



## Next Tesla! This 1 Top Canadian EV Stock Is My Top Value Stock Pick!

### Description

Electric vehicles (EV) continue to be in huge demand here and around the world. Canada isn't the only country providing incentives to start picking up these green cars. In fact, the incentives get enormous for companies that produce these cars. That includes American EV maker **Tesla** ([NASDAQ:TSLA](#)).

Investors have been all ears since the stock popped up 743% during 2020 alone. Yet it seems to only be the beginning, with President Joe Biden promising billions from his administration for clean energy projects, including EVs.

But with a share price so high, isn't there another [option](#)?

### Tesla is still solid

If you're still considering Tesla stock, I'm not going to say don't buy it — especially now, since the tech and EV pullback. The company reached sky-high prices of US\$900 but has since sunk down by about 30% as of writing. That's a perfect jumping-in opportunity if you're willing to pay the share price.

After all, Tesla stock is diversifying. Elon Musk recently invested over a billion dollars in Bitcoin, stating Tesla would be accepting it as payment. And while other car companies are starting to increase their EVs, many announcing a full EV fleet by 2040, Tesla does seem to be the most innovative.

But the problem is that Tesla simply won't be the only EV maker. In fact, it hasn't been for a while. In China, there is the world's largest car market, and that includes for EVs. The country continues to put billions into the EV market, leaving the rest of the world — including Tesla — playing catchup.

### Another option?

It's a safe bet to bet on EVs, but you don't have to simply choose a car company and keep your fingers crossed. You can choose a diversified company that provides the parts for a slew of car companies. That's what you get from **Magna International** ([TSX:MG](#))([NYSE:MGA](#)).

The company is one of the largest and most diversified auto parts suppliers in the world. Its this diversified strategy that has created higher margins and returns on investment. That includes from the recent partnership with **LG Electronics**, where the joint venture will help develop the e-motors, inverters, and on-board chargers that come with e-drive systems in the shift towards vehicle electrification.

But while other suppliers seem to focus in on a product or two, Magna could practically design, develop, supply, and assemble these vehicles alone! While some analysts argue the company needs more focus, the revenue speaks for itself. Magna will continue to benefit from the EV shift and has the healthy balance sheet to support its operations even during the pandemic.

And even with share prices up about 150% in the last year, the company still has a price-to-sales ratio of 0.8, and a price-to-book ratio of 2.3, making it relatively cheap. You can also snatch up a solid little 2.04% dividend yield. And with a slight pullback from the EV sell-off, investors who put \$10,000 into this stock could see it easily rise back to \$10,585 at all-time highs.

## Foolish takeaway

You can't exactly go wrong by investing in Tesla stock, but the same can be said for Magna stock. The company has a solid [growth](#) path through both organic and acquisition growth. The company still has a valuable share price that investors can snatch up, and dividends to boot! So, I would choose this value stock any day of the week over Tesla stock.

### CATEGORY

1. Investing
2. Personal Finance

### TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:MG (Magna International Inc.)

### PARTNER-FEEDS

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**Author**

alegatewolfe

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