



## 2 Stocks to Buy When Tesla (NASDAQ:TSLA) Reveals Its Pickup Truck

### Description

**Tesla Inc** ([NASDAQ:TSLA](#)) is getting ready to release yet another vehicle: a high-powered electric pickup truck. This is the company's boldest offering to date, pitting itself directly against brand-loyal truck buyers that flock to established brands like **Ford Motor Company** and **General Motors Company**.

Investors and analysts are skeptical of Tesla's ability to tap this market in a meaningful way, especially given that Ford and GM are releasing their own electric pickups that may prove to be just as powerful.

Regardless of the ultimate sales figures, one thing is certain: Tesla is succeeding at getting every vehicle category to ditch the internal combustion engine. Scores of people thought pickups would never go electric.

By 2020, nearly every major truck manufacturer in the world will have one released or under development.

This is where it gets tricky, however. Which companies do you bet on? After Tesla reveals its upcoming pickup truck, expect all of the attention to remain on Elon Musk and company.

The biggest deals, however, lie elsewhere. You can use the excitement of Tesla's pickup truck reveal to your advantage by picking up the stocks below.

### It's all about power

Electric vehicles obviously run off electricity, which is stored in lithium-ion batteries. Do you know what material you need to build lithium-ion batteries? You guessed it—lithium.

As Tesla stokes further demand for electric vehicles, lithium demand is expected to grow by leaps and bounds over the next several decades. Current lithium supply is nowhere close to what's needed to meet this market demand.

That means two things: lithium prices will likely rise, and any producers capable of bringing new supply to market will benefit.

**Lithium Americas Corp.** ([TSX:LAC](#))([NYSE:LAC](#)) is perfectly positioned to capitalize. I've often [recommended](#) that Tesla investors take a close look at betting on the company. Lithium Americas owns interests in two major lithium mines located in Argentina and Nevada.

The Nevada mine is only 200 miles away from Tesla's gigafactory, positioning it to directly supply the company.

Even at current prices, these two mines could collectively be worth around \$1.8 billion. If prices explode—a strong possibility—there could be even more upside. But even if that doesn't happen, the net asset value of Lithium Americas is around \$20 per share.

Shares trade at just \$5 apiece today. If Tesla's electric pickup is a success, expect Lithium Americas to experience similar fortunes.

## Suppliers still win

The Lithium Americas bet uses an age-old strategy for getting rich: during a gold rush: sell the shovels. Being a supplier is great given that you can sidestep a ton of competition.

For example, **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is one of the largest automotive suppliers in the world. There's a good chance they designed your vehicle's suspension, airbags, or seats.

Tesla manufactures much of its components in-house, but that's still not true for most global car manufacturers. So as Tesla pushes competitors to release additional electric vehicles, Magna International should get its slice of the pie by supplying the burgeoning industry.

It has already established key market positions, including a joint venture that will deliver electric powertrains directly to the Chinese market. This opportunity alone could accelerate earnings growth for years to come.

In addition to electrification, Tesla is pioneering self-driving capabilities. The new Tesla pickup is expected to be equipped for full autonomy. Other manufacturers are racing to build their own autonomous driving technologies. Magna International is deeply involved.

It has deals with BMW and **LYFT Inc** to supply LIDAR systems and enabling software. If Tesla's pickup reveal is a success, Magna International should be lining up supply deals with several major car manufacturers who will spend big to catch up.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:LAC (Lithium Americas Corp.)
3. NYSE:MGA (Magna International Inc.)
4. TSX:LAC (Lithium Americas Corp.)
5. TSX:MG (Magna International Inc.)

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