



Forget Tesla! Magna Is a Better EV Stock Amid Apple Car Rumours

Description

The **Apple** ([NASDAQ:AAPL](#)) Car is coming, possibly sooner rather than later, or at least that's what many analysts on the Street seem to think, factoring in the breakthrough product into their financial models. The latest analyst over at UBS recently hiked his Apple stock price target amid growing rumours that the US\$2 trillion company could be ready to pull the curtain on an electric vehicle that could give Elon Musk and **Tesla** [a good run for their money](#).

The Apple Car rumour mill is spinning again

The Apple car rumours are really nothing new. Speculation over Project Titan has been ongoing for years, and Apple's been very secretive about the whole thing. I'd say Tim Cook and company have done a terrific job of keeping things under wraps, even though the rumour mill has been swirling again, inspiring analysts to factor such a product into their valuations.

Moreover, we really have no idea when an Apple EV will land. Some, like those at **Thomson Reuters**, have speculated that the Apple Car is targeting production by 2024. Others, like Apple analyst superstar Ming-Chi Kuo, hold a more conservative estimate, calling for the car to launch between 2025-27 at the earliest or 2028 and beyond at the latest, up considerably from his 2023-25 launch estimate.

Kuo is a ridiculously accurate Apple analyst, but not even he knows with any degree of precision when Tim Cook will pull the curtain on the much-anticipated EV, which, unlike any of Tesla's EVs, may also be completely autonomous. It's like throwing darts at a board.

Depending on who you ask, the Apple Car could be three to eight years away. Analysts seem more bullish that the car could come sooner (within four years) rather than later (2028 and beyond). Only Apple CEO Tim Cook knows for sure. Regardless, AAPL stock is a far better bargain than the likes of Tesla, which, I believe, is dangerously expensive and most at-risk to the release of an Apple Car.

For those looking for greater value in the EV space, I think Canadian auto-part manufacturer **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is the way to go.

If I were Apple, I'd pick Magna to build the EV of the future

Numerous [automakers](#) have been rumoured to be in talks about an Apple Car in recent months ("Volkswagen?"). Yet, the rumours and speculation remain just that, as no firm has yet come out as the one to build the Apple Car. If you're looking to bet on the Apple Car, numerous firms can get the job done. Take a pick and place a bet.

Dan Ives of Wedbush seems to think that Apple could find a partner in 2021. And if that's the case, I'd look for both AAPL stock and whoever the lucky dance partner will be ready to roar.

Personally, Magna, an auto-part maker that's not as well known in the auto enthusiasts world could be the best bet. Why? Magna not only has terrific assets located in North America, with brilliant expertise to build the car to Apple's sky-high quality standards, but there will also be far less brand clash than if Apple were to partner up with an auto giant that's a household name.

Foolish takeaway

Now, I could be wrong, but I think Magna checks a lot of things on the list as a top EV builder. To me, I view the firm as the perfect onramp for tech stocks to get in on the EV action.

Regardless, Apple is likely to continue weighing its options in the space and will probably only make a deal that makes sense. Even if Magna doesn't end up building the Apple Car, it could still win deals with other tech firms who seek a front-row seat into the white-hot EV space.

The LG-Magna joint venture is a big deal, and it's likely to move the needle on Magna stock moving forward, as it plays its role in the EV boom.

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