



Don't Buy Oil Stocks! Buy This Instead

Description

Don't buy oil stocks! That's the warning of countless experts, as the industry grapples with lower demand and lower pricing due to the COVID-19 pandemic. For some analysts, the writing is already on the wall.

"If you want to lose money in a capitalist system, that is how you do it. You underestimate the forces you're dealing with," [said](#) Jeremy Grantham, referring to the challenges that energy producers face in the coming decade.

In many ways, oil stocks are now like newspaper stocks. Both industries will still exist far beyond their peak heydays, but for investors, the path forward is inexorably lower.

But don't fear! There's actually a way to *profit* from this mess.

Don't get tricked into buying oil

For a long time, investing in oil was a sure-fire way to build long-term wealth. Just look at **Suncor** ([TSX:SU](#)). From 1995 to 2008, shares rose nearly 300 times in value! A \$5,000 investment would have become \$1.5 million.

A huge part of that rise came from the spike in pricing, which zoomed from US\$30 per barrel to US\$150 per barrel. Suncor was expanding quickly, and suddenly, its giant reserve base was worth five times more. It's no surprise the stock performed so well.

Like oil, newspaper stocks once demonstrated the same strength. We all know where that industry went. There are a few survivors like the *New York Times*, but hundreds of bankruptcies plagued the rest of the competition. The internet reshaped how content was produced and monetized, and the vast majority of paper publishers couldn't keep up.

The same thing is happening to oil stocks right now. Despite an impressive history, this seismic shift has been underway for more than a decade. Since 2008, Suncor shares have *lost* two-thirds of their

value. It's not the exception either. Almost every oil stock on the market has lost value over the past decade.

Here's the thing: this trend will only accelerate, but there's a way for you to profit.

This stock is the future of energy

This year, I've [argued](#) that you could trust **Brookfield Renewable** ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock for an entire lifetime. As oil stocks fall, this company is capturing the value.

"From 2015 to 2020, roughly \$5 trillion was invested worldwide in renewable energy projects," I explained. "This is truly a massive market, yet things will get even more exciting. Over the next five years, investment should *double* to \$10 trillion. Brookfield Renewable is in a prime position to profit."

The global energy system is one of the most valuable markets in existence. Oil companies dominated the space for nearly a century, but their turn is over. Falling costs and increased regulations are forcing a rapid transition to renewables. Brookfield is the most proven operator in the space.

Investment rationales don't get much simpler than this.

This isn't a bet on an uncertain future. Brookfield has already validated the model. The stock has been public since 2000, and over the past two decades, shares have risen nearly 800%.

Oil is old news. Brookfield stock can prepare your portfolio for the future.

CATEGORY

1. Coronavirus
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