



## Tesla Enters India: 1 Top Canadian EV Stocks to Buy and Hold in 2021

### Description

**Tesla** ([NASDAQ:TSLA](#)) is seemingly preparing to enter the Indian electric car market this year. A couple of days ago, *Reuters* cited a government document to [report](#) that the American electric vehicle (EV) maker “will set up an electric-car manufacturing unit in the southern Indian state of Karnataka.” The state government also confirmed the news without giving any further details about Tesla’s investment plans.

### Tesla: Latest news

The news of Tesla’s intentions to open an electric car manufacturing plant in India came a month after it registered Tesla Motors India and Energy Private Limited — its India unit — in Bengaluru, India, on January 8.

The Elon Musk-led carmaker continues to be in the news this year. Last week, the company surprised everyone by revealing its huge US\$1.5 billion investment in Bitcoin. The news [triggered a buying spree in Bitcoin prices](#) and took it to new record heights against the U.S. dollar. On Tuesday morning, Bitcoin was trading at US\$49,100. The cryptocurrency posted its all-time high of US\$49,938 earlier during the day.

After ending 2020 with solid 743% gains, its stock has already risen by about 16% in 2021 so far.

### Surging electric vehicles demand

The demand for EVs and autonomous cars has risen sharply in the last few years. Tesla’s recent success reflects the huge growth potential that the EV industry offers. That’s one of the key reasons big automakers like **General Motors** ([NYSE:GM](#)), **Ford** ([NYSE:F](#)), and **Volkswagen** are heavily investing in the segment.

Last month, GM announced that it would exclusively sell electric vehicles by 2035, as the automaker plans to go carbon neutral by 2040. Similarly, Ford recently raised its planned investment in EVs and

autonomous vehicles to US\$29 billion through 2025. Out of this US\$29 billion planned investment money, Ford has allocated nearly US\$22 billion for EVs and the remaining US\$7 billion for autonomous cars.

In 2020, Tesla's revenue jumped by 28%. But other mainstream automakers — including GM and Ford — struggled with low vehicle demand amid the pandemic. While GM registered an 11% drop in its sales, Ford's revenue fell by 19% last year. As a result, Ford's adjusted net profits tanked by 66% for the year. Surprisingly, GM managed to report a minor 2% rise in its 2020 bottom line, despite lower revenue.

The demand for EVs is likely to accelerate further in 2021 onward, as more countries try to move away from gasoline cars due to rising environmental concerns. It will give a big boost to zero-emission vehicles like EVs. This creates a huge opportunity for the companies focusing on EV and autonomous vehicle technologies. Here's one Canadian stock that could soar in 2021 as the demand for EVs rises.

## Magna International stock

**Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is an Aurora-based auto parts and mobility technology company. It makes most of its revenue by selling vehicle body exteriors and structures, power and vision-related parts, and complete vehicle assembly. Magna's stock ended 2020 with 27% gains, and it has risen by about 10% this year so far.

In December, Magna partnered with **LG Electronics** to form a joint venture called LG Magna e-Powertrain. The newly formed joint venture will manufacture e-motors, inverters, onboard chargers, and e-drive systems for EVs. Magna already sells its electric powertrain systems to many automakers. Its new joint venture with LG is likely to expand its market share as an EV parts provider.

## Final thoughts

Magna is likely to report its fourth-quarter results this Friday. Analysts expect its adjusted net profit to rise by 38.3% on a year-over-year basis to US\$599 million. According to consensus estimates, its bottom line is likely to more than double in 2021. Magna's strengthening EV segment offerings and its focus on mobility technology could trigger a long-term rally in its share prices. That's why you may want to include its stock in your investment portfolio before it's too late.

### CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:F (Ford Motor Company)
3. NYSE:GM (General Motors Company)
4. NYSE:MGA (Magna International Inc.)

5. TSX:MG (Magna International Inc.)

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