



Forget Recovery Stocks: Long-Term Investments Are the Best to Buy Now

Description

Over the past year, investors have had a great opportunity to find plenty of stocks trading undervalued. Today, though, stocks are basically back at full value. This will inevitably make it a lot more difficult for investors to decide which stocks they want to buy.

There are a select few stocks that are still [undervalued](#). The majority of businesses now, though, are back to their pre-pandemic prices, and the companies are focused on life after COVID-19.

The past 14 months may have been filled with opportunity, but investors can't get used to these easy capital gains forever. Now that most stocks are back to their fair value, it's much more important to focus on the long term.

And while you should have already been buying stocks for their long-term potential, a lot of what's attracted investors recently are the short-term recovery potential of stocks. With that now essentially non-existent for most stocks, though, it's all about investing for the long term.

Always invest for the long term

Because many stocks have recovered, you may think there aren't many stocks to buy now. On the contrary, though, several top Canadian stocks offer a compelling opportunity today.

When looking for long-term stocks, it's always important to remember that first and foremost, you want stocks that are high-quality and highly resilient.

Over 30 years ago, [Warren Buffett](#) famously said there are two rules for investing: "Rule number one, don't lose money. And rule number two, never forget rule number one."

He goes on to explain that if you buy the best businesses and can stay disciplined and hold them for the long term, it'll be nearly impossible to lose money over time.

Avoiding losing money is crucial, because it's a lot easier to grow your portfolio consistently rather than

having a poor-performing year and then trying to offset it with a wildly impressive year.

With that in mind, here is one of the top Canadian stocks I'd buy for the long run today.

A top long-term stock to buy now

Several Canadian stocks offer attractive buying opportunities today. However, one of the very best has to be **Northland Power** ([TSX:NPI](#)).

Northland Power is a stock with great promise over the next few years. There is a tonne of growth potential in the renewable energy sector, and Northland is one of the top [growth stocks](#) in the industry.

The stock was already worth a buy a few weeks ago, but with the small selloff in the stock over the last few weeks, investors can get an even better deal buying the stock today. At roughly \$39 a share, the stock now trades 30% below its consensus analyst target price of nearly \$53.

Plus, not only has it been a top growth stock in the past, as I mentioned, but it has one of the most aggressive strategies for growth over the next few years. The company is planning on investing up to \$20 billion over the next five years.

This capital will go towards growing Northland's operations through acquisition, as well as funding organic growth projects. It's planning to diversify, too.

While most of its portfolio will continue to be renewable energy generating assets, the company will also look to add some utility businesses for stability. It also said it would look to acquire ancillary renewable energy businesses, such as cleantech companies for their growth potential.

And to add to all the growth it offers, the [renewable energy stock](#) also returns cash to investors with its 3% dividend yield.

So, if you're looking for stocks to buy now, I'd focus on buying the best stocks for the long term. And if you're looking for a top long-term growth stock, Northland is one of the very best in Canada to buy today.

CATEGORY

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TICKERS GLOBAL

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PARTNER-FEEDS

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