



It's Not Too Early to Invest in Self-Driving Cars

Description

Do you want to get in on one of the biggest opportunities this century?

Self-driving cars will flood the market over the next few decades and beyond, but thus far, there haven't been many ways to invest directly. Stocks like **Tesla Inc** let you profit from the consumer market, but what about the litany of companies that supply the automotive industry?

The stocks on this list aren't obviously connected to autonomous vehicles, but read closely—all of the following companies could win big by betting on self-driving capabilities.

Old becomes new

Magna International ([TSX:MG](#))([NYSE:MGA](#)) supplies the automotive sector with a litany of products and services. It pitches itself as having “complete expertise for complete vehicles.”

The [stats](#) back up the claim. Magna is the only supplier in the world that can build a complete vehicle. Roughly half of the vehicles on the road today were supplied by the company.

While the market treats it as a legacy automotive supplier, Magna has worked behind the scenes to benefit directly from the rise of autonomous driving.

Over the last few years, the company was awarded multiple contracts that involve LiDAR and advanced technologies in cameras, critical components for self-driving cars. Magna has close working relationships with traditional manufacturers such as BMW as well as ride-sharing unicorns like **LYFT Inc.**

When autonomous vehicles take off, Magna will be there to supply the entire industry.

Take another look

What does **BlackBerry Ltd** ([TSX:BB](#))(NASDAQ:BB) have to do with self-driving cars? Plenty, as it

turns out.

The former phone manufacturer has completely ditched the consumer hardware market to focus on next-generation software and services. One of its biggest targets is security for autonomous vehicles.

As cars act more like computers, security dangers mount. If a hacker takes over your computer, they can steal your private information or files. However, if a hacker takes control of a moving vehicle, the dangers could be far worse.

Expect vehicle manufacturers to invest heavily in self-driving security to protect their brands and users.

Last quarter, BlackBerry announced that it will be spending \$310 million over 10 years to "...develop the next generation of safe and secure embedded software for the future automobile and other enterprise markets and other autonomous platforms."

CEO John Chen thinks the firm has a lead to supply the industry with tailor-made security solutions.

"Our investment continues to increase the breath of our products that are necessary to serve the active safety and autonomous platform now as well as in the future," he said in May. "I believe this investment is going to help Blackberry to stay ahead of the competition."

A fresh face

Veoneer Inc (NYSE:VNE) was separated from its parent company **Autoliv Inc.** last summer.

With a \$2 billion market cap, it remains the cleanest way to play the rise of self-driving vehicles.

Barclays PLC describes it as a "pure play on the active safety and automated driving market."

Veoneer makes radars and vision systems for advanced driver assistance systems and automated driving. Essentially, it helps cars see.

For example, earlier this year, Veoneer won a contract with a global automaker to supply LiDAR systems for autonomous vehicles. These systems help position the vehicle and detect external objects. Without LiDAR, self-driving cars would be impossible.

Because it's largely focused on the future of vehicles, Veoneer doesn't have a huge legacy business to fall back on. Timing will be important.

This stock looks like your best way to play the self-driving mega-trend, but investors are betting that the shift will happen sooner rather than later.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)

2. NYSE:MGA (Magna International Inc.)
3. TSX:BB (BlackBerry)
4. TSX:MG (Magna International Inc.)

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