



This 1 Canadian EV Stock Could Triple Your Money in 2021

Description

Stocks continue to inch up in March, as the **S&P/TSX Composite Index** rose to another record level on Monday. The Canadian market benchmark has been making fresh record highs for the last five days in a row. The index settled near 18,955 for the first time yesterday. The recent market rally accelerated after Statistics Canada released far better than expected February employment data on March 12. The Canadian economy created 259,000 jobs in February against the expectation of just 75,000 jobs. This boosted investors' confidence in the economy, driving the market higher after a recent [pullback](#).

While the market is continuing to rise, it doesn't mean much if you can't benefit from it. In this article, we'll look at one amazing TSX stock that could help you gain big from the ongoing market rally.

Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is an Aurora-based mobility technology company. It currently makes most of its profits by supplying body exteriors and structures to other automakers. This segment accounted for nearly 42% of its total revenue in 2020, while 30% of it came from its power and vision segment. In the last few years, Magna has increased its focus on the fast-growing autonomous vehicle and electric vehicle (EV) market. The company has been heavily investing in artificial intelligence and other advanced technologies to become one of the key players in the upcoming self-driving and electric car revolution.

Another big milestone in the EV segment

On March 11, Magna reached another milestone in its powertrain electrification capabilities. The company [announced](#) its eBeam technology for pickup trucks and light commercial vehicles. This technology would enable automakers to electrify their truck models without compromising their utility and functionality. The eBeam technology gives automakers an easy option to accelerate their shift towards electrification by integrating with their existing truck architectures.

Most large automakers are currently racing to bring their electric vehicles to the market as soon as possible. I expect Magna's latest eBeam technology to become highly popular among auto companies, as it gives them a relatively cheaper option to quickly convert their existing popular gasoline vehicle lineup.

Strong fundamentals

In 2020, Magna International's revenue fell by 17% to US\$32.6 billion as the COVID-19 badly affected automobile production and vehicle demand. This resulted in a 38% decline in its bottom line to US\$1.2 billion last year. Nonetheless, its profits have already started trending up with recent significant improvements in car production. In the December 2020 quarter, Magna reported a 97% year-over-year jump in its adjusted net profit of US\$851 million. This trend is likely to continue in 2021, as analysts expect an 83% increase in its net profits in the ongoing year.

Foolish takeaway

Magna stock has already risen by about 29% in 2021 so far. Its continued investments in the latest EVs and autonomous vehicle-related technologies would help it grow much faster than expected, in my opinion. That's why I expect its stock to continue rising in the long term, as the demand for smart mobility and EVs grows further in the coming years. You may want to add [this EV technology stock](#) to your portfolio before it's too late — as it may yield outstanding returns in the long term.

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