



Tesla (NASDAQ:TSLA) Stock Rises: 1 Canadian Stock to Buy Instead

Description

Global phenomenon **Tesla** ([NASDAQ:TSLA](#)) hit headlines once again, as the company reported record revenue for the quarter. Even as Tesla stock was expected to see growth, this was unexpected by analysts. The company [delivered](#) more than 200,000 vehicles for the quarter — a record for the company. On top of that, it reached US\$11.958 billion in total revenue — up 98% year over year! Adjusted EBITDA was also impressive — up 106% to US\$2.487 billion.

But, of course, investing in Tesla stock comes with a price. Shares of the company currently trade at US\$635. In the last year, that's an increase of 123% as of writing. However, it's about 30% less than all-time highs. What's more, even with this great performance, shares of Tesla stock actually dropped. This is likely because there is a pullback in the market as of writing, and analysts have also maintained that Tesla stock is likely to drop in the future.

A Tesla stock offshoot

Now, whether you believe that or not, Tesla stock's recent performance suggests the company is a solid long-term investment. And that's what we like here at the Motley Fool. However, I wouldn't blame you if you didn't want to put your life savings towards a volatile company like Tesla stock.

But there are other options. In fact, there are other strong options that are due to climb because of the growth in Tesla stock. While car production is the company's bread and butter, [batteries](#) are the future. Specifically, Tesla stock wants to be able to create its own batteries. And that means it's going to need a few things — one of them being nickel.

Demand for nickel in batteries could climb by over 500% over the next decade, according to analysts. By 2024, there could actually be a supply deficit. This could see nickel prices soar even higher! This is hugely related to the growth in electric vehicle demand. So, of course, it means that Tesla stock is likely to continue climbing as well. But so will nickel stocks.

A top nickel producer

It's not just electric vehicles behind the surge in nickel demand. Instead, there has been a surge due also to the demand for construction, manufacturing, and oil and gas sectors. This has delivered [14-year highs](#) for the mineral. Even with chip shortages, electric vehicle demand has also remained high, and this has lifted the price of nickel to around US\$19,500 as of writing. And those high prices are due to keep rising, according to analysts.

There's one Canadian nickel producer that Motley Fool investors should consider in this case. That's **First Quantum Minerals** ([TSX:FM](#)). The \$17 billion company is up 107% in the last year and continues to see demand increase. Yet it also continues to cut costs, bringing them to the lowest level in four years.

First Quantum expects its strong production and demand to continue, as the demand for both nickel and copper, its two main segments, increase. Again, it's not just relying on electric vehicles, but also a recovery in infrastructure as well. The company finished 2020 in a strong cash position and recently reported yet another strong quarter. Yet with shares trading at just \$25 and P/B ratio of 1.5, you don't have to spend a lot to take a small stake in this company.

So, while Tesla stock is a great long-term hold for Motley Fool investors, nickel stocks like First Quantum can provide a cheaper option for substantial growth.

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