



Don't Wait for the Market Bottom: These 2 Top TSX Stocks Are on Sale Today

Description

Attempting to time the market is frowned upon by financial experts because it's impossible to predict when it will bottom. So, betting on short-term price movements is a high-risk strategy. Instead, you should consider buying shares of fundamentally strong companies with robust financials that are trading at attractive valuations.

Investors should hold these shares over [long periods of time](#) to benefit from the power of compounding. Here, I have identified two stocks that can potentially deliver game-changing returns to investors in the upcoming decade.

A renewable energy behemoth

One of the largest pure-play [renewable energy companies](#) globally, **Brookfield Renewable** ([TSX:BEP.UN](#))([NYSE:BEP](#)) has already created massive wealth for long-term investors. In the last two decades, the stock has returned close to 2,000% in dividend-adjusted gains to shareholders. Despite its outsized gains, BEP stock is currently down almost 38% from all-time highs.

Brookfield has a portfolio of hydroelectric, solar, wind, and storage facilities in the Americas, Asia, and Europe, allowing the company to increase free cash flows by 10% year-over-year to US\$294 million in Q2 2022.

Brookfield recently agreed to invest US\$3 billion of capital across multiple transactions and geographies. The company advanced certain commercial priorities by securing contracts to deliver three million-megawatt hours of clean energy annually. Further, Brookfield continues to accelerate its development activities and commissioned 1,000 megawatts of new projects that should increase funds from operations by US\$11 million.

The sell-off in BEP stock has increased its forward yield to a tasty 4.5%, given its annual dividends of \$1.74 per share. Brookfield Renewable has increased its dividend payouts by 6% annually in the last ten years and is an attractive bet for income-seeking investors.

The secular shift towards clean energy solutions globally should act as a massive tailwind for companies such as Brookfield Renewable. Right now, the company has a development pipeline capacity of 69 gigawatts which is 200% higher than its current capacity.

Analysts remain bullish on Brookfield Renewable and expect the stock to surge by more than 40% in the next year.

An alternative asset manager

The second stock on my list is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)), one of the largest companies listed on the **TSX**. It's among the leading alternative asset managers globally, with over US\$750 billion of assets under management across sectors such as infrastructure, private equity, renewable power, credit, and real estate.

BAM aims to generate attractive risk-adjusted returns for its base of clients and shareholders. It manages a wide range of investment products for institutional and retail clients. As a result of providing this service, the company earns asset management income.

With access to large-scale capital, BAM makes sizeable investments in high-quality assets and businesses across regions and sectors, providing the company with a sizeable competitive moat.

In Q2 2022, Brookfield Asset Management generated US\$1.5 billion in net income, US\$1.2 billion in cash flow, US\$56 billion in capital inflows, and \$21 billion in asset sales, allowing it to end the June quarter with a record US\$111 billion in cash.

BAM stock is down 33% from all-time highs, increasing its forward yield to 1.5%. The stock is currently trading at a discount of 60% to the average consensus price target estimate. Given its stability and future growth prospects, now is a great time to buy this stock at a bargain.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BN (Brookfield)

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