



Forget Tesla: 2 Canadian Growth Stocks to Buy Instead!

Description

Tesla ([NASDAQ:TSLA](#)) has been one of the most popular stocks for the past few years now. The company, founded by Elon Musk, is revolutionary and has created a tonne of excitement both from investors and consumers.

It's been continuously growing its production, output, and sales, which is increasingly generating investor interest. Just this past year, it was even added to the **S&P 500** index.

The company has undoubtedly been one of the best performers over the past few years. These days, though, it's gotten [pretty expensive](#), so investors should consider looking elsewhere for growth.

One of the biggest reasons Tesla has been such a success is because investors see the potential for electric vehicles. The green energy revolution is forcing every industry to adapt, and investors see potential with electric vehicles.

The car industry is notoriously competitive, though. Eventually, when most or all cars being produced are electric, Tesla could face stiff competition.

That's why, rather than Tesla, I think investors should look elsewhere. The same underlying green revolution that's causing so much excitement with electric vehicles is also creating a tonne of potential in other industries.

Companies are increasingly being judged on their Environmental, Social, and Corporate Governance scores. Furthermore, government regulations aimed at protecting the environment continue to be instituted, such as carbon taxes. This is giving plenty of green energy stocks major growth potential for decades to come.

So, rather than invest in Tesla at this [inflated valuation](#), here are two Canadian stocks to buy instead.

A top Canadian growth stock to buy instead of Tesla

The first stock to consider is **Xebec Adsorption** ([TSX:XBC](#)). Xebec is one of the highest-potential green energy stocks in Canada. Plus, the stock has pulled back recently, offering investors a significant discount and making it a lot more attractive than Tesla today.

The company builds equipment for industrial companies that helps transform naturally occurring gasses into hydrogen or renewable natural gas. Recently, it's been making a tonne of acquisitions, especially in the hydrogen space.

And on top of all these acquisitions, it's also announced exciting sales and partnerships for the future. One of its most exciting opportunities is a hydrogen order and collaboration with an American fuel cell company that will ultimately power fuel cell electric vehicles for **Toyota**.

This is just one example, though. Xebec's technology will soon be seen across various industries, which is why the stock has so much potential.

A large-cap renewable energy stock

Rather than Tesla, investors should also consider a more traditional green energy stock such as **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield is the biggest renewable energy stock in Canada. It has a massive global portfolio of high-quality assets that are well diversified.

Its significant size is a huge advantage, giving Brookfield the potential to make major deals other, smaller companies wouldn't be able to make.

It most recently acquired a wind farm in Oregon with roughly 845 megawatts of generating capacity. BEP plans to make big investments in the wind farm and thinks it can increase output by 25%, all without any interruptions. These types of value-added investments that Brookfield makes are what allows the company to see such strong long-term performance.

It's continuously recycling cash and seeking out acquisitions where it can add value. That's why this impressive stock is up more than 50% in the last year and over 200% in the last three years.

Bottom line

Tesla has been one of the most popular stocks for investors because of the long-term potential investors see with electric vehicles. This is the same potential other renewable energy businesses offer, though.

So, with Tesla worth almost \$1 trillion in Canadian dollars, investors should look elsewhere for growth. That's why I'd forget about investing in Tesla and consider these two Canadian stocks instead.

CATEGORY

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3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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