



Accelerate Your Wealth Creation With This 1 Growth Stock

Description

Following **Magna International's** ([TSX:MG](#))([NYSE:MGA](#)) key deal with **BMW Group**, growth investors lacking exposure to the international auto industry have a solid buy right now. Magna has been growing steadily over the past year after a breakthrough partnership with the **Beijing Electric Vehicle Company** to supply electric vehicles for the Chinese market.

The deal with BMW is historically significant given its reach. The contract extends over a number of years and involves Magna supplying transmission tech that will be used in multiple auto applications. Specifically, Magna will supply front-wheel drive clutch transmissions as part of its powertrain segment.

Tom Rucker, president of Magna Powertrain, said of the deal: "This new award is another result of Magna's commitment to delivering high-quality, flexible and innovative transmissions. Our scalable dual-clutch transmissions enhance drivability while simultaneously providing optimal levels of efficiency, which makes our product a perfect match for BMW."

Electric vehicles have huge upside potential

Magna is also fairly good play for upward momentum, having gained 10.36% in the last 12 months. While this means that its stock isn't quite the bargain it was last year, currently trading at 23.51% above its 52-week low, its positive trend means that capital gains investors looking to buy and hold have a chance to cream some upside here.

For income investors seeking dividends in the auto space, Magna currently yields 2.73%. While that's not significantly high, its current value fundamentals and outlook in the electric vehicle space make it a target for income growth over the coming years. As part of the increasing upward trend [known as the green economy](#), Magna is a strong choice for fairly assured dividend growth for the long term.

Stashing Magna stock in a TFSA is also a play for international trade that's just right for investors bullish on the return of globalization — or at the very least, an end to the trade dispute between the U.S. and China, Canada's two biggest trading partners.

Not only does Magna's partnership with the Beijing Electric Vehicle Company give investors [exposure to the electric vehicle market in China](#), but the fact that the new BMW deal will see parts built at sites in Germany and Slovakia lends an even greater degree of global diversification. The company's emphasis on fuel efficiency also taps into the mega-trend in low-carbon industries.

In terms of global reach, Magna's operational footprint extends across an impressive 28 nations. With hundreds of sites divided into manufacturing, development, engineering, and sales segments, the company is a strong play for growth in the auto industry, with expertise in electronics and software as well as complete vehicle engineering and parts development and manufacturing.

The bottom line

Big contracts such as the new one with BMW continue to make Magna a hot stock in the green economy space. Along with renewables and waste management players, ethical investing could cease to be part of a lifestyle choice and a mainstream play for growth. Indeed, the combination of low-carbon energy production and vehicles with reduced emissions could be a rewarding powerplay in the long term.

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