



## 3 No-Brainer Stocks to Buy in October

### Description

Investors are nervous right now. The stock markets remain volatile due to several macro-economic issues, including a sluggish global recovery, the ongoing pandemic, as well as rising inflation rates among others. Further, the month of October has been infamous for stock market crashes historically.

But if you have a long-term outlook, ongoing volatility should not matter much to investors. Instead, it makes sense to identify a portfolio of stocks that can survive economic downturns and continue to generate market-beating returns. Keeping this in mind, let's see which stocks you need to buy right now.

### Brookfield Renewable

Over 100 countries have committed to net-zero carbon emissions, as of July this year. In order to transition towards clean energy solutions, companies and governments are likely to invest trillions of dollars over the next two decades. This provides massive opportunities for renewable energy heavyweights such as **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield's portfolio of hydroelectric, wind, and solar energy assets generates 21 gigawatts of power and its development pipeline is all set to add another 31 gigawatts.

In order to fund its expansion plans, Brookfield Renewable has taken a significant amount of debt that now stands at \$19.4 billion. However, its diversified portfolio of cash-generating assets will allow the company to derive predictable earnings, allowing the company to repay debt as well as increase dividend payments over time.

Right now, the stock offers investors a forward yield of 3.4%.

### Shopify

Despite its sky-high valuation, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) remains a top long-term bet for

investors. Canada's largest company in terms of market cap, Shopify has already [increased investor wealth](#) at an exponential rate over the years.

In the last three years, Shopify has grown its revenue at an annual rate of 65% and the moat around its business is getting stronger. The e-commerce giant also has a robust balance sheet with a cash balance of almost US\$8 billion and less than US\$1 billion in debt. It suggests Shopify is well poised to fund its expansion plans due to increased financial flexibility.

Shopify's sales grew by 86% year over year in 2020 and are forecast to rise by another 60% this year. Its adjusted earnings per share might also double year over year in 2021. Similar to most other asset-light companies, Shopify will also benefit from high operating leverage and grow its earnings at a higher pace compared to revenue.

## Algonquin Power & Utilities

Shares of **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) are down 7% in the last 12 months but have gained over 400% in the last decade in dividend-adjusted returns. It has been one of the top-performing stocks on the TSX, despite the recent pullback which allows investors to buy the dip.

AQN generates two-thirds of its earnings from its regulated utility business and the rest from renewable energy. In the last five years, the company reported [an operating margin](#) of at least 20%, allowing it to consistently increase dividend payouts.

Currently, AQN stock offers investors a yield of 4.6% and increased dividends by 10% in 2021. Its payout ratio is just over 40%, which provides the company with plenty of room to increase dividends in the future.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
6. TSX:SHOP (Shopify Inc.)

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