



Canadians: 3 Electric Vehicle Stocks to Buy This Summer

Description

The electric vehicle (EV) market has generated huge excitement over the past decade. Look no further than the success investors have seen at **Tesla**. The company has wrestled with production challenges, but the stock has hit its stride in recent months. Shares of Tesla have surged nearly 500% year over year as of close on July 17. This has allowed founder Elon Musk to amass a fortune that now eclipses Warren Buffett. The consulting firm McKinsey lauded EV progress in 2018 and 2019 but said that continued growth depended on regulatory support going forward.

Today, I want to look at three TSX-listed equities that can provide Canadians with [exposure to the EV space](#).

EV investing: Can lithium regain momentum?

In the mid- to late 2010s, lithium producers experienced a spike in interest due to the rise of the EV space. Lithium-ion batteries are commonly used for portable electronics and electric vehicles. Because of this, lithium began to experience its own gold rush last decade.

It soon became clear that the industry was outpacing the EV market itself. A glut quickly emerged and tanked many of the top lithium-linked stocks. However, industry experts still expect a return to form as the EV market [catches up to the build up](#) in the 2020s.

Lithium Americas ([TSX:LAC](#))([NYSE:LAC](#)) is a Canadian resource company. Its two main projects are the Cauchari-Olaroz lithium brine project in Argentina and the Thacker Pass lithium claystone project in Nevada. Shares of Lithium Americas have climbed 71% in 2020 so far. The demand recovery from the lithium crash may still take time, but the explosion of electric vehicle production is great news for companies like Lithium Americas. Currently, it boasts high-growth potential and a favourable price-to-earnings ratio of 11.

One TSX stock stepping into the EV market

NFI Group ([TSX:NFI](#)) manufactures and sells buses in North America and around the world. In 2012, in a joint venture with the Manitoba government and **Mitsubishi**, NFI unveiled a fully electric battery-powered bus. Fast forward to August 2019, and NFI announced a new contract from New York's Capital District Transportation Authority (CDTA) for four battery-powered transit buses.

This makes NFI Group a player to watch, as municipalities look to adopt public transport with lower emissions. Beyond the EV space, NFI is also pushing ahead with automated transportation. Shares of NFI Group last had a price-to-book value of one, which puts it in favourable value territory. The stock paid out a quarterly dividend of \$0.2125 per share this July. That represents a strong 5.1% yield.

This ETF offers broad exposure to EV stocks

Instead of picking up individual stocks, some investors may want to dip into a vehicle that offers broad exposure to the electric vehicle market. The **Evolve Automobile Innovation ETF** seeks to replicate the performance of the **Solactive Future Cars Index**. Shares of this ETF climbed 51% in 2019 and have increased another 20% so far in 2020. Some of its top holdings include **NIO**, a China-based EV producer, Tesla, and **Ballard Power Systems**.

CATEGORY

1. Investing

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1. NYSE:LAC (Lithium Americas Corp.)
2. TSX:LAC (Lithium Americas Corp.)
3. TSX:NFI (NFI Group)

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