



Forget Tesla: 1 Top Canadian EV Play to Buy Right Now

Description

EV stocks have been skyrocketing in recent years. Despite some near-term headwinds, these stocks continue to surge forward. Big players such as **Tesla** are the obvious favourites right now. However, there's one top Canadian EV play that could surge alongside EV demand.

Let's take a look at why **Martinrea** ([TSX:MRE](#)) may be an [excellent EV pick](#) in this environment.

Martinrea is a top Canadian EV play

As a lightweight auto manufacturer, Martinrea has seen its potential blossom, as auto sales have taken off. While most of Martinrea's revenues come from conventional auto manufacturers, the company is making big moves into the EV space.

Indeed, Martinrea's recent deal with VoltaXplore to bolster the company's battery supply chain is a big win. This move expands the company's growth prospects further into the EV segment. Indeed, if Martinrea can capture more of the EV market, it stands to benefit to a greater degree than many of its peers due to its size.

Currently, Martinrea's market cap sits around \$1 billion. Accordingly, any meaningful bump in cash flow or earnings could take this company's valuation substantially higher. I see the risk/reward relationship with this stock as very attractive currently. The company is making the right moves into the right sector at the right time. If investors reward this stock, there's no telling what kind of upside could be on the horizon.

Meme stocks or value stocks?

Tesla's allure as one of the original "meme stocks" over the past decade is notable. The company's devoted investor base certainly has reason to want to hold onto their position.

However, for new investors, buying into a company with a US\$600 billion market cap, there's not a

heck of value to be had with such a valuation. Indeed, with a strong rotation into value stocks from the growth end of the spectrum, companies like Martinrea stand to benefit from the surge in EV volumes to perhaps a greater degree than meme stock peers.

That's not to say meme stock plays won't outperform in the near term. Anything's possible in this market. And as we've seen with the recent parabolic swings in a number of retail investor favourites, the sky apparently can be the limit for certain stocks right now.

Bottom line

Martinrea is far from making any list for EV investors right now. However, the company is making inroads in the EV space to a considerable degree.

This is a smaller-cap Canadian option for investors seeking higher-leverage plays in the EV sector. Indeed, I think the company's investment in VoltaXplore could be the start of something great for Martinrea. Only time will tell.

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chrismacdonald

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