



Why Did This Stock Soar an Incredible 30% Last Week? Why it's Just the Beginning

Description

I have written about **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) before.

I've talked about its game-changing fuel cell technology that is gaining traction, gaining interest around the world, and, most importantly, gaining outside investment and increasing orders. I've also discussed Ballard's relatively [strong balance sheet](#) and its successes and setbacks on the long road to breaking even and sustaining profitability.

Well, in the last week we have seen some very good news that has sent Ballard stock soaring 30% higher.

Here are the key reasons why Ballard [stock has soared](#) and why there is more to come.

Chinese investment

The biggest announcement in the last week was of Chinese automotive and equipment manufacturer Weichai Power's purchase of a 19.9% stake in Ballard as well as an increase in existing shareholder Broad-Ocean Motor Co. Ltd.'s investment in order to maintain its ownership of 9.9%.

There's also Weichai Power and Ballard's joint venture to manufacture next generation liquid-cooled fuel cell stacks.

All this will result in a total cash injection to Ballard of approximately \$180 million, strengthening its cash position for future growth.

Clearly, Ballard Power and its technology has the interest of these major Chinese companies, who are paying up for their investment, which will bring a much-needed cash injection to Ballard as well as greater access and success in the large and rapidly growing Chinese market.

Fuel cell technology continues to gain momentum

We have already seen the lengths that the Chinese government and Chinese companies have gone in their drive to develop the fuel cell powered vehicles.

But they are not the only ones — not by a long shot.

Project JIVE, which stands for Joint Initiative for Hydrogen Vehicles Across Europe, was launched in 2017, and its goal is to “advance the commercialization of hydrogen fuel cell buses through large scale deployment of vehicle and infrastructure.”

The de-carbonization process of public transport is clearly a key initiative in Europe.

And Ballard is and will be a key beneficiary.

Divesting of non-core assets

Ballard is divesting of certain power-management assets of its subsidiary Protonex for \$16 million, choosing to focus on its core fuel cell business and the rapidly emerging opportunities there.

In closing, I would like to say that Ballard is not for every investor. The company is still in the early stages and requires patience and a long-term focus.

It is for investors that have some money they would like to invest in a higher-risk stock for the potentially higher return.

Ballard offers this through its exposure to a potentially game-changing technology that is increasingly gaining traction.

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