



The Best Stocks to Buy Right Now: Defence or Growth?

Description

In today's investing environment, it's tough to decide the best stocks to buy right now. On the one hand, you've got the economy slated to recover rapidly this year. On the other hand, though, many stocks are already priced for this recovery, and the economy itself is still vulnerable to more setbacks.

So, it's a complicated situation, making it difficult to decide what the best stocks are to buy right now.

In situations like these, it's important to take a step back and remember we are investing for the long term. This will help ensure we aren't making investment decisions for the wrong reasons, such as fearing a [bear market](#) in the short term or worrying about missing out on gains as the economy recovers.

Instead, I would recommend investors look at their portfolio makeup right now. Every investor is different, and every investor will have a different risk tolerance.

So, if you think you have an adequate level of growth in your portfolio but need more exposure to defence, those would be the stocks I would focus on and vice versa.

Then, of course, some of the best stocks to buy right now, no matter what, are companies that offer both. Here is a top Canadian company that does just that.

Renewable energy stocks are some of the best to buy right now

Algonquin Power and Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is one of the best stocks to buy right now, as it offers incredible defence and resiliency alongside a tonne of long-term growth potential.

65% of Algonquin's operating income comes from its utility business, Liberty Utilities. Algonquin provides over 700,000 residential and commercial customers in North America with access to water, electricity, and gas utilities.

This is crucial because the utility industry is one of the most defensive and resilient there is. On top of

the industry being regulated by governments, these services are also essential to the consumers.

So, the fact that Algonquin gets 65% of its operating income from utility operations makes it a highly resilient stock. That's one of the main reasons why it's one of the best stocks to buy right now.

The other 35% of Algonquin's income comes from Liberty Power — its power generation and renewable energy business. This segment offers major growth for investors as renewable energy continues to be one of the best long-term growth industries.

Not only will renewable energy be needed to replace fossil fuels, but by the time that would even be feasible, the demand for energy will be much higher anyway. So, these companies have tremendous opportunities to grow their operations over the coming decades.

This impressive growth potential coupled with its resiliency makes [Algonquin](#) one of the best Canadian stocks you can buy now. However, there's more.

The company is also a Dividend Aristocrat. It uses its resilient cash flows from its businesses to fund a consistently growing dividend. Today, that dividend yields roughly 3.9%. So, in addition to all the incredible growth and resiliency it offers, the stock is also continuously returning cash to shareholders.

Bottom line

In market environments like these, investors have to be very careful as the economy is still highly vulnerable. Luckily, stocks like Algonquin give investors exposure to major long-term growth while still having peace of mind that they own resilient businesses. This way, you don't have to give up growth potential to ensure your money is protected first.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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