



1 Cheap Canadian Stock to Buy and Hold Forever

Description

The Canadian economy looks to be on the path to full recovery. While that's excellent news, the only bad thing is this also means inflation rates are set to rise. In fact, it's already becoming harder to get a mortgage approved with these rates rising higher and higher. And that's exactly why investors should start looking into a Canadian stock to buy.

Why? Because investing is the best way to battle back inflation. It can be inexpensive, and if you look to strong companies with stable revenue, you can see your returns increase far beyond a 2% inflation increase.

Traditional methods are too ... traditional

You can count on an increase from high-interest savings accounts, don't get me wrong. You can feel confident that you will see your investments grow. But by how much? Most high-interest savings accounts don't even meet the rate of inflation of 2%, and are often less! This means you're actually losing money rather than making any.

So instead of saving traditionally, start investing. This is how you build wealth. You make consistent contributions to strong investments and sit back and watch the compound interest grow. Those investments in a Canadian stock to buy are just as sustainable as a high-interest savings account, but you'll be making far more than inflation. So here is one strong company to get you started.

Energy stocks, but no *energy* stocks

True, the oil and gas market is rebounding. That's likely to continue happening for years, even decades to come. But if you're looking for a Canadian stock you can buy and hold *forever*, then you don't want oil and gas right now. It's far better to look to the future of energy, and that's with renewable energy.

Renewable energy will be receiving about \$10 trillion in investment over the next decade around the world. That's an incredible amount of money going to the future of energy. And you *want* to be a part of

that. So the best thing you can do is find a Canadian stock to buy in the renewable energy sector.

My top choice is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). Owning the company is like holding your own diverse portfolio of renewable energy assets on a global scale, but with a management team behind it. Brookfield owns and operates over 19,000 megawatts of [renewable energy assets](#) in multiple companies and continues to expand both organically and through acquisitions.

Shares of the company rose dramatically with the incoming clean-energy-focused United States President Joe Biden. Yet investors have taken returns since then, providing a solid opportunity to buy on the cheap. And the company is solid. Brookfield reported a 21% increase in funds from operations (FFO) during the latest earnings report and will be investing \$1.6 billion in the next year, mainly in wind power.

Hold forever

Rather than focusing on the short-term ups and downs of Brookfield, look at the company's last few decades. Shares in this Canadian stock to buy are up 40% in the last year and 567% in the last decade. That's a compound annual growth rate (CAGR) of almost 21% and 10 *times* the rate of inflation. And you get a dividend yield of 3.14% as of writing.

Let's say that the same movement happened over the [next two decades](#). If you put \$30,000 into Brookfield and reinvested the dividends, you could have an incredible \$1.6 million after 20 years! And that's without adding another penny. That makes this one of the best Canadian stocks to buy and battle back inflation.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Investing
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TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
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