



## Got \$1,000? 2 Top Energy Stocks to Buy and Hold for Decades

### Description

Throughout 2021 energy stocks have been some of the best stocks for Canadians to buy. Companies in the oil and gas industry have been recovering all year. Meanwhile, renewable energy stocks sold off to start the year and have been offering an attractive entry point for investors ever since.

In Canada, energy stocks make up a massive portion of the **TSX**. And while that's because we have a large oil and gas industry, energy stocks should still be a large part of your portfolio.

The key is buying stocks that suit the needs of your portfolio. Energy is a great industry because it's crucial to our economy. But many energy stocks can be highly volatile, especially the producers, which are highly leveraged to commodities prices.

So while energy stocks are important, you don't want to buy businesses that are too risky for your portfolio.

Here are two of the best that you can buy and hold for decades to come.

### A high-quality royalty stock

One of the best stocks to consider today, especially if you're a [dividend investor](#), is **Freehold Royalties** ([TSX:FRU](#)).

Now Freehold Royalties is slightly risky, as it's exposed to commodity prices as well as the demand for oil, as we saw last year. The stock is much less volatile and risky than most energy producers, though, which is why it's such a great stock for a long-term investment.

Rather than producing energy itself, the company earns a royalty from businesses producing energy on its land. So as prices fall and especially as production curtailments are put in, the company can be exposed.

The company is not really that risky, though, as it has very little debt and a solid balance sheet.

So even though it can be impacted during commodities cycles, that's usually the best time to buy more shares of this top long-term energy stock.

And with the sector recovering now, it's clear how much Freehold is benefitting. Since last December, the company has increased the dividend three separate times, and by more than 150%.

So today, it's one of the top energy stocks on the market, especially for investors seeking [passive income](#).

One thing to note about Freehold, though, is that while the stock is a great investment today, it could face headwinds in the long run as fossil fuels continue to be phased out by governments around the world.

So while these stocks are still a great investment today, it's important to diversify your energy holdings by owning renewable energy stocks as well.

## One of the top green energy stocks to buy today

Several green energy stocks offer major long-term potential today. One of the best, though, has to be **Northland Power** ([TSX:NPI](#)).

Northland has been an incredible growth stock over the last few years and continues to have one of the most impressive growth plans going forward.

The world is going through a major revolution, with evidence of climate change happening every day and all around us.

This is forcing governments to act now even sooner than many expected, creating massive opportunities for renewable energy stocks, which Northland looks primed to take advantage of.

The company is one of the top green energy stocks to buy now as its investing up to \$20 billion over the next five years to grow its portfolio significantly and take advantage of this major revolution.

Whether it be attractive acquisitions that offer synergies to its businesses or organic growth projects it will develop from scratch, the company is aiming to expand its portfolio massively.

Climate change is one of the toughest challenges the world has ever faced, and it will be a year's-long effort to get it under control and reverse the effects we're already seeing.

This makes green energy stocks some of the top businesses to own for the next few decades. And of all the green energy stocks, Northland is easily one of the best.

### CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NPI (Northland Power Inc.)

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