



The 2 Top Canadian EV Plays Investors Should Be Buying Right Now

Description

The EV sector is all hyped up and for all the right reasons. With the rise in fuel prices and natural oil levels rapidly decreasing, consumers are increasingly making environmentally conscious choices at the behest of the market. As a result, the demand for electric vehicles has been accelerating. With the economy slowly reopening, expectations are that demand will continue to rise. Indeed, this increase in demand may outperform expectations for some time to come.

For those betting on such impressive EV growth, here are two top Canadian EV plays to consider right now.

Magna International

As far as EV manufacturers go, **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is making [big leaps forward](#). Indeed, Magna has finally started to attract attention, and for all the right reasons. The company is rumoured to be a leading candidate to supply the highly-touted **Apple** car. Indeed, Magna remains the logical choice on this front, a reality that could impact this company's valuation in a tremendous way, if it materializes.

But let's not get too far ahead of ourselves. This Apple car may or may not happen. For now, investors ought to be focused on assessing Magna on the strength of its core business alone.

And on this basis, Magna looks strong. The company's current production provides room for EV growth. And the company's been increasing its exposure to EV parts over the years to meet this demand shift. As more automobiles transition toward electric motors, Magna stands ready to serve this increasing demand.

Accordingly, investors are increasingly bullish on Magna's prospects. The company's share price has shot higher over the past year on these improved expectations. I think more upside could be on the horizon, pending future announcements for Magna. Accordingly, I view this stock as a speculative buy in this booming EV environment today.

Martinrea

Another Canadian auto player with EV exposure is **Martinrea** ([TSX:MRE](#)). Indeed, Martinrea's move into the EV space has been accelerated by a recent battery supply deal which bodes well for the company's prospects in growing its market share in this growth segment.

This company's production capacity and its growth potential remain strong. I essentially view Martinrea as a smaller version of Magna, with potentially higher growth upside. Accordingly, as far as speculative buys go, Martinrea may provide even more leverage to growth in the EV sector than Magna. Accordingly, this stock also provides perhaps slightly higher risk in this regard.

That said, Martinrea's fundamentals don't look stretched right now. The company is trading at just 0.3-times its sales. And its stock price hasn't appreciated as quickly as rival Magna. Accordingly, the argument could be made that Martinrea is actually a better pick today.

I like both stocks for their EV exposure right now and would recommend investors take a look at both these names right now.

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TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)
3. TSX:MRE (Martinrea International Inc.)

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