



2 Top TSX EV Plays to Buy Right Now

Description

[Growth](#) among EV plays is starting to pick up steam. Well, in reality, these stocks have been on fire for years now. However, besides top picks like **Tesla**, investors seem to have tunnel vision with EV makers right now.

That said, a tonne of potential exists in the EV space outside of the traditional names. Let's dive into two such EV plays traded on the TSX today.

EV plays: Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) has a [strong presence](#) in the automobile industry. The company's business model is based on providing contract manufacturing services for various auto producers. In recent years, Magna has been shifting its focus to the hybrid and EV space.

Indeed, the EV market is a broad one, with a range of options available to consumers. Hybrids continue to make up a significant percentage of the overall global auto market. And Magna is there to help auto brands realize their manufacturing needs.

However, Magna has also made recent deals to get into the battery EV market in a big way. As more companies seek out contract manufacturing to solve their operational goals, Magna is well positioned to pick up the pieces. Additionally, given the relatively tight supply in the auto market today, Magna's pricing power is stronger than it has been in some time.

This is a stock that certainly isn't cheap at these levels. However, Magna is trading at this elevated multiple for a reason. Those looking for a solid picks-and-shovels play on the EV space have a great pick in Magna.

BlackBerry

Like Magna, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is far from a direct play on the EV sector. That said, this software company's QNX platform is becoming ubiquitous in the auto sector. Most major brands are now using BlackBerry's QNX platform to power infotainment systems in vehicles. Additionally, the company's IVY platform (co-developed with **Amazon**), is poised to eat up market share in the connected vehicle market.

Finding "sneaky" ways to play a secular catalyst is one way investors can enhance their upside to a given trade, while limited operational risk. BlackBerry's model is much more attractive, in my view, than that of traditional EV makers like Tesla. That's because the company's business is relatively capital-light and carries a high degree of operating leverage. This simply can't be attained in the traditional EV manufacturing space.

BlackBerry's growth prospects over the long term remain bright. However, over the short term, investors can expect some volatility with this stock. Given the recent meme stock rally we've seen with BlackBerry, more downside could materialize over the near term. However, for those who pick their spots right, this could be a great long-term holding here.

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2. NYSE:MGA (Magna International Inc.)
3. TSX:BB (BlackBerry)
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