



Growth or Defence: What Are the Best Stocks to Buy Right Now?

Description

In today's investing environment, it can be difficult to decide which are the best stocks to buy right now.

On the one hand, the market is forward looking, and almost everyone expects a big recovery this year. On the other hand, unemployment is still sky high, and there is a long road to a healthy economy. So, it isn't easy to figure out what the best stocks to buy right now are.

In general, the market is forward looking, so that's how investors should be positioning their portfolios. However, during times of heightened risk and uncertainty, overexposing yourself to high-risk growth stocks could be disastrous.

For that reason, investing in today's landscape is extremely tricky. Investors have to navigate the fine line of finding high-potential growth stocks without taking on too much risk in their portfolios.

While most investors may decide to own a fair amount of both defensive and growth stocks, a couple of high-quality Canadian stocks offer exposure to both. These are some of the best stocks to buy right now.

A top Canadian utility to buy today

One of the best stocks to buy right now is **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). [Algonquin](#) offers investors an attractive combination of both robust earnings and significant long-term growth potential.

Its utilities segment makes up about 65% of its business. It's well diversified, operating in over 10 states and offering gas, electricity, and water services.

As many investors know, utilities are one of the most defensive industries. So, with two-thirds of Algonquin's business coming from its robust utilities segment, it's an incredibly stable long-term stock.

This makes it one of the best stocks to buy right now, where risk and uncertainty remain high. These

stable operations also underpin Algonquin's dividend, which yields roughly 4%.

The other third of its business is its renewable energy and power-generation segment. Renewable energy is one of the top long-term growth industries there is. So, in addition to its stable utilities business, Algonquin has a tonne of long-term growth potential.

This incredible combination of growth and defence makes Algonquin an ideal [stock to buy today](#).

The best gas stock to buy right now

Another top stock for this environment is **AltaGas** ([TSX:ALA](#)). AltaGas is one of the best stocks to buy right now for many of the same reasons as Algonquin.

The company also has a highly resilient utilities segment. This is crucial, as it's also the segment that underpins AltaGas's operations with stable and consistent cash flow.

In the fourth quarter, its utilities segment saw essentially flat year-over-year growth in its operating income. It's midstream segment, however, which is more cyclical, saw a 28% decline in operating income as a result of the pandemic.

This is just a minor short-term impact, but it goes to show how important it is that AltaGas's utilities are resilient. And as the market recovers, its midstream segment offers AltaGas a tonne of long-term growth.

Just like Algonquin, AltaGas's combination of growth and defence makes it one of the best stocks to buy right now. It even pays a 5% dividend.

So, if you're looking for a top stock to buy in today's investing environment, I'd start with these two.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ALA (AltaGas Ltd.)
3. 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. Dividend Stocks
2. Investing

Date

2025/09/16

Date Created

2021/03/05

Author

danieldacosta

default watermark

default watermark