



## 2 Great Canadian Stocks to Buy in February and Hold Forever

### Description

After starting the year off with a strong first week in 2021, Canadian stocks began running out of steam in the last week of January.

Investors are continuing to see high-growth tech stocks drive both the Canadian and U.S. stock markets. Growth investors are enjoying the gains, but they need to be wary of the stretched valuations.

The recent cool-off in the market could be the start of a larger much-needed pull back. If we do see a market correction within the month, I'll be looking to add to some of my top growth positions if they go on sale. But in the meantime, I've got my eye on two more reasonably priced companies.

These two [market-beating Canadian stocks](#) won't cost you a fortune, but I wouldn't call them cheap either. Neither stock is trading a valuation anywhere near what some of the high-priced growth stocks are trading at today.

### Investing in renewable energy

While the tech sector may be driving the growth in the stock market today, renewable energy has plenty of growth potential to take over within the next five years.

Canadian investors witnessed a huge surge in green energy stocks in 2020. The growing climate concerns are fueling the growth of renewable energy stocks as many consumers and businesses across the globe are trying to reduce their carbon footprint.

### Canadian stock #1: Brookfield Renewable Partners

**Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is my top pick in the sector. Canadian investors have the luxury to choose from a list of top green energy stocks, but the subsidiary of the famed asset management company, **Brookfield Asset Management**, is my top choice.

The \$15 billion company is my top pick because it offers instant diversification to the entire green energy sector. Brookfield Renewable Partners has a global presence, with operations in North and

South America, Europe, and Asia. It's also well-diversified within its product offering. The company generates electricity through hydro, wind, and solar energy sources.

Over the past decade, Brookfield Renewable Partners has crushed the Canadian market. The stock is up more than 400% versus the 30% return from the **S&P/TSX Composite Index**. Shares of Brookfield Renewable Partners were also up more than 70% in 2020 alone.

Even though this market-beating green energy stock is still largely in growth mode, it still provides shareholders with a respectable dividend yield. At today's stock price, the annual dividend of \$1.48 per share is good enough for a yield of 2.4%.

To top it all off, shares are [reasonably priced](#) today, considering the stock's market-beating track record and growth potential. It's currently trading at price-to-sales below 10. Compared to what the high-growth tech stocks are valued at today, this is an absolute steal.

## Canadian stock #2: Constellation Software

Not all tech stocks are over-priced today. **Constellation Software** ([TSX:CSU](#)) might not be a value stock, but considering its track record, it's trading at a bargain.

The \$35 billion company has been one of the top-performing **TSX** stocks over the past decade. Since 2011, shares are up more than 3,000%. Growth has understandably slowed, but even over the past five years, the tech stock's return of 215% has easily outpaced the Canadian market's returns.

Another key area that this Canadian stock differs from the high-flying tech companies today is that it's actually profitable.

At today's stock price, the company trades at a reasonable forward price-to-earnings ratio of just under 40.

## Foolish bottom line

Growth potential does not always have to come at a premium price. Brookfield Renewable Partners and Constellation Software are two top Canadian stocks that have proved you can still outperform the Canadian market and trade at a reasonable valuation.

If you're looking to make two long-term additions to your portfolio this month, you'll want to have these two Canadian stocks on your radar.

### CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

### POST TAG

1. BEP

2. brookfield renewable partners
3. constellation software
4. CSU
5. energy
6. energy stocks
7. green energy
8. green energy stocks
9. growth stocks
10. renewable energy
11. technology

## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CSU (Constellation Software Inc.)

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