



Forget Tesla Stock: Here's 1 Top Stock to Buy Instead

Description

Tesla ([NASDAQ:TSLA](#)) stock is soaring in 2020. Its electric vehicles are filled with promise and hope for a better future. Tesla's CEO, [Elon Musk, has been a volatile figure](#) throughout. He has inspired as much confidence as worry and skepticism. Will Tesla be [able to live up to the hype and its hefty valuation](#)?

Here's why we should forget about Tesla stock. We should own top fuel cell maker **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) instead for more upside.

Is Tesla's electric car all it's cracked up to be?

Tesla stock has been a clear winner in 2020. It has been the homerun all investors search for. This is supported by many factors. For example, most recently, we found out that Tesla stock will be included in the S&P500 Index. This always spurs increased demand for a stock. And we can expect the same for Tesla. So, this \$461 billion company is looking good.

One cannot argue with the statement that Tesla stock is pricing in high expectations. This has been the case for a while now. Much of this is well placed. The result of Tesla's ingenuity and promise is clear. Tesla stock has rallied 530% in 2020. And it has rallied 757% in the last three years. This has happened, as investors have clamoured to get a piece of the action.

But there are also some warning signs. For example, there are reliability issues with electric cars in general. And within the group, Tesla does not fare well. According to a recent consumer reliability report, Tesla's cars rank second to last in terms of reliability. This is not a glowing review. While we can expect issues to arise with new technologies, being next to last on the list does not fare well for Tesla.

To those who bought Tesla stock at the beginning of the year, great move! To those who are thinking of buying Tesla stock now, hold on. There's more upside in another clean energy stock right now.

Ballard Power uses fuel cells to power electric vehicles, while

Tesla uses batteries

Electric vehicles are the future. But battery powered vehicles aren't the only type of electric vehicle that exists. Fuel cells can also be used to power vehicles in a zero emission system that produces impressive results. Fuel cells use colourless and odorless hydrogen for energy. They have been shown to have longer ranges and much quicker refueling/recharging times. This is a clear edge over Tesla's cars. Ballard Power stock has rallied 190% so far in 2020 as fuel cell momentum has been building.

Fuel cell electric cars are a few years behind battery powered electric cars. The cost of fuel cell cars are still way higher. Still, certain automakers are dipping their toes here. Hyundai, **Toyota**, and **General Motors** have developed their own fuel cell stacks. Other automakers have leased fuel cell stacks from Ballard. One day, fuel cell cars will challenge Tesla's electric cars.

The cost of fuel cell-powered passenger cars is still prohibitively high. But heavy duty fuel cell vehicles are a booming market. Vehicles such as trucks and buses are better suited for fuel cells. They perform well in all types of weather. They also have quick refueling times and long ranges. The costs of manufacturing and maintaining fuel cells have fallen significantly over the years. This has supported a huge spike in fuel cell buses and trucks. Further cost reductions will support a fuel cell passenger car market in the future.

Motley Fool: The bottom line

Fuel cells are finally having their day in the sun. Buses and trucks around the world are rapidly being converted into fuel cell vehicles. For example, China has a well-developed hydrogen plan and a vast network of fuel cell buses. Also, Europe is developing its own hydrogen economy. Ballard is benefitting from this global movement.

Elon Musk's Tesla has done a phenomenal job. In response, Tesla stock has had a phenomenal run over the last few years. But volatile Tesla may be no match for the lesser-known Ballard Power stock in the coming years. Investors are just now starting to notice Ballard Power stock. The upside is huge, as the fuel cell deployment rapidly accelerates.

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