



The Next Tesla: Should You Buy the Dip in This Exciting EV Stock?

Description

The remarkable bull run for **Tesla** started after the sharp market pullback in March 2020. It would finally come to an end as a bout of turbulence led to a steep loss for the stock this February. Tesla shares are still up over 440% in the year-over-year period. Today, I want to look at a stock on the TSX Venture exchange that is making waves in the electric vehicle (EV) space. Should you look to grab this EV stock right now? Let's dive in.

Why Tesla has lost momentum in recent weeks

Rising bond yields started to throttle the tech-heavy NASDAQ in February. Tesla and its peers have enjoyed over a year of red-hot returns. That has come to a screeching halt in the late winter of 2021. However, Tesla stock was up 18% in early afternoon trading on March 9.

Bond yields and the U.S. dollar were in retreat at the time of this writing. This sparked a run for tech stocks and for the spot prices in gold and silver. Still, inflation concerns are spurring anxiety in North American markets. Tesla and its peers in the tech space are not out of the woods yet. On the other hand, Canadians should still look to get in on exciting EV stocks.

Where is this Canadian EV stock headed?

In February, I'd discussed whether **Facedrive** (TSXV:FD) had the [potential](#) to serve as a Canadian Tesla. Facedrive operates as a ride-sharing company in Canada. Its shares have increased over 90% in 2021 so far. The stock is up over 700% in the year-over-year period.

Facedrive is expected to release its final batch of 2020 results later this month. This company offers an "eco-friendly" choice to consumers. It will begin the launch of its EV ride share in Toronto this month. Facedrive offers some Canadian flavour in the ride-share space, but it is facing stiff competition. **Uber** and **Lyft** are also aggressively marketing their EV alternatives. These firms can dramatically outspend Facedrive and are already a dominant force for consumers in Canada.

This EV stock has surged over the past year, but revenues are still lagging. Shares have dropped 44% over the past month, mirroring the struggles of Tesla and other tech stocks. The EV market holds huge promise as we look forward. According to Precedence Research, the global electric vehicle market is expected to register a CAGR of 40% from 2020 to 2027. The adoption of EVs in the mainstream market will increase significantly over the course of this decade.

Should you buy Facedrive instead of Tesla today?

It is hard not to get excited about the potential of the EV market. Tesla is a proven commodity in this realm, though it has chased production targets for years. Facedrive, by comparison, is the definition of unproven. Canadian investors should be very cautious if they are looking to bet on this hot EV stock right now. I'd look to target other stocks that are linked to the EV market today.

Magna International is an auto parts manufacturing giant that is well worth a look in March. Meanwhile, **BlackBerry**'s strong position in automobile software development also [grant it exposure](#) to the EV space.

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