



## 1 Sneaky Canadian EV Stock to Buy Right Now

### Description

Among the areas of growth many investors are choosing to focus on right now is the electric vehicle (EV) segment. Of course, there are some fantastic options available in the U.S. and global marketplaces. However, finding a Canadian EV stock worth buying ... that can be a bit more difficult.

The Canadian economy is one that's tilted toward commodities, and fossil fuel, production. Accordingly, Canada has lagged somewhat in the development of the EV market.

However, there are some companies that are big players in the burgeoning EV space. One such top Canadian EV-related stock I like right now is **Martinrea** ([TSX:MRE](#))(NYSE:MRE).

Here's why.

### A Canadian EV stock with the same catalysts and headwinds as the industry

First, it's important to start off with the fact that Martinrea is a top provider of automotive parts. The company's aluminum parts help to lightweight vehicles, providing better performance. While the company serves both internal combustion engine and EV markets, the company has recently been making moves in the EV space.

Indeed, I think this stock has received almost zero consideration regarding its ownership in Voltxplore and Nanoxplore, which exposes it to graphene and EV battery components. Company insiders have also been active buyers of MRE stock lately. This is another endorsement of the attractive growth and valuation.

Along with the entire auto industry, MRE has faced an impact from the worldwide chip shortage. Martinrea's auto production has also been affected by this chip crisis. That said, the growth drivers of the auto space are also the same, making MRE stock one to consider right now.

## Big backlog, and big results, could boost Martinrea stock

Besides being hurt by chip shortage, Martinrea has also had EPS forecasts trimmed by analysts. That said, there's reason to believe this stock could outperform over the medium to long term.

Much of this view is due to the company's backlog. Martinrea has seen [impressive growth](#) in its backlog, mainly due to supply chain issues. For those who think this short-term scenario simply pulls demand forward, there's nothing to worry about.

Indeed, though Martinrea's [Q2 earnings](#) were affected by the global semiconductor shortage, its total sales went up 92.1% year over year lately. The organization continues to have a solid balance sheet and a new business pouring in an additional \$40 million in sales. Analysts are of the view that MRE stock features deep value. This especially holds true for long-term investors looking beyond the near-term supply chain issues.

### Bottom line

The upcoming decade will see the biggest car manufacturers committing to either a full EV fleet or a combination of hybrid cars and EVs. This looks to be a potential opportunity for an organization like Martinrea.

#### CATEGORY

1. Energy Stocks
2. Investing

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1. TSX:MRE (Martinrea International Inc.)

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