



3 Stocks That Could Be Canada's Tesla (NASDAQ:TSLA)

Description

Tesla Inc ([NASDAQ:TSLA](#)) has recently been the talk of the town. It has always been a pretty popular stock, but ever since it made Elon Musk the world's richest person, it's been more widely discussed than ever before. Over the past five years, TSLA has risen 785%, making it one of the best-performing stocks in that time frame.

But recently, we've been seeing some signs of weakness. Tesla currently trades at more than 1,000 times earnings, and investors are beginning to question whether it's worth it. As of this writing, the stock had fallen 4.5% in a single day. Whether that's the start of a long term downtrend or just a blip, it's too early to say. But TSLA probably won't deliver future returns as frothy as its past returns.

With a market cap approaching \$1 trillion, it has gotten too big to double or triple in value every single year. But you may still be able to get returns similar to Tesla in its early days by buying smaller EV stocks. In this article, I'll explore three "Tesla-like" Canadian stocks that could be worth researching.

BlackBerry

BlackBerry Inc ([TSX:BB](#))([NYSE:BB](#)) is a former smartphone company that now makes software for AI-powered cars. Really, it's an enterprise software company with a number of different products, of which the AI car software is the most popular. QNX [runs on over 175 million cars](#). It has been a major product success for BlackBerry.

Unfortunately, profitability hasn't yet followed. In its most recent quarter, BlackBerry's GAAP profits were negative and its GAAP revenue declined year-over-year. Those were not results to bet the house on. Still, BB is a Canadian company that's well positioned in a growing industry niche. Definitely one to keep an eye on.

Facedrive

Facedrive Inc (TSXV:FD) is another Canadian stock that has some similarities to Tesla in its early

days. In this case, not so much in the sense of what it does, but its price momentum. Like Tesla, FD has seen a massive blitz in online hype, which has propelled its stock price up by 249% so far in 2021.

You could argue that the stock's fundamentals do justify that growth. For example, in its first quarter after going public, it grew net revenue at 1,000% year-over-year. On the other hand, the net loss widened. Overall, this stock is pretty risky and speculative. But if people keep promoting it online, who knows, perhaps it could keep delivering big gains.

Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is probably the most sensible and least risky of the Tesla-like Canadian stocks out there. It's an established and frequently profitable car parts maker. In its most recent quarter, Magna's [net profit increased by 67%](#). That's pretty impressive considering that the COVID-19 pandemic has taken a bite out of the car industry. And Magna's growth could continue.

Just recently, it inked a deal to start a joint venture manufacturing electric car parts with **LG**. The venture will supply parts to car makers that want to get in on the EV trend but don't have the expertise to make all of their parts in-house. This is definitely a promising niche, making Magna International a solid contender for "Canada's Tesla."

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2. NYSE:BB (BlackBerry)
3. NYSE:MGA (Magna International Inc.)
4. TSX:BB (BlackBerry)
5. TSX:MG (Magna International Inc.)
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