



The New Tesla? Why Facedrive (TSXV:FD) Has Soared in 2021

Description

Tesla has been one of the most shorted stocks on the **NASDAQ** since the late 2010s. Those short sellers have been punished as Elon Musk's electric vehicle company has gone on a tear. Shares of Tesla have climbed nearly 400% year over year as of early afternoon trading on February 17. Today, I want to look at a Canadian stock that is riding a similar wave. **Facedrive** (TSXV:FD) operates as a ride-sharing company in Canada. Its shares have climbed [nearly 200% in 2021](#) at the time of this writing.

Today, I want to discuss why Facedrive has exploded in early 2021. Will this stock continue to make fortunes for investors this decade? Let's dive in.

What caused Facedrive stock to soar in 2021?

Facedrive stock gained momentum after it announced the acquisition of Steer in September 2020. Steer is one of the fastest-growing specialized electric vehicle subscription businesses. The acquisition opened the door for Facedrive to combine its ride-sharing program with Steer's EV-focused technology. Like Tesla's early days, it is thriving on the back of hype right now.

In early February, the company launched HiPanda in partnership with the University of Waterloo. This platform was developed by Facedrive's subsidiary HiRide Share Ltd. – a socially-responsible peer-to-peer platform that offers innovative transportation and communication solutions. The company has many promising projects on its platter, but investors will be looking for more in the quarters ahead.

The company released its third quarter 2020 results on November 27. Facedrive is still a long way away from achieving a profit. Investors will be familiar with the challenge faced by ride-sharing companies like **Uber** and **Lyft** in this space. Both are still chasing profit in an environment that has seen services like UberEats experience an explosion in usage.

The Tesla effect: Why Canadians need to target EV stocks

In late January, I'd discussed why Canadian investors should look for exposure to the EV space as [Tesla and other stocks erupt](#)

. We can expect to see Facedrive's final batch of 2020 earnings in the weeks ahead. The company will launch its Steer EV subscription service platform in Toronto for the first week of March.

There is optimism that Facedrive will be able to pull users away from applications like Uber and Lyft. However, both companies also aim to expand their "green" services across North America. Some U.S. states are moving to draft legislation that will require these companies to field a set number of EVs. Investors will eagerly watch Facedrive's Steer launch in Toronto next month.

Should you buy Facedrive today?

It is easy to get excited about Facedrive after the last six months of developments for the fledgling ride-share company. Canadians should be hopeful that a domestic ride-sharing company will be able to punch up with giants like Uber and Lyft. That said, this is a company with a lot to prove and little to show for its potential at present.

Investors should exercise caution as the stock has climbed to obscene heights on the back of news and speculation. Foolish investors should look for more substance before expecting the next Tesla. I'm waiting to see its next batch of results before I consider stashing Facedrive today.

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