



397% Gains in a Year: 1 Top TSX Stock to Buy in 2021

Description

Lithium Americas' ([TSX:LAC](#))([NYSE:LAC](#)) stock has risen by 397% in the last year. It means if you'd invested \$1,000 in its shares a year ago, your money would have grown to about \$4,970 today. Its outstanding historical returns are not the only thing that makes it a great **TSX** stock to buy today. Let's dive deeper into other factors that make [Lithium Americas stock](#) one of the best TSX stocks to buy in 2021.

Rising electric car demand

In the last decade, auto companies such as **Tesla** ([NASDAQ:TSLA](#)) have changed the way people look at electric cars. The Elon Musk-led carmaker has registered enormous success in promoting electric vehicles — that were neglected by mainstream automakers for years. However, this success didn't come easy. Tesla and Musk have faced criticism for over a decade for setting unrealistic targets and execution issues. Many years ago, some bears even predicted Tesla's bankruptcy in the near-term.

Nonetheless, Tesla has made enormous progress in improving its financials in the last few years. This progress clearly reflects in its recent results. In January, the company reported a sixth consecutive profitable quarter with its skyrocketing sales.

Tesla's success encouraged other automakers to heavily invest in electric vehicles and also made Musk the world's richest person. **General Motors** — the key American automaker — recently [announced](#) its plans to exclusively sell electric vehicles by 2035. It plans to be carbon neutral by 2040.

Energy storage requires lithium

Whether we talk about electric cars or storing renewable energy in general, it mainly depends on one key component — lithium-ion batteries. As the demand for electric vehicles as well as for green energy has grown, the demand for lithium has already massively increased in the last few years.

These days most large corporations are in a race to portray themselves as environment friendly. That's

why they're making huge investments in renewable energy and storage lately. For example, in December, **Amazon.com, Inc.** ([NASDAQ:AMZN](#)) claimed to become the world's biggest corporate renewable energy buyer.

Yesterday, Amazon announced over US\$100 billion in quarterly revenue. The company's adjusted profits also more than doubled in the final quarter of 2020. As a company continues to grow, its social responsibility also increases. That explains why Amazon's big investments in green energy make sense. Amazon currently has a total of 127 solar and wind projects.

The Jeff Bezos led company's efforts are also encouraging other big corporations to invest in renewable energy. This trend is a huge positive for lithium's future demand. That's why companies like Lithium Americas would benefit from this trend. Now, let's find out how Lithium Americas is preparing for its bright future.

Top TSX stock to buy in 2021

Lithium Americas is currently in the development stage. It's focusing on the completion of its two major lithium development projects. The Vancouver-based company's first project — called the Thacker Pass project — is in Nevada, the United States, and the second one is in Jujuy, Argentina.

Lithium Americas has shown remarkable progress on these projects in the last couple of years. That justifies its 1,000% stock rally in the last five years and about 400% positive returns in the last year alone.

Final thoughts

Lithium Americas' Nevada based lithium project is expected to get required permits within 2021. You can expect its stock rally to accelerate further as it nears completion of its lithium development projects. You may want to add its stock to your investment portfolio before it's too late to catch the rally.

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Date

2025/07/08

Date Created

2021/02/03

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