



2 Top Canadian Stocks to Buy Before Tesla (NASDAQ:TSLA)

Description

Tesla, Inc. ([NASDAQ:TSLA](#)) was one of the best-performing stocks in 2020. The Electric Vehicle (EV) provider an huge boost as the world trended toward growth stocks. This sent shares soaring, as it seemed tech stocks and EV stocks both would do well now and in a post-pandemic future.

Investors today think there is still an opportunity to be had. That's because shares went up as high as US\$900 per share, and then fell in the new year. Since those highs, shares are down about 20%, but that's after a rally of 922% in the previous year! So it's no wonder investors are still interested in this stock.

However, I'm not as sold. The main reason I'm slightly bearish on Tesla stock is the uncertainty of the EV competition. On the one hand, it's clear that EV companies will continue to grow in the next decade and beyond. Many companies have committed to a full fleet of EVs by 2040 at the latest. Tesla is already there, putting it ahead of the pack.

However, when these other companies get on board, that makes a lot of competition for Tesla stock. That's already begun, especially in China where the company is a huge producer and consumer of EVs. Tesla continues to create high-end vehicles, but the real money is creating those cheap options everyone can afford.

So the reality is we don't know where Tesla will be in five years or even a decade from here. It's an innovative company to be sure, but I'm not sure it will be a major competitor in EV companies in the future. If you want to hold long-term, then by all means go for Tesla stock. But if you want better EV options in this market, then consider these two top Canadian stocks for your watch list.

The car maker

Rather than focus in on a car producer, how about a company that creates everything for cars? That includes EVs, but also all the other products needed for car parts. That's what you get when investing with **Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)).

United States President Joe Biden has committed to a huge boost in funding for EV companies. That would now include Magna stock, thanks to a recent joint venture with **LG Electronics**. The pair can now boast creating the inner equipment for EVs, even providing the electric equipment for car that use computers but may not be EVs.

I'm bullish on Magna long term as it provides everything a car needs, now and in the future. And it has exposure to several companies, meaning it doesn't just depend on sales of one type of car. As businesses and consumers continue becoming more environmentally conscious, the company should see a huge boost in demand.

Yet when looking at Magna stock, the company has excellent valuations. The company is at 0.8 times sales, and 2.3 times book value. That's compared to 21.1 and 29.9 for Tesla stock, respectively. That's excellent value considering shares are up 155% in the last year alone! And there is a bonus 1.91% dividend yield for you to enjoy.

The tech rebound

While some stocks are rebounding, the tech industry has sunk as the pandemic looks to somewhat be coming to an end. A strong economic rebound could in fact bring the pandemic to an end even sooner, which means [tech stocks](#) could soon come back to regular [valuations](#).

That's why **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) is a strong option for investors looking for strong growth. The company is tied to the EV industry through its QNX technology, providing software to the systems inside EVs and other cars that have inner computers. Like Magna, there is no limit to the car manufacturers that can use this software, so you have the ability to see growth from a wide range of companies.

Shares are up 137% in the \$6.78 billion company, but that's after an enormous 64% drop from 52-week highs. So there is likely to be a serious rebound from its current share price over the year and beyond. As more companies continue to choose BlackBerry software, it won't be unheard of to see similar growth to 2020 in the years to come. And with solid valuations of 5.6 times sales and 3.3 times book value, this is a strong value play today.

CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:BB (BlackBerry)
3. NYSE:MGA (Magna International Inc.)
4. TSX:BB (BlackBerry)
5. 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. Coronavirus
2. Investing
3. Personal Finance
4. Tech Stocks

Date

2025/08/22

Date Created

2021/04/08

Author

alegatewolfe

default watermark

default watermark