



Green Revolution: 2 Renewable Energy Stocks You Should Buy Today

Description

Oil prices have picked up steam in the last few weeks, with West Texas Intermediate (WTI) crude oil prices rising above the US\$80 mark for the first time in seven years. The price of fossil fuels like oil and gas has risen significantly due to a surge in demand without enough supply during the global economic expansion.

[If you are just starting investing](#), it could be the perfect time to buy shares of Canadian oil producers to capitalize on the [strong bull run for oil prices](#). However, you should also consider the longer-term perspective on the energy sector's future because the green revolution is already underway.

As an investor in it for the long haul, allocating a portion of your investment capital to green energy stocks could set you up for substantial long-term upside as the industry grows. Today, I will discuss two green energy stocks that should be on your radar, if not already a part of your portfolio.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a \$5.09 billion market capitalization company based in Calgary that develops, owns, and operates a portfolio of renewable power-generation facilities. Like most of its peers in the renewable energy industry, TransAlta Renewables stock has had a difficult time during 2021.

TransAlta Renewables stock is trading for \$19.07 at writing and is down by a significant 15.51% year to date. The company's third-quarter earnings report for fiscal 2021 is due soon, and it will impact its performance on the stock market. The previous quarter saw the company's EBITDA drop to \$97 million – a significant \$18 million decline from the same period last year.

It could be the ideal time to buy its shares for a hefty discount and capitalize on its recovery in the short term and its long-term growth in the coming years.

Algonquin Power & Utilities

Algonquin Power & Utilities([TSX:AQN](#))([NYSE:AQN](#)) is an \$11.53 billion market capitalization company based in Oakville that owns and operates several regulated and non-regulated utility facilities. The company also owns power generation, distribution, and transmission utility assets in Canada and South America. Like its peers, Algonquin stock has declined in recent months.

At writing, the stock is trading for \$18.61 per share, down by 10.44% year to date. The company will release its next quarterly earnings report in a few days, highlighting what investors can expect from its performance in the coming months. Its second-quarter performance for fiscal 2021 saw its adjusted EBITDA increase by almost 40% to reach \$244 million.

The stock could be considered to be in oversold territory, and it could be the right time to buy its shares before a significant upside correction.

Foolish takeaway

The oil and gas sector is undoubtedly one space you should consider investing in today's market to leverage the rising demand and higher oil prices in your favour. However, it is equally important to position yourself well for [long-term gains](#).

Renewable and greener energy is slated to gradually phase out the traditional energy sector as governments continue to focus on environmentally friendly practices. It could be the perfect time to start investing in green energy today, and TransAlta Renewables stock and Algonquin Power & Utilities stock could be ideal assets to begin building such a portfolio.

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1. Dividend Stocks
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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:RNW (TransAlta Renewables)

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