



2021 Investors: Last Year You Bought Hope. Now Buy Reality!

Description

We were all warned about a potential market crash at the beginning of 2020, even in 2019. Little did we know just how devastating it would be and how it would come about. The pandemic turned the world on its head, and we are still in the midst of it. But there's a huge difference: we can now make some real decisions.

I say real decisions, because last year there were too many "what ifs." We had the "what if" of President Trump versus President-Elect Joe Biden being elected. We had the "what if" of when a vaccine would be created and distributed. We had the "what if" of new companies crashing or soaring. There was just so much uncertainty that people were investing all over the place.

What do we know?

But now there is a dose of reality already in 2021. We know there will be President Joe Biden. We know a vaccine is available and being distributed to most of the world already and many will have received it before the year is out. We know that eventually this pandemic will indeed come to an end. We also know that the world has changed forever.

And while we don't *know* that there will be another market crash, it's likely. Investors like Warren Buffett have been preparing since June 2020, selling stakes and hoarding cash. Then even buying stocks that could see his firm through years of economic uncertainty. Another crash is likely by March, with full-year earnings reports painting a bleak picture, and the pandemic still well underway.

Where to look

Now that we have some knowledge about our future, we can make some real decisions. First, let's start with the new president of the United States. Biden has made it clear that he will tackle COVID-19, but also that he will renew efforts to make the U.S. more green. He has even discussed shutting down pipeline projects. Whether that happens or not, investing in companies that could see a rise from the U.S. re-entering a green economy would be a solid addition to your portfolio.

One stock to consider would be **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). The company owns renewable energy [assets](#) around the world. Since the crash, [shares](#) have risen 162% as of writing. Since Biden was elected back in November, shares jumped 18%. But the company has tons of room to grow, as it continues to acquire more properties.

If it were to then get Federal money, that could be a game changer. Biden announced his administration would have a US\$400 billion investment target in renewable energy companies over the next decade. Even if shares weren't to skyrocket, the company's history should make you excited enough with a five-year compound annual growth rate (CAGR) of 70% — all while receiving a solid 2.45% dividend yield.

Foolish takeaway

Renewable energy isn't the only place that should see growth over the next few years. But if there's one thing we can be certain about, over the next four years, at least, there will be a boost from a new president. We now know where to look when it comes to industries that will do well. So, don't hope for the best during the next market crash. Prepare for it.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Investing

TICKERS GLOBAL

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

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1. Business Insider
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