican presence. Expect a unique "status quo" market shot through with [renewables and cannabis upside](#).

I've been advocating a two-tiered portfolio buying strategy lately. This risk-balancing system is particularly well suited to the uncertainties of this unique market. Investors have the opportunity to win big on recovery stocks. But they also have a chance to buy stronger names for the long term at knock-down prices. Let's take a look at six key Canadian stocks that fit this strategy.

Mixing two types of green stocks...

Green power and marijuana are two trends that tap a progressive wind of change currently blowing through the United States. With Biden in the White House, these trends are likely to be bolstered in the near term. But there could also be some longer-term growth here, too.

Stocks to buy for long-term wealth creation include the likes of **Algonquin Power & Utilities** ([TSX:AQN](#)) ([NYSE:AQN](#)), **Northland Power**, and **TransAlta Renewables**. AQN is an especially defensive play, given its standing as both a producer and also a distributor of energy. It's this "one-stop-shop" characteristic that makes AQN a strong play over a multi-year period set aside for passive wealth creation.

Wind power is shaping up to be a force to reckoned with in the clean energy industry. Northland Power is a strong play in this space, notable for its international partnerships. Shareholders could see +200% total returns by 2025. TransAlta is also one of the biggest national producers in this regard.

In the nearer term, investors can grab shares in cannabis market leaders such as **Aphria**, **HEXO**, and **Canopy Growth**. These stocks have seen significant upside of late. HEXO, a stock that even hardcore cannabis investors were giving up on, has rallied 42% in the last three months. This is the power of the

“Biden Bull” effect. These names could be extremely high-growth in the right circumstances, with Canopy estimated to bring +1,200% returns by mid-decade.

Income plus growth in renewables

But let’s stick with the long-term passive-income thesis for now. AQN, for example, is still a decently valued stock for its sector, selling at twice its book price. Total shareholder returns could hit 150% by the middle of the decade. Its 36-month beta of 0.24 signifies volatility of only a quarter of the market’s. This makes this [key renewables stock](#) a solid buy for investors with a lower risk threshold.

The dividend thesis is strong here, too. That 4% dividend yield is covered by a payout ratio of 72%, leaving room for growth. AQN is therefore both relatively low risk and uniquely positioned for growth right now. So, if you happen to be bullish on the Biden market, renewables plus passive income adds up to a buy today.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Cannabis Stocks
2. Energy Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/08/21

Date Created

2020/12/08

Author

vhetherington

default watermark

default watermark