



## Alert: Alphabet and Tesla Stock CDRs Launch at Under \$25 in Canada

### Description

Canadian investors who've always wished to join the trading action on **Tesla Motors** stock and to buy into the **Alphabet** growth story but remained conscious of currency exchange costs and exchange rate risks will love what **Canadian Imperial Bank of Commerce** (CIBC) and the NEO Exchange have on offer today.

## Alphabet and Tesla stocks start trading in Canadian dollars

One can buy Tesla stock and Alphabet shares on the NEO Exchange in Canada using local currency. This is possible starting today, August 11. The respective trading tickers are **Tesla, Inc. CDR (CAD Hedged)** (NEO:TLSA) and **Alphabet Inc. CDR (CAD Hedged)** (NEO:GOOG).

Local investors can easily buy into Tesla stock and have a brilliant and innovative leader Elon Musk work for them. They can also buy shares in Google's massive, globally dominating, and cash flow-rich businesses.

This is only possible after the launch of Canadian Depositary Receipts (CDRs) offered by CIBC and listed on the NEO Exchange.

The latest CDR listings follow the [successful launch of the country's first-ever CDR](#) series on **Amazon.com** shares in July.

CDRs are transferrable certificates issued by domestic banks representing shares in foreign-listed companies. They afford investors the opportunity to trade in common shares of foreign companies on local exchanges, with settlement done in local currency.

Most noteworthy, the NEO Exchange products are completely hedged for foreign exchange risk. They can pay dividends and even provide voting rights. Basically, they trade like your normal common shares.

Trade in GOOG and TLSA CDRs was at \$24.22 (up 0.5%) and \$23.16 (unchanged), respectively, at

the time of writing.

## Added convenience and reduced risks

A Canadian who wanted to buy one share in Tesla stock yesterday had to raise US\$709 (CA\$888) for one share. The investor would buy the U.S. dollar at very unfavourable retail exchange rate spreads and probably pay conversion commissions.

The same scenario applied on Alphabet stock, where individual investors needed US\$2,762 (CA\$3,461) just to buy a single share.

After the hustle in buying U.S.-listed equities, the Canadian investor could lose money if the Canadian dollar firmed against the U.S. dollar after the share purchase transaction.

However, starting today, a local investor needs just \$25 to buy a fractional share in Tesla, Alphabet, and Amazon.com.

The exchange has recorded early success after the Amazon.com CDR series attracted over \$12 million in its first eight days of trading. CIBC has seen interest in the AMZN CDR series steadily growing from professional dealers, and there is a rising interest from do-it-yourself investors, too.

Small equity purchases in foreign firms have been made easier, at lower trading costs, and with zero foreign currency risk exposure.

## A chance to invest in global tech giants

Usual concerns from Canadian investors include purported limited choices on technology stocks on the **TSX**: the most senior exchange in the country.

Besides **Shopify**, **Lightspeed**, **Nuvei**, and a few other notable Canadian tech names, there aren't too many large-cap and mid-cap tech [growth stocks](#) to [rock investment portfolios](#) for locals on the local exchanges.

The NEO Exchange, another senior market in Canada, has revolutionized the way Canadians invest in technology. Individual investors enjoy more choices on the menu. Locals have more choices when rebalancing their portfolios. They have fewer investment risks to assume and more trading convenience, all thanks to CDRs.

I am confident the Canadian individual investor is celebrating the NEO Exchange and CIBC's latest innovation in bringing the first set of CDR products to Canadian investors.

## More on the way

Word is that NEO and CIBC will launch CDRs on **Apple** and **Netflix** common shares before the end of August. The new products give Canadian investors more affordable access to foreign equity securities while mitigating the currency risks associated with global investing.

Fellow Foolish investors will love such positive developments in our capital markets.

## CATEGORY

1. Investing
2. Tech Stocks

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## PP NOTIFY USER

1. brianparadza
2. kduncombe

## Category

1. Investing
2. Tech Stocks

## Date

2025/06/28

## Date Created

2021/08/11

## Author

brianparadza

default watermark

default watermark