



2 Unbeatable TSX Stocks I'm Buying as Biden Comes to Power in 2021

Description

After four years of ups and downs, Donald Trump finally left the White House today — paving the way for the 46th president of the United States, Joe Biden, to take over. It's not just a change from one administration to another, but it could lead to a big shift in ideology that could shape the future of businesses across North America and the world.

Biden's inclination towards clean energy

In the last four years, Trump has publicly expressed skepticism about environmental targets — which goes against the very idea behind businesses solely focused on growing renewable energy market. Nonetheless, his criticism couldn't stall the growth of renewable energy installations across North America as the demand for clean energy continued to surge at a fast pace.

During the final presidential debate in October 2020, when Trump [asked](#) Biden if he would “close down the oil industry.” Biden replied, saying, “I would transition from the oil industry. Yes,” and “It has to be replaced by renewable energy over time.” So, incoming President Biden — who clearly supports renewable energy — is likely to [form policies](#) that are expected to accelerate renewable energy companies' growth further.

That's why I find it to be a great opportunity to buy the shares of Canadian renewable energy companies that are not overvalued as their U.S. peers. Let's take a closer look at two such clean energy **TSX** stocks to buy now.

My first renewable energy stock pick for 2021

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a well-established green energy firm. This Hamilton-based company owns and operates a huge portfolio of renewable energy assets globally — mainly in North America, South America, Europe, and Asia. While hydroelectric power accounts for most of the Brookfield Renewable Partners's revenue, the share of the wind and solar power energy segment is increasing in its total revenue every year.

In the quarter ended September 2020, the company's total revenue surged by 35% YoY (year over year) to US\$867 million. Its adjusted EBITDA margin surged above 70% for the quarter. Brookfield Renewable Partners stock has yielded 250% returns in the last five years. I expect its stock rally to pick up pace, as the demand for renewable energy grows further.

Also, the Biden administration's favourable policies could help the company expand its infrastructure in the U.S. in the coming years.

Another top renewable energy stock to buy now

Northland Power ([TSX:NPI](#)) is much smaller than Brookfield Renewable Partners, but it's a fast-growing power producer from renewable energy. The company makes most of its revenue from the offshore wind energy segment. In the fiscal year 2019, the segment accounted for nearly 61% of its total revenue, while 13% of it came from the onshore renewable energy segment.

Apart from Northland Power's main focus on the North American market, the company also focuses on Europe. Its sales have grown between 24% to 34% on a YoY basis in the last three consecutive quarters. At the same time, its EBITDA margin has remained between 54% to 63% during this period.

Northland Power's stock has yielded a 169% return in the last five years. The Biden administration's favourable policies are likely to accelerate the company's growth in North America — triggering a rally in its stock in 2021.

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1. Energy Stocks
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4. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:NPI (Northland Power Inc.)

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