



Don't Wait for a Stock Market Crash: Here Are 2 Top TSX Stocks to Buy in January

Description

The entire year of 2020 went by with people waiting for the second market crash. The value investor Warren Buffett remained cautiously optimistic. Most of his bets were considering that another market crash is in the making. While it is good to be cautious, you should not miss out on future robins. This decade will not only see a revolution in technology but also in energy. And two Canadian stocks can give you exposure to this energy revolution.

The 2021-2030 revolution

Oil has been the leader in energy for over a century, as it had no substitutes. There were some alternative energy resources, but they were unable to replace oil. It is because they were expensive and had infrastructure and technology constraints. But times are changing. Investors and governments are increasingly investing in clean energy.

One of the world's largest oil producers, **BP**, in its 2020 [energy outlook](#), stated that oil demand has reached its peak. From here onwards, oil demand will decline. Wind and solar energy are slowly replacing oil in electricity generation. Electric vehicles (EVs) are gradually replacing diesel and gasoline cars and trucks. The place where oil remains unbeatable is jet fuel. But the pandemic and growing digitization have changed the face of air travel.

The coming decade (2021-2030) will see the rise of renewable energy. Now, this shift to alternative energy will be very slow, and it will take at least 20 years for alternatives to make a material difference to oil demand. But it will impact the growth rate of oil stocks.

In my previous articles, I've suggested hedging your portfolio [from a crash](#) by investing in Dividend Aristocrat **Enbridge**. In this article, I will share two stocks that will not only protect you in a crash but also grow your portfolio in a greener and cleaner way.

Magna International stock

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is one of the biggest car-parts suppliers in the world. In 2019, Magna generated nearly \$40 billion in revenue from car parts like transmissions, vehicle cameras, mirrors, seating, and \$6.7 billion from contract manufacturing. I skipped the 2020 figures, because the automotive market was hit by the pandemic.

Many countries have come up with regulations that make clean energy adoption mandatory. This is driving the demand for electric vehicles (EVs). The EV opportunity has even caught the attention of iPhone maker **Apple**.

In the new year, Magna is also venturing into EVs, with the new CEO Swamy Kotagiri. The company is forming a joint venture with **LG Electronics** to supply electric powertrain systems, e-motors, and inverters, and automotive manufacturing. Moreover, Magna is working with **Alphabet's** Waymo and **Sony** on their futuristic automotive projects.

Recently, Apple's venture into EV has been making news. As software and electronics become key differentiators in cars, there is a possibility that Apple might outsource car manufacturing, just like it outsources iPhone manufacturing to Foxconn. Evercore ISI analyst Chris McNally said, "If Apple is serious about building a car ... Magna Steyr should build it."

With tremendous future growth potential, Magna stock has almost tripled from its March 2020 low and is trading at an all-time high. I generally don't suggest buying a stock at its all-time high. But Magna is at the cusp of a technology boom, and it can make new records in the current decade.

Northland Power stock

Northland Power ([TSX:NPI](#)) has 2.6 GW of global wind, solar, gas, and biomass projects operational and 1.47 GW of projects under construction. The Joe Biden win in the U.S. presidential elections could be a good sign for Northland, as he promotes clean energy.

Northland Power earns revenue by selling power through long-term power-purchase agreements. It has some projects in the pipeline that are expected to increase its adjusted EBITDA by 60% by 2026. At present, the company has a dividend yield of 2.5%. As its EBITDA increases, it will use some cash to build new projects and some to increase dividends.

CATEGORY

1. Dividend Stocks
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2. TSX:MG (Magna International Inc.)
3. TSX:NPI (Northland Power Inc.)

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Author

pujatayal

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