



Tesla Will Take Over 2021, so Buy This Canadian Stock Now!

Description

If you were to look at **Tesla** ([NASDAQ:TSLA](#)) a few years ago, you may have thought Elon Musk had finally run out of steam. Musk bought back his own shares again and again, bringing the share price up only for it to slump back down again — that is, until last [year](#).

While the rest of the market floundered with a pandemic and market crash on their hands, Tesla thrived. The stock has jumped 423% in the last year and 2,712% in the last five years! That's a compound annual growth rate (CAGR) of 95%!

While that's not likely to happen again (but who knows, really?), there is certainly room for growth from this growth stock. So, let's dig into what's going on and look at a Canadian stock that can take full advantage.

EVs, please

President Joe Biden started his very first day by signing off on a number of moves related to climate change. One of those moves was to start getting behind the wheel of electric vehicles (EV). The president stated he would be putting billions towards green projects, and that will include EV. In fact, Biden stated he would be replacing 650,000 federal vehicles with EVs during his presidency.

I don't have to tell you that this news spiked Tesla stock even more. Not only is Tesla an EV company, but it's an innovative company. It will pave the way for other companies to take on its patents and improve EVs around the world. That puts the company well in the lead of bringing in EV revenue.

But it's more than just software that will be innovative. The number one thing that Tesla has to do is make EVs [cheaper](#). If everyone can afford them, and governments give you money for buying one, then practically everyone is going to pick one up! It's why other car companies are stating they will eventually move to a full line of EVs in the next decade or so.

However, there is one thing that Tesla lacks. And it's not just for its EVs. This includes its other green initiatives such as energy storage and generation: lithium batteries.

Up next: Lithium

The next type of stock that's bound to soar with this EV move? Lithium stocks. Lithium is what makes up the batteries in EVs. Its also what makes up the batteries in smartphones, tablets, and medical equipment. Yet if there is going to be more innovation and green-energy projects brought on by the Biden administration, lithium could be the next place to see an influx of investment.

Bottom line: if there is going to be more electric power, generation, storage and vehicles, lithium batteries are going to be needed. And that means a top Canadian stock like **Lithium Americas** ([TSX:LAC](#))([NYSE:LAC](#)) will be a beneficiary. In fact, it could be directly affected by Tesla in future.

Tesla announced recently it would actually start its own lithium-processing method in 10,000 acres in Nevada. You know who else has mines in Nevada? Lithium Americas. This could mean the company may eventually buy up Lithium Americas to have direct access to its supply and create its own source for lithium batteries.

Bottom line

Tesla is pretty much always a good investment. But if you want to see huge returns, as EV stocks and other lithium-powered products get an influx of government cash, then I would go with Lithium Americas. The stock is up 315% in the last year, with a recent pullback providing a great jump-in opportunity. Over the last five years, shares have risen 1,340% as of writing for a CAGR of 70.32%. With a future as shiny and bright as this, you could see Tesla-like returns for far less risk.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:LAC (Lithium Americas Corp.)
3. TSX:LAC (Lithium Americas Corp.)

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