This Canadian Electric Bus Stock Pays 6.1% Dividends

Description

Canadians can invest in electric vehicles without purchasing expensive stock in **Tesla** (NASDAQ:TSLA).

Currently, at $239.57 per share, Tesla has had quite a troubling year after Elon Musk began behaving strangely in public. Apparently, going through a rough breakup, the young and eccentric CEO was recorded smoking weed on a radio show.

Then Musk raised negative attention from the U.S. securities and exchange commission for misleading investors on **Twitter** and bashing short-sellers. The stock performed remarkably well throughout 2018, despite these incidents, but company earnings eventually disappointed shareholders.

Since reporting a profitable quarter at the end of 2018, Tesla has reported substantial, negative earnings per share (EPS) in 2019. EPS for the quarter ended June 30, 2019, came in at negative $2.31 per share, and the earnings for the quarter ending in March were even worse at $4.10 per share.

Luckily, there is a Canadian alternative bottoming out in price and issuing strong dividends.

New Flyer

New Flyer (TSX:NFI) is the profitable Tesla-alternative on the Toronto Stock Exchange. Instead of overpaying for a consumer-driven electric car company, Canadians can get in the market through the public transportation industry.

New Flyer is the best investment in electric-vehicle technology. Unlike Tesla, New Flyer reported an EPS of $2.56 for 2018. Shareholders also enjoy a 6.11% dividend at the current share price of $27.80.

This stock dropped in price in the past year from $52.10 to under $30. Thus, the stock should be hitting a bottom soon given its high earnings and dividend growth.

Canadians should snap up shares of this stock while it is cheap. Electric car manufacturing is a hot, new industry, which should have higher growth rates than many consumer defensive stocks like utilities.

NIO

Aspiring Canadian retirees may want to think about their options before investing in the Chinese electric car manufacturer, **NIO** (NYSE:NIO). Like Tesla, NIO offers shareholders no dividend. Moreover, NIO hit a peak in March 2018 at $10.64 per share and has since dropped to $1.28.

NIO is struggling with volatility over U.S. president Donald Trump's trade war with China. Trump is threatening to de-list all Chinese companies from the U.S. exchange. As a result, demand has dipped for the stock.

Regardless of Trump's decision to allow Chinese corporations to list on U.S. exchanges, NIO must maintain a share price above $1 to remain on the New York Stock Exchange. Trump may not even need to prohibit Chinese companies from American exchanges officially.

NIO and other Chinese corporations may fail to meet the minimum price of $1 per share to list on the exchange.

Foolish takeaway

The oil and gas industry should have low growth rates compared with Earth-friendly, sustainable alternatives like wind power, solar energy, and electric vehicles. Geopolitics make these stocks even worse investments. Canadian oil companies struggle with lower profit margins relative to oil producers in other countries.

Canadians should instead invest in innovative, nascent technologies like cloud computing, 5G telecommunications, and renewable energy. Although these industries typically pay out excellent dividends, the return provided by New Flyer is still one of the highest you will find in these industries, on any exchange, globally.

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