



Better Buy: Tesla vs. Nio

Description

Recent news that China has restricted the use of **Tesla Inc.** ([NASDAQ:TSLA](#)) vehicles by military staff and employees of state-owned companies is big news. Indeed, Musk has been in the news this weekend making comments intended to encourage the Chinese government to re-think its stance.

However, deteriorating U.S.-China trade relations have made for a less-harmonious relationship between the two countries of late. Trump-era tariffs have been followed up by a tough stance by the Biden Administration on China. Additionally, it's expected that Biden will approve regulations aimed at restricting the purchase of telecommunications technology from China, in the context of protecting national security interests.

As China's leading electric vehicle maker, **Nio Limited** (NASDAQ:NIO) saw shares jump last week as investors saw a tale of two EV companies. Indeed, those seeking Chinese EV growth are gravitating toward Nio right now.

What should EV investors do now?

Well, that's a tough question to answer.

It appears the world's two largest economies are likely to be combative for some time. Accordingly, for those who believe Chinese EV growth will outpace that of the U.S., Nio may be a safer bet. Nio has made inroads into Europe and the U.S. recently, and is attempting to challenge Tesla in this regard.

Of course, U.S. retaliation to these moves could be on the horizon. Nio's growth hopes in the U.S. could also take a hit if such actions materialize. Accordingly, both Nio and Tesla may be cornered into focusing mainly on their domestic markets right now.

It's hard to predict what will happen with all this. Accordingly, I expect more volatility on the horizon for both companies.

That said, I think there's a Canadian stock that could provide much more stable returns over the years

to come.

Renewable power is where it's at

As the race to electrification heats up, where the electricity comes from will become a bigger deal. Governments around the world are increasingly focusing on carbon emission reduction targets. Investing in renewable energy is the only way for the world to achieve these targets.

Enter **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). The Canadian renewable energy player has already [signed a deal](#) with **Plug Power** to provide hydroelectricity to power green hydrogen production.

Of course, hydrogen fuel cell vehicles are completely different than the EV options Tesla and Nio provide. However, as mentioned, where the electricity we all receive on the grid comes from is already starting to become a big discussion.

Indeed, I think we're in the early innings of a mass-movement toward green electrification. Electrification itself is great, but if the electricity produced is coming from coal-burning power plants, we're really not making much progress.

Thus, Brookfield Renewables would be my preferable third option for EV investors debating whether to buy Tesla or Nio stock right now.

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1. Energy Stocks
2. Investing

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1. energy
2. growth
3. growth stocks
4. investing
5. market
6. Stocks
7. tech stocks
8. technology
9. technology stocks
10. tsx growth stocks
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TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:NIO (Nio Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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1. Energy Stocks
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