



Betting on Electric Vehicle Boom? Here Are 2 TSX Stocks to Buy Today

Description

Like it or not, but the global transportation industry is turning green. Growing corporate investments and a slow-but-stable demand increase indicate a gradual shift to electric vehicles. The 660% rally of the frontrunner **Tesla** stock this year speaks for itself.

However, the industry is still in the nascent stage and will likely see a steep rise in the coming decade. According to research, the electric vehicle (EV) market is expected to grow by over 20% annually for the next decade. Higher investments, customer awareness, and government support should support the industry's growth for the next several years.

If you want to bet on the booming EV industry, it is still not late yet. Here are [two Canadian stocks](#) you can consider.

Magna International

A \$26 billion **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is a solid stock to bet on the EV boom. It is a mobility technology company that manufactures chassis, exteriors, active driver assistance, electronics, mirrors, lighting, and roof systems.

Magna and South Korean LG Electronics are [starting](#) a joint venture that will make key components for electric cars. It is a billion-dollar venture in which Magna will own 49%. The joint venture will target the fast-growing e-motors, inverters, and electric drive systems. The transaction is expected to close by July next year.

Magna is aggressively escalating in the EV market. In October 2020, it agreed on the contract manufacturing deal with electric car maker Fisker. In June last year, it signed an EV manufacturing joint venture in China.

Magna stock has already been on a roll this year, doubling from its record March lows. Even if the stock looks overvalued against its historical average, it is one of the lucrative bets one would get in the EV space.

Facedrive

A \$1.7 billion **Facedrive** (TSXV:FD) is not involved in manufacturing the EVs, but it is a climate-friendly ride-hailing company. Facedrive offers riders to choose from EVs and hybrids, which helps lower the carbon footprint.

Driven by its green appeal, the ride-sharing company has seen remarkable growth in the last few years. However, Facedrive's revenues fell 30% in the second quarter year over year amid the pandemic-driven lockdowns. Interestingly, despite weaker top-line growth, the stock price has soared more than 750% so far this year.

Facedrive has been aggressively growing in verticals like food delivery and corporate ride-sharing. It is a loss-making company at the moment. Its revenue growth could be a vital indicator for investors that will determine its future prospects. The stock might keep on exhibiting above-average volatility and remains a high-risk, high-reward play.

Bottom line

We will likely see more and more EVs around us in the next few years. Higher investments and competition will make them more affordable. After several years of ups and downs, the industry seems to have firmed its roots now for a promising future. If you think EVs will dominate legacy car makers in the next few years, consider these TSX stocks for handsome gains.

CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)
3. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

Date

2025/08/22

Date Created

2020/12/23

Author

vinitkularni20

default watermark

default watermark