



2 TSX EV Stocks That Are More Realistic Than Dogecoin

Description

Elon Musk is known for his ambitious and sometimes unrealistic projects. He has followers and critics. I admire his work with **PayPal**, **Tesla**, and SpaceX. But the Dogecoin project is something I would keep in a neutral stance — I'm neither bullish nor bearish. Until the economics of the coin work out, and there is more utility for Dogecoin other than making money in thin air, it's difficult to say if it's anything more than a fad. I would suggest you put your paper money in a more realistic investment like electric vehicles (EVs).

EVs are now picking up the momentum as major automotive markets — China, Europe, and the United States — focus their attention on EVs. In a move to reduce greenhouse gas (GHG) emissions, EVs play a major role. According to an Environment Protection Agency (EPA) [report](#), the transportation sector was the largest contributor (29%) of GHG emission in the United States in 2019. This has created an EV wave, reviving growth in the automotive sector.

The ultimate TSX EV stock

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is the ultimate EV stock for your portfolio. It is not as volatile as tech or auto stocks, but it is also not as resilient as a dividend stock. Before the pandemic and EV momentum, Magna stock surged more than 150% between January 2011 and 2020. That averages to around 10% growth per year. But this stock has surged 120% in the last 12 months and is still growing. It covered a nine-year growth journey in a year. And if I leave out the pandemic recovery effect, the stock has surged 70% from its pre-pandemic level.

Magna stock is in a high-growth phase. Book your seat now before Magna jumps out of hyperdrive and resumes normal growth. What is fuelling Magna's growth is its growing involvement in EV and autonomous vehicles. It has secured several contracts either to manufacture EVs or to supply automakers with necessary components.

Unlike automakers, Magna has little to lose if a particular EV model doesn't perform well in the market. It has revenue coming in from other EV makers. At the same time, it grows if a particular EV model does well in the market as it gets more orders. Magna wins on both ends, making it the ultimate EV stock for investors who like to play it safe.

BlackBerry's EV connection

While Magna is the obvious EV choice, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) also comes under the EV growth. Many investors still think of BlackBerry as the handset maker or the cybersecurity solution provider. But it is also the hidden technology behind your advanced driver assistance systems (ADAS).

BlackBerry's QNX [platform](#) supports infotainment, cabin acoustics, ADAS, safety-critical systems and cybersecurity. It is developing an automotive operating system (OS) that will keep your car connected and make it smarter. Its QNX and IVY platform will collect vehicle data and enhance user experience just like your smartphone.

However, BlackBerry faces competition from Google and other automakers that are making their custom OS. But as it happened with PCs and smartphones, standardization will slowly creep in, and only a few will last. You will have to wait and see if BlackBerry becomes the next automotive Android or faces the same fate as its mobile OS.

If you invest in BlackBerry, you need to give it at least five years to show some growth. Unlike Magna, it is not in an upcycle. But it has the potential. Now it has to prove that it can jump in the hyperdrive mode without crashing.

How to invest in the above two stocks

The EV momentum will drive all stocks in the EV supply chain from automakers to component suppliers to tech suppliers. But each supply chain provider will witness growth at different stages. Hence, a good investing strategy is to divide your money across all these stocks.

Magna will start giving you returns immediately, as it is currently in a growth trend. But BlackBerry will need time. However, given their price difference (Magna stock trading above \$116 and BlackBerry above \$10), you can buy 10 shares of each for less than \$1,300.

CATEGORY

1. Investing
2. Tech Stocks

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3. TSX:BB (BlackBerry)
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