Analyst to Investors: Don’t Miss Out on This Huge Energy Opportunity

### Description

The consumption of natural gas and crude oil continues to decrease across the world, with more focus on clean energy. Whereas by 2021 it had become a political nicety, by 2022, it’s now become a geopolitical necessity.



The war in Ukraine led to sanctions against Russia for targeting the country. This included sanctions on oil and gas — gas that European countries were quite reliant on. Yet with the tragic war continuing on, prices for power have increased across the continent with no cheap Russian natural gas to be had.

## Support for clean energy

European countries remain focused on making sure this never happens again. There will be no more reliance on outside countries for the necessity of power. Instead, they need a clean energy that can be produced at home.

With Europe looking to reduce its natural gas consumption from Russia, future revenue remains strong for clean energy companies. However, there is one that **National Bank** analyst Rupert Merer announced on Tuesday stands to gain enormously.

## Brookfield Renewable

**Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP) continues to expand its assets, currently operating 3,700 megawatts of clean energy across Europe. These assets will be hugely beneficial as power prices climb and countries look for support during the Ukraine crisis.

The growth in Europe should perhaps even outweigh the lower performance expected in North America and Brazil. That being said, Merer believes the recent debt issuance for Brookfield stock could allow the company to expand its growth plans.

> "In Q4, BEP highlighted 3.4 GW of projects that are construction ready or in advanced development, with a net $157 million in FFO potential (more than 10% growth), of which more than $20 million should reach COD by year-end. With Q1 results, among other things, we could hear about progress with construction on solar in India and repowering of its U.S. wind farm projects, which could contribute to results by year-end."
> *Rupert Merer, National Bank Financial analyst*

## What now?

Brookfield Renewable stock has gone through a lot over the last year and a half. After surging to all-time highs around $70, shares fell to about $44 per share. Since then, the clean energy stock is up to about $47 as of writing, creating a strong opportunity for growth-minded investors.

Couple this with the clean energy stock's 3.28% dividend yield you can lock in now, and you'll still get paid to own the stock while you wait for it to rise. With growth and income imminent, it's why Merer raised his target to US$41 from US$38 as of writing, giving it an outperform rating. This is slightly higher than the consensus US$40.89.



So, if you have some cash and some patience, it's a great time to consider purchasing Brookfield Renewable stock. The company has a long history of price growth behind it, up 117% in the last five years alone. Year to date, the company is up 5% but is going through a pullback after the surge due to the Ukraine crisis. Now is a great to buy the stock and wait for a recovery.

Shares of Brookfield Renewable stock trade at $47.67 as of writing, trading 2.1 times book value, and 9.73 times earnings value over revenue. That makes this stock a steal compared to future potential.

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1. Energy Stocks
2. Investing

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**Date**
2025/08/24
**Date Created**
2022/04/19
**Author**
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