



This EV Stock Jumped 14% in September: Buy This Instead

Description

Canadian lithium company **Millennial Lithium** (TSXV:ML) made headlines this week after a bidding war came to an end between two of China's largest lithium chemical producers. China's **Contemporary Amperex Technology** purchased the \$365 million company in a \$377 million deal. So let's take a look at these EV stocks.

What happened

Shares were up 4% in early morning trading. However, Millennial Lithium shares increased 14% as of writing over the last month. This comes down to a recent bidding war between Contemporary and China's Ganfeng Lithium. Ganfeng made an offer in July to purchase the company at \$3.60 per share but was then outbid this month by \$3.85 per share.

The deal is yet another that put the breaks on Ganfeng from making further acquisitions. Contemporary has been on an acquisition spree this year, buying up miners around the world, and Millennial Lithium is yet another one that it's adding to its arsenal.

The Argentinian-based supplies major carmakers with lithium, and the recent acquisition allows it to secure a stable long-term supply of the mineral. This makes it one of the top EV stocks investors should pay attention to.

So what

Millennial Lithium is now a part of the future of EV stocks. China is now not only the largest producer of EVs, but also the largest user. The price of lithium carbonate used for batteries have tripled in 2021 alone. This comes from an immense EV demand coming in as pandemic restrictions ease in the country.

EV stocks saw a surge earlier this year, but investors wanting to get in on the action have a great opportunity to do so. However, EV stocks have now experienced a pullback that Motley Fool investors

may want to get in on.

However, I'm not so sure if Millennial Lithium is the best way to do this. The recent acquisition is great, but if you want in on the future of EV stocks, then it may be better to consider another company. One I would recommend today is **Lithium Americas** ([TSX:LAC](#))([NYSE:LAC](#)).

Now what

Lithium Americas is a \$3 billion company that has grown immensely this year with the demand for lithium increasing. Shares are up 90% in the last year and 13% this month alone. And with lithium prices soaring so high, earnings per share could hit as high as 961% higher by 2023, according to analysts!

With China's price of lithium already tripling, it's clear that this will soon trickle [across the world](#). Lithium Americas focuses on North America. However, it has already partnered with Ganfeng, a company that lost out on the bidding war for Millennial. And Lithium has started up two new projects recently that haven't produced lithium yet but are predicted to produce hundreds of millions of dollars worth of revenue.

All this and it's still relatively [cheap](#), both in share price and fundamentals. Shares trade at \$26.32 as of writing, with a price-to-book ratio of 4.8. Shares continue to climb back toward January highs, with analysts predicting another 9% growth for the next year or more.

As lithium prices continue to rise, Lithium Americas is the company I would recommend even before these acquisition targets.

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2. Tech Stocks

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