



Canadians: 2 EV Stocks to Buy Now

Description

The electric vehicle (EV) market attracted significant attention ahead of this new decade. Before the new year, I'd discussed why Canadians need to [get in on this attractive market](#). The sales of battery electric and plug-in hybrid electric cars rose to two million vehicles for the first time in 2019. Predictably, the devastating COVID-19 pandemic had a negative impact on EV sales last year. Investors should expect this market to pick up again in 2021.

Sales of EVs represented roughly 2.5% of total vehicle sales in 2019 and 2020. Canada and many of its global peers are making a strong push to phase out fossil fuels in the decades ahead. Wealthier nations will have an advantage in making this transition. Today, I want to look at two stocks that should benefit from the impressive growth of this market. Let's dive in.

This lithium stock is surging, as production is ramping up

Lithium stocks experienced a short but notable bull run in the latter half of the 2010s. However, this gold rush came to a screeching halt before the end of the decade. Back in 2019, I'd discussed why lithium stocks were a good bet to bounce back by the time 2020 rolled around. Fortunately, the COVID-19 pandemic [failed to throw cold water](#) on this development.

Lithium Americas ([TSX:LAC](#))([NYSE:LAC](#)) has been one of the biggest beneficiaries of the rush back to lithium stocks. Its shares have climbed a stunning 526% year over year as of close on January 19. The stock is already up over 100% in 2021 so far. Last week, the company announced that the U.S. Bureau of Land Management had issued the Record of Decision for its Thacker Pass lithium project. This opens the door for the company to pursue state permits and explore strategic partnerships.

This company is not a lithium producer right now. However, it is positioning itself to be a strong player, as growth in the EV market is poised to increase demand for lithium. Canadians should not ignore this promising player in the lithium space.

A top TSX stock that is breaking into the EV space

Magna International ([TSX:MG](#))([NYSE:MGA](#)) was already one of the biggest players in the North American automotive space coming into this decade. It is the largest manufacturer of automotive parts on the continent. The company managed to achieve solid results in the face of a pandemic that has hurt the broader auto sector. Shares have climbed 31% year over year.

In late December 2020, Magna announced that it would form a joint venture with **LG Electronics** to build electric car components. This venture will manufacture electric motors, inverters, and on-board chargers. Investors in Magna should be very excited by this move. The venture builds on Magna's 2018 ventures with Chinese companies to engineer and build EVs.

Magna stock last possessed a solid price-to-book value of 2.1. The automotive parts giant boasts an excellent balance sheet and a dominant position in the North American market. Moreover, it offers a quarterly dividend of \$0.40 per share, which represents a 2.2% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:LAC (Lithium Americas Corp.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:LAC (Lithium Americas Corp.)
4. TSX:MG (Magna International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/08/16

Date Created

2021/01/20

Author

aocallaghan

default watermark