



Can't Afford Tesla Stock? Try This Top Canadian Electric Stock Instead

Description

Tesla ([NASDAQ:TSLA](#)) stock has had an absolutely incredible run over the past year. Even though the stock has had a meaningful pullback, it is still up over 550% since the March 2020 market crash. Undoubtedly, this [growth stock](#) is an innovator when it comes to developing software, electric vehicles, solar power panels, and batteries. Yet, it is incredibly expensive.

Tesla stock is pricey!

Tesla stock trades with a price to sales ratio of 20 times and a trailing price to earnings of 1,030 times. In 2020, Tesla delivered 500,000 vehicles, a 36% increase over 2019. Not bad. **General Motors**, on the other hand delivered over one million vehicles in the fourth quarter of 2020 alone. Yet, GM trades at only 13% of Tesla's market capitalization. **Toyota**, GM, and **Ford's** combined market value is still only 50% of Tesla's market cap.

The good news is at least you can now [buy your next Tesla with a Bitcoin](#). Perhaps, maybe you can also buy its stock with Bitcoin one day as well? Yet, despite the fact that the company is very innovative, it is hardly earnings positive. It is questionable how scalable and profitable its operations will ever be.

Similarly, Tesla has invested heavily in Bitcoin and other cryptocurrencies. Given the volatility of such assets, I am concerned that Tesla stock could be at risk of significant losses and balance sheet concerns should the crypto-trend rapidly reverse.

How to play the Tesla revolution without owning the stock

One way you can play the electric vehicle trend without Tesla's Bitcoin and valuation risk is to buy boring old electric infrastructure stocks. As global populations continue to grow, society increasingly will need more power, especially in a green and clean fashion.

Likewise, as the world becomes more digital (electric/autonomous vehicles, cryptocurrencies, the

Cloud, edge computing, etc.), it demands more power to support those functions. Consequently, I prefer to play the green electric trend by buying boring old utilities.

A leader in renewable power

One top Canadian electric stock I prefer over Tesla is **Brookfield Renewable Power** ([TSX:BEP-UN](#))([NYSE:BEP](#)). I know you were probably looking for something more “exciting,” but honestly, given the rising demand for power in the world, this is a great *stable* stock to own.

Brookfield Renewables is one of the largest pure-play renewable power companies in the world. Currently it has over 18,000 MW of hydro, wind, solar, distributed generation, and storage assets across the planet. Right now, it has over 23,000 MW of power in its development pipeline as well.

I like this stock for a few reasons. First, as one of the largest green power producers in the world, it consistently gets a higher valuation than peers. It just has great quality assets, that are difficult to replicate or compete with.

Secondly, due its size, scale, and expertise, it can take-on projects that most others cannot. It can afford to take projects that require “value-add” skills. It can also afford the risk on early-stage brownfield developments. Generally, after completion, it finances those projects and turns them into stable, cash generating machines that everyone in the market wants.

I prefer cash flows today over those of the distant future

Unlike Tesla, this stock produces a significant amount of stable cash flows that support a nice 3.2% dividend. The company has organic, development, and acquisition opportunities to fuel growth. Management targets 5-9% annual distribution growth and 12-15% annual total returns.

This Canadian stock has pulled back by about 20% from its all-time highs, so now looks like a great time to buy in. Considering both the quality and stability of Brookfield's platform, it has a risk-reward proposition I'd be willing to take over Tesla stock any day!

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

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

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