



Is Ballard Power Systems Inc. a Buy or Should You Avoid it at All Costs?

Description

Normally, we cover stocks that are much larger in market cap than **Ballard Power Systems Inc.** (TSX:BLD)([NASDAQ:BLDP](#)). However, from a technology perspective, Ballard is in a unique position to take a lot of market share, which makes it worthwhile to cover.

Ballard creates hydrogen fuel cells. That means that a chemical reaction takes place, which results in hydrogen gas and oxygen gas being formed into water. This chemical reaction powers the battery and its only output is water. Talk about a clean energy revolution.

Arguably, this technology could be used in anything that requires a fuel source: airplanes could rely on it; cars could use it; Ballard even sells fork lifts that use it. Anything that needs fuel to get from point A to point B could use this technology. That's a big reason why Volkswagen AG paid US\$80 million to buy a collection of automobile patents from Ballard. This technology could be put into any Volkswagen car.

But just because the technology exists doesn't mean that it is going to be the go-to for implementation in actual products.

Should you buy?

That brings us to this question of whether or not you should buy the stock. I'm a big believer in putting small amounts of capital into pie-in-the-sky ideas that could result in tremendous returns.

Putting money into state-of-the-art technologies, biotechs, and companies of that nature can be a smart move. If you pick the right one, it could have a sizeable return on your investment.

Unfortunately, Ballard doesn't seem like that kind of an investment to me. Hydrogen fuel cells are not a bad idea, but there are better ideas that are being implemented already. Electric cars are more likely to succeed than hydrogen cars. Due to how cheap it will be to generate electricity in the future—because of nuclear power, solar power, etc—it doesn't make sense to rely on hydrogen.

But that doesn't mean you can't still make money on Ballard. Very rarely do I suggest anyone trade a

stock, but this stock is built entirely on speculation. When **Wal-Mart** bought 1,700 forklifts fueled by hydrogen fuel cells, the stock price tripled. When the Volkswagen deal was announced, the shares jumped by 60%. If you had owned shares, it could be an easy trade for some good money.

However, if you've never traded, I would avoid this stock. Find other pie-in-the-sky investments that could succeed. Ballard doesn't appear to be the one.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)

Category

1. Investing
2. Tech Stocks

Date

2025/07/25

Date Created

2015/03/30

Author

jaycodon

default watermark

default watermark