



Why the Ballard Power (TSX:BLDP) Stock Price Rose 32.6% in April

Description

The **Ballard Power Inc.** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) stock price has rallied big in April. In fact, it has given investors a return of three times that of the market. And with a year-to-date performance of +52.5%, Ballard Power stock price has also significantly outperformed year-to-date.

We may very well be entering the hydrogen decade, with scaled commercial adoption of fuel cells. As a major fuel cell player, Ballard Power is benefiting from this.

Ballard Power stock price soars as fuel cell acceptance and adoption soars

The drivers are clear. [Governments worldwide are setting ambitious emission targets](#). Industries are investing in fuel cells. China's **Weichai Power** and Ballard are involved in a mutually beneficial joint venture. **Hyundai** is planning a \$6.7 billion investment in fuel cells.

The path to fuel cell commercialization is becoming brighter. Dramatic performance improvements and costs reductions have improved the value proposition of fuel cells. Consequently, fuel cell orders and deployments are rising significantly in key geographies. There are currently 18,000 fuel cell passenger cars in operation, supported by approximately 400 hydrogen fuelling stations.

Consulting giant Deloitte recently published a very interesting white paper. It illustrates the belief that it will soon be cheaper to run a fuel cell electric vehicle than a battery electric vehicle. This will happen for certain heavy duty applications such as trucks, buses, and trains. It says that costs will fall by more than 50% in less than 10 years and that fuel cells will be less expensive by 2027. They will no longer need government subsidies.

Fuel cells are increasingly becoming the clean energy source of choice.

Ballard stock sees increasing investor interest and acceptance

This year, we are seeing rapidly increasing acceptance of Ballard Power stock among investors. This is a very important achievement. This is because Ballard's history is a long and complicated one. Ballard went through the dot-com bubble in the early 2000's. Many Ballard investors lost significant amounts of money as well as faith in the company. Its reputation suffered greatly. Today, there are many sceptics who have been scarred by this, including those making the decisions at large money management firms.

But things are different for Ballard. The timing for its technology has never been better. We can say that Ballard Power was before its time in the early 2000s. But today is Ballard's time. Ballard Power's stock price will have an explosive future if this momentum continues.

As a case in point, let's look at trading volumes of Ballard Power stock. So far in 2020, the average trading volume per day is 1.4 million shares. That's an almost 400% increase in volume compared to prior years. This illustrates the dramatically increased level of investor interest. Anecdotally, I have also noticed that investor participation on Ballard's conference calls has increased.

Finally, we have Ballard Power's results to back up this investor interest. Fourth-quarter 2019 revenue increased 47% and 2020 revenue is expected to increase 22%. The company's order book and pipeline are strong, and cash reserves stand at \$148 million. In the next few years, Ballard Power management expects 25% to 35% revenue growth annually, with a much higher growth rate after 2023.

Foolish final thoughts

The Ballard Power stock price is clearly outperforming in the last few years. Momentum is building. [It has a bright future set to benefit from the world's race to reduce carbon emissions and clean up the environment.](#)

The coronavirus is wreaking havoc on the market and on many of the traditional stocks out there. Ballard represents something greater. A push to improve the world by reducing carbon emissions into the environment. This is something the world is standing by and it is a chance to effect some positive changes.

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