



2 Top Canadian Stocks to Buy With \$500 in 2021

Description

The stock market is seeing some correction, as the 2020 tax season is approaching. People are cashing out the stimulus money they had invested in the stock market to pay the tax bill. A correction is a right time to invest in some quality stocks. It doesn't take thousands of dollars to start investing.

Two Canadian stocks to buy in 2021

You can put as little as \$100 a week in your Tax-Free Savings Account (TFSA) and keep it ready for a buying opportunity like a market correction. You can get some good stocks with \$500 and at a discounted price.

At frequent intervals, the market sees a [correction](#) when it falls 10-20%. Now, you should do your research before investing. There are two ways to pick stocks:

- Top-down approach: the investor looks at the macroeconomic cycles and designs an investment strategy.
- Bottom-up approach: the investor looks at a sector or a stock's fundamentals and designs an investment strategy.

I have identified two stocks using the bottom-up approach in the automotive technology sector. In the pandemic, the automotive sector took a big hit, as the economy was in a downtrend. When the purchasing power of the consumer is low, discretionary products like cars take the biggest hit.

The global automotive market has been slow, as the world's largest automotive markets — China and Europe — were hit. But the electric vehicle (EV) sales have been on the rise, as the countries provide subsidies on them. Moreover, tech companies are now actively participating in automotive, as there is more tech in the car. They are harnessing the power of artificial intelligence (AI) to bring autonomous vehicles (AV) on the road.

In the 2017 SXSW Conference and Festivals, billionaire investor Mark Cuban said, "...the world's first trillionaires are going to come from somebody who masters AI and all its derivatives and applies it in

ways we never thought of.” Investing in the trillion-dollar companies of tomorrow could make you a millionaire.

BlackBerry stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) became a known brand in the 2000s because of its handset and messenger. But since **Apple's** touch-screen iPhones replaced BlackBerry's button handsets, the latter shifted to end-point cloud-based security solutions.

BlackBerry is a leader in mobile applications security, beating giants like **VMWare** and **Microsoft** in performance. But it [depends](#) on the Intelligent Vehicle Data Platform (IVY) for growth. The IVY platform will have something for everyone in the auto supply chain, from automakers to EV charging providers to insurance companies to vehicle repair services. The platform will provide all these companies with the data they need throughout the life of a vehicle.

The 2030 decade will see the proliferation of EVs and maybe even the commercialization of AVs. BlackBerry is well placed to tap the software aspect of the automotive shift. Its QNX automotive solution is already used by 19 of the top 25 EV original equipment manufacturers, who together have 61% of the EV market.

Magna stock

While BlackBerry will tap the software opportunity of EVs and AV, **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) will tap the hardware and auto engineering opportunity. Magna is the world's third-largest auto component supplier and third-party automotive manufacturer. It is working with Apple and Google's Waymo on their future car projects.

The thing with trends is, only the company that gains market share thrives. At present, Waymo looks promising. But there could come some other company that betters the technology and make it more user friendly. It is the survival of the friendliest. In this cat and mouse race, Magna will be the beneficiary. It will provide components and manufacturing services to most EV and AV developers and benefit from the winner.

Final thoughts

Stocks of BlackBerry and Magna are going through a correction, down 14% and 4.5% from their highs in mid-March. Buy these stocks at a dip and hold them for 10 years to benefit from the shift to EVs and AVs.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

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