



How Elon Musk Became the World's 2nd-Richest Man

Description

Elon Musk is one of the rare ones; he doesn't just predict the future but shapes it for everyone. It is innovators like him that enhance our living. I know you are not here to read about all the tech stuff, so let's jump to the topic. How did Elon Musk become the world's second-richest man, despite not being an investing genius?

Three investing lessons from Elon Musk

The heading seems a little wrong. Elon Musk is the person who holds Dogecoin. He said in one of his tweets, "To be clear, I am **not** an investor, I am an engineer. I don't even own any publicly traded stock besides **Tesla**." Then what investing lessons can he give?

First, he invests in future technology that is revolutionary and scalable. He thought about worldwide digital payments in the 90s and introduced **PayPal**. He also made electric vehicles a reality with Tesla. And now, he is eyeing the moon and Mars with SpaceX and a satellite internet constellation with Starlink.

Second, he holds stocks that he believed in even in sun and rain. Tesla and PayPal have had their share of ups and downs. He kept booking small profits from time to time but stayed invested. With [tech stocks](#), it is more about revenue growth and stickiness of the product. If there is demand and the company continues to innovate, profits will come. Beware of those tech stocks that stop innovating to cut costs and are content with what they have. Technology stagnation has led to the biggest tech [failures](#), like MySpace and **BlackBerry**.

Third, don't let market noise distract you. Stay focused and believe in your research. A well-funded and technologically strong company can overcome macro-economic weakness. The only thing that one should fear is a disruptive technology.

Copy Elon Musk with two TSX stocks

Elon Musk is currently eyeing three tech segments: electric and autonomous vehicles (EV/AV), cryptocurrency, and the internet. These are promising trends, and you can gain exposure to them by

investing in these TSX stocks.

The EV stock

Magna International ([TSX:MG](#))([NYSE: MGA](#)) is Canada's auto component champion that forayed into third-party manufacturing. Its new CEO, Swamy Kotagiri, is focused on accelerating Magna's move to EVs and AVs. The company has partnered with several automakers and tech giants, including Google's Waymo, to build EVs and AVs. It even supplies components to Tesla. Simply put, it aims to become the **TSMC** and Foxconn of EVs/AVs. This shows that Magna is innovating.

Magna stock has already surged over 80% in 12 months — its highest annual growth rate. But if you look at Magna's 10-year [horizon](#), a 0.98 price-to-sales ratio is a great value. The EV revolution is still overcoming the pandemic, and the AVs are yet to commercialize.

The blockchain stock

Now, I would not recommend a direct exposure to crypto, as there are many moving variables, but the closest you can get is **Hive Blockchain Technologies** ([TSXV:HIVE](#)). This is a blockchain company that runs data farms to mine Bitcoin and Ethereum and also offers hosting services to individual miners.

Off lately, Musk is more in favour of Dogecoin than BTC and ETH and is working on updating the system and making the crypto mining environment friendly. Hive is a part of the Bitcoin Mining Council that is working with Elon Musk and **Microstrategy** CEO Michael Saylor on renewable energy for crypto.

Hive is also innovating on the data farm front, finding ways to use its high-performance computing capacity in blockchain computing and artificial intelligence.

Investor takeaway

Magna and Hive are indirectly associated with segments Elon Musk is interested in and will benefit from the future tech wave that Musk and other genius tech minds create. If you swim in the direction river flows, you can cover a greater distance with less effort.

CATEGORY

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2. TSX:MG (Magna International Inc.)
3. TSXV:HIVE (Hive Blockchain Technologies)

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