



Apple Car: If Magna Is Chosen, Its Stock Could Explode!

Description

The **Apple** Car has been grabbing the [headlines](#) in recent months. Numerous reports and rumours have amounted to nothing material yet, however. Ridiculously-accurate analyst Ming-Chi Kuo doesn't see an Apple Car being revealed anytime soon. In fact, he now expects that the electric vehicle (EV) may not be revealed until 2028 at the soonest.

The car, which could give **Tesla** a big run for its money, is speculated to be completely autonomous. Heck, the first model might even be without a steering wheel! With such an incredible innovation, there's no question it will take a tonne of time and testing on open roads before Apple fans can get their hands on a so-called iCar One, Apple Car, or whatever the EVs name will be.

Forget Tesla! The Apple Car could be the top innovation of the “roaring 2020s”

Kuo, one of the most reliable Apple analysts in the world, may have curbed his Apple Car expectations, but that doesn't mean you should. Other analysts, like Wedbush's Daniel Ives, are more bullish on Apple stock and the Apple Car timeline. Heck, Ives recently stated that Apple shares could more than double to US\$225 if his bull-case target is reached. Moreover, Ives sees Apple landing an EV dance partner within the next six months.

Now, there's no question that Apple is going to do everything in its power to keep things a secret. But with such a ground-breaking, game-changing product, keeping things under wraps will be ridiculously hard to do. And if a report notes that a firm has inked a deal with the smartphone giant, Ives' bull-case price target may prove to be too low.

I know, a company worth more than US\$2 trillion doubling over a concise timeframe sounds far-fetched. Although people like Kuo believe investors are too bullish over EV expectations, a case could be made that they're not bullish enough.

Apple has done a good job of keeping speculators in the dark with its car project for years. There's way

too much haze to tell with any degree of certainty what the Apple Car timeline will look like and when we can expect Tim Cook to shock the world. The big Keynote could be far later than most believe, as Kuo seems to think (2028 or later), or it could be sooner.

Don't count Magna International out of the Apple Car race!

In any case, I think investors ought to play the long-term game rather than trying to make a quick buck off the name. While a Kia, Hyundai deal makes sense, I think it would be unwise to count **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) out as a top candidate to help build the Apple Car.

Magna is a Canadian auto-part maker that's has major dealing with Detroit's big auto manufacturers. The company not only boasts unmatched infrastructure, but the firm has also made major strides with the next generation of driving tech. Simply put, Magna is not sleeping at the wheel. And its stock, up over 206% from its March 2020 lows, suggests such.

Magna has been dipping its toe into the world of self-driving cars over the years, with a US\$200 million investment in ride-sharing firm **Lyft** back in 2018. Magna, like Apple, has been dabbling with self-driving technologies. And I'd argue that teaming up with a ride-sharing firm is the best way to obtain a massive amount of data that's required to make fully-autonomous driverless technologies work well.

Magna's Lyft deal rhymes with Apple's Didi Chuxing investment

In many ways, Magna's Lyft bet rhymes with that of Apple's massive US\$1 billion investment in Chinese ride-hailing service Didi Chuxing announced back in 2016. If Magna and Apple join forces, I would be [shaking in my boots](#) if I were Tesla chief Elon Musk.

Even if Magna doesn't win the privilege of manufacturing the Apple Car, I think the stock is still one of the cheapest ways to gain driverless vehicle exposure and think shares could have way more room to run ahead of a cyclical upswing. Today, Magna stock trades at 0.8 times sales and 2.4 times book, which I find to be absolutely ridiculous, given the firm's manufacturing capability, the self-driving tech exposure, and the firm's potential to win the privilege to manufacture the Apple Car.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/23

Date Created

2021/03/12

Author

joefrenette

default watermark

default watermark