



## Market Crash 2021: Why Magna Stock (TSX:MG) Will Shine Through

### Description

A stock market crash is seeming increasingly likely in 2021. Many factors point to this. For example, the second wave of the virus is rapidly escalating. Also, new lockdowns have taken hold. The government continues to offer support. But [the economic pain of this is massive](#). Individuals, companies, and the country will be paying for this for years to come.

So I think it's very probable that a market crash is coming. How can we protect our money in this scenario? **TSX-listed Magna International Inc. (TSX:MG)(NYSE:MG)** is a global player in the auto parts industry. It has proven itself as it has stood the test of time. Read on to see why Magna stock will shine through in the market crash of 2021.

### Magna's history speaks for itself

This \$27 billion company has a long history. Through ups and downs. Economic boom times and recessions. Through it all, Magna has thrived. The cyclicity of the business is rough. But Magna has created a financially strong and flexible business. For example, Magna has always kept its debt balance low. Also, the company has always focused on maximizing cash flows and returns. It is what has supported Magna's growth.

Also, it is what has allowed the company to withstand the notoriously cyclical auto parts industry. This will allow Magna stock to [shine through the upcoming market crash of 2021](#) as it has supported Magna stock's superior returns.

### Magna secures its place in the global shift toward vehicle electrification

The shift toward clean energy is gaining momentum. The pursuit of cleaning up every facet of life is an honourable pursuit. But it's also a money-making pursuit. Clean energy has big growth ahead as it replaces traditional energy sources. Those companies that do not participate will be left in the dust. So

it comes as no surprise that Magna stock has shot higher because of its joint venture with LG.

The electric powertrain market is a fast-growing segment of the auto parts industry. Current research estimates for this market are clearly bullish. The global electric powertrain market is expected to grow at a compound annual rate of almost 15%. By 2027, the market is expected to reach at least \$38 billion. I think this estimate may prove to be too conservative and that the actual growth rates may come in higher.

Think about it. If electric cars will replace diesel cars, there's a long way to go. In the U.S. alone, the auto parts industry is worth hundreds of billions of dollars.

So back to Magna's joint venture with LG Electronics. It's a collaboration "to manufacture e-motors, inverters, and on board chargers." The new joint venture will draw upon Magna's strength in automotive manufacturing. It will also draw upon LG's expertise in e-motors and inverters. It will accelerate both companies' growth in the electric powertrain market.

## Motley Fool: the bottom line

A market crash in 2021 will no doubt hit all TSX-listed companies. But that's okay, because this will uncover some great buying opportunities. Magna stock is one of those quality companies that you can snatch up in all the chaos. It has shown its resiliency in the past. It has positioned itself favourably for the future.

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1. Investing

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2. TSX:MG (Magna International Inc.)

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