



1 Top Canadian Renewables Stock to Buy Right Now

Description

The renewables sector is one that's been extremely volatile of late. One such renewables stock that's fluctuated alongside the market is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). While volatile, I think this is a stock that's worth a buy right now.

Renewable energy is a space that ebbs and flows alongside investor interest. With energy prices soaring, I expect to see more investment in this space over the medium term, not less. Accordingly, investors looking for [dividend-paying](#) stocks that may outperform in 2022 and beyond may want to take a look at Brookfield.

Let's take a look at why this renewables stock could be a great buy right now.

Lots of positives with this renewables stock

Following a positive 2020, renewables stocks traded down last year. This year, that selloff has continued, as investor capital appears to be flowing into organizations with leverage to increasing oil prices.

That said, over the longer term, I remain bullish on Brookfield's prospects. This renewables stock features a solid asset base, with growing cash flows. The company has done a great job of returning value to shareholders, paying out a handsome [3.6% yield](#). That said, I expect the company to be able to continue to invest in projects, which should generate continuous growth in the years and decades to come.

One such avenue for growth I see as important is acquisitions. On that note...

Shares rise after acquiring Urban Grid

Last week, Brookfield Renewable Partners saw its shares rise considerably, following the announcement that the company would be acquiring Urban Grid. This utility-scale solar power provider

adds another 20 GW of power production and seven GW of energy storage capacity to Brookfield's portfolio. Over the long run, I expect this project to contribute materially to Brookfield Renewables's upside.

Generally speaking, I think the market agrees. Following most acquisition announcements, the acquirer tends to decline. The valuation premium paid usually results in a loss of value, which is made up in the acquired company. Once merged, this is moot.

However, this deal signals the market likes this deal. The company's US\$650 million deal, while relatively small compared to other deals we've seen in this space of late, signals this company's focus on securing market share.

Bottom line

Those looking for a top-notch renewables stock to buy right now can't go wrong with Brookfield Renewables. Indeed, the Brookfield family of companies is among the most renowned in Canada. That's for good reason.

Brookfield Renewables is pursuing market share aggressively and positioning itself well to take a leadership role in this sector. For those bullish on where renewable energy is headed, now may be a great time to pick up this stock at a discount.

CATEGORY

1. Energy Stocks
2. Investing

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

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