



The Next Tesla: This TSX Stock Has Already Shot Up 200% This Year

Description

The development of the electric vehicle (EV) market garnered significant attention in the 2010s. Investors who jumped into this market early on have been rewarded to start this decade. EVs are expected to populate our roads more and more as the years and decades move forward. **Tesla** has been joined by many top vehicle manufacturers in this [rapidly growing space](#). Today, I want to look at one TSX stock that has soared on the back of an EV-related acquisition. Let's jump in.

Why Tesla and EV stocks have caught fire to start this decade

Tesla is an electric vehicle and clean energy company that was founded in 2003. The company has faced huge challenges since its founding. In the late 2010s, Tesla attracted a legion of short sellers as it was struggling to meet production targets. Those shorts have been severely punished over the past several years. Meanwhile, the company has proven resilient in the face of new challengers in the EV space.

The automobile sector has seen reduced activity during the COVID-19 pandemic. EVs have not been exempt from this decline. However, there are hopes for a strong rebound in 2021.

This TSX stock has joined the frenzy

In September 2020, I'd targeted two TSX stocks that had the potential to [make investors a fortune](#) this decade. **Facedrive** (TSXV:FD) was the second **TSX** stock I'd targeted. This company operates in the ride-sharing space in Canada. Its shares have soared nearly 1,500% year-over-year as of late morning trading on February 8. The stock has shot up over 200% in 2021.

Facedrive completed the acquisition of Steer in September. Steer is a specialized electric vehicle subscription business. This February, Facedrive announced that it would launch Steer in Toronto. Toronto will be the first city in Canada to have access to the emission-free alternative to owning, leasing, or renting EVs. It will launch in the first week of March.

Shares of Facedrive have shot up 82% week-over-week at the time of this writing. So, should investors jump into this frenzy?

Should you buy this red-hot stock today?

It is hard not to get excited about Facedrive's prospects going forward. However, like its peers in the ride-sharing space Facedrive has a long way to go to bolster its bottom line. In Q3 2020, Facedrive reported a loss of \$3.5 million on revenue of \$266,000. The surge in its stock has ballooned its market cap over \$2.5 billion.

Canadian investors will be hard-pressed to find discounted EV stocks on the TSX right now. Value investors may want for a more attractive entry point in TSX stocks like Facedrive. However, they might be waiting for a long time in this red-hot market.

We advocate a long-term approach at the Fool, so investors should consider employing a dollar-cost-averaging strategy. Facedrive is an exciting prospect today. Canadians who want exposure to the burgeoning EV market should jump in right now.

CATEGORY

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