



Where to Invest \$1,000 for the Next 5 Years

Description

As markets face headwinds, and we face inflation at 40-year highs, it's tough to predict how the economy can respond and where it might go over the next five years. But in these situations, it's important to remember that rather than trying to predict how the economy will perform, it's much easier to find businesses that you have confidence in and can hold for the next five years.

This is always the case whether we're in a [bull run](#) or markets are pulling back. However, it's especially important today to find companies that can continue to operate well and earn strong profits and cash flow, regardless of how the economy performs.

If you're looking to buy stocks today that you can hold for at least five years, here are two of the best sectors to consider now.

Utility stocks are some of the best to buy now

There's no question that if you have cash today that you're looking to invest, utility stocks are some of the best to buy now. These companies are incredibly defensive. The services they provide are crucial. They are regulated by governments, and these stocks are consistently growing their operations and the dividends they pay to investors each year.

This makes these investments, such as **Canadian Utilities** ([TSX:CU](#)), some of the best stocks to buy now, because they are so reliable. Not only will they protect your capital should market conditions worsen, but they will also constantly return passive income, which is especially attractive in this economic environment.

Canadian Utilities is one of the best, because its portfolio is well diversified, making an already low-risk stock even safer.

Furthermore, while many utility stocks have long track records of annual dividend increases, Canadian Utilities actually has the longest streak in Canada at a whopping 50 years.

Plus, not only can you expect consistent dividend increases from Canadian Utilities, but if you buy the stock today, it offers an impressive [yield](#) of roughly 4.3%. And in just the last five years, those dividend payments have increased by an incredible 24%.

If you're looking for high-quality and reliable stocks to invest in for the next five years, utility stocks are certainly some of the first you'll want to consider.

Green energy stocks are some of the best long-term investments that you can make

In addition to utility stocks, renewable energy companies are also some of the best investments to buy now and hold for at least five years. Green energy is actually highly defensive, similar to utility stocks.

These assets aren't regulated by governments, so there is a bit more risk. However, because they sign lengthy power-purchase agreements, and because the service they provide is so crucial, green energy is another defensive industry you can have confidence investing in in this environment.

There are plenty of top-notch stocks to choose from too, but one of the very best has to be **Northland Power** ([TSX:NPI](#)).

Northland has proven what a high-quality operator it can be. However, it's also proven to consistently be one of the fastest-growing stocks in the industry.

For example, over the last three-and-a-half years, Northland's revenue has grown by 50%. Furthermore, over that stretch, investors have earned a total return of more than 135%, or a compounded annual growth rate of more than 26%.

Therefore, if you're looking to buy Canadian stocks while both the economy and stock market have a high degree of uncertainty, Northland Power and the green energy industry are some of the best assets to consider.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:NPI (Northland Power Inc.)

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