



Canadians: Here's How You Can Invest in Automated Vehicles in April

Description

Drivers can expect to see many more automated vehicles on the roads in the decades ahead. However, this technology is still in its early development stages right now. A recent report from Grand View Research projected that the global autonomous vehicle market would expand at a strong rate of 63% from 2021 through 2030. Canadian investors should be eager to get in on stocks linked to automated vehicles. Below are three promising options in this space.

This top auto parts manufacturer is moving into this exciting space

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is an Aurora-based company that designs, engineers, and manufactures components, assemblies, systems, subsystems, and modules for original equipment manufacturers of vehicles and light trucks around the world. Back in January, I'd suggested that investors should [scoop up Magna](#) as it moved into the electric vehicle space. It also has a role to play in automated vehicle development.

Shares of Magna have climbed 27% in 2021 as of mid-morning trading on April 6. The stock has surged nearly 150% in the year-over-year period. Back in 2017, Magna joined BMW, **Intel**, and others aiming to develop new technology that could put automated vehicles on the road by 2021. Unfortunately, these goals have seen some setbacks due to the COVID-19 pandemic. That same year, Magna unveiled the MAX4 self-driving platform. This autonomous driving platform can be integrated into any vehicle without compromising interior or exterior design.

Magna stock last had a price-to-earnings ratio of 36, putting it in a better value position than the industry average. It also boasts a quarterly dividend of \$0.43 per share, which represents a modest 1.9% yield.

A Canadian ETF offering exposure to automated vehicle development

Canadians hungry for broad exposure to the automated vehicle market may want to explore an [exchange-traded fund](#). The **Evolve Automobile Innovation ETF** (TSX:CARS) seeks to replicate the performance of the Solactive Future Cars Index Canadian Dollar Hedged. It invests in equities that are directly or indirectly involved in developing electric drivetrains, autonomous driving, or network connected services for automobiles.

Shares of this automated vehicles-linked ETF Have climbed 11% in 2021 so far. The ETF has soared nearly 200% from the prior year. Some of the top holdings in this ETF include Volkswagen, **Texas Instruments**, and Porsche Automobil.

How Blackberry is betting on the automated vehicle sector

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is the last stock I want to target for Canadians eager for exposure in this sector. The Waterloo-based company has gained a foothold in promising sectors like cyber security and the development of automobile software. It may not be a [global leader](#) in automated vehicle development, but it has made promising strides in recent years.

Shares of BlackBerry have climbed 35% in 2021 so far. The stock is up over 130% year over year. In 2016, the company announced the creation of the BlackBerry QNX Autonomous Vehicle Innovation Centre (AVIC) aimed at advancing automated vehicle technology in collaboration with the private and public sectors. Earlier this year, BlackBerry partnered with the Chinese tech giant **Baidu** to power next generation automated vehicle technology.

CATEGORY

1. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/07/02

Date Created

2021/04/06

Author

aocallaghan

default watermark

default watermark