Forget Tesla: Buy These Top Canadian Stocks Instead

Description

Tesla has soared to all-time highs in 2021 on the back of surging investor confidence in the electric vehicle (EV) space. However, its shares have plunged 13% week over week as of close on November 15. The company has seen its market cap slip back below the $1 trillion mark. Meanwhile, co-founder and CEO Elon Musk has moved to dump Tesla stock while parrying criticism on social media platforms. Today, I want to look at three Canadian stocks that look like a better bet than Tesla as volatility picks up. Let's dive in.

This top auto parts manufacturer is also benefiting from the EV boom

Magna International (TSX:MG)(NYSE:MGA) is an Aurora-based company that designs, engineers, and manufactures components, assemblies, and other equipment for manufacturers of vehicles and light trucks around the world. Shares of this Canadian stock have climbed 24% in 2021 as of close on November 15. The stock is up 39% year over year.

Last month, I'd discussed why Magna looked discounted compared to its peers. It released its third-quarter 2021 earnings on November 5. Sales rose to $27.1 billion for the first nine months of 2021 — up from $22.0 billion for the same stretch in 2020. Meanwhile, adjusted EBITDA climbed to $1.55 billion over $581 million in the prior year-to-date period.

Shares of this Canadian stock possess a favourable price-to-earnings (P/E) ratio of 14. It offers a quarterly dividend of $0.43 per share. That represents a modest 1.9% yield.

A Canadian stock that has staged a huge comeback since early 2020

AutoCanada (TSX:ACQ) is another auto-focused Canadian stock to consider over Tesla today. This Edmonton-based company operates franchised automobile dealerships across the country. Shares of this Canadian stock have increased 61% in 2021. However, the stock has plunged 21% over the past week. Investors may want to consider buying the dip in this Canadian stock over Tesla.

In Q3 2021, the company reported revenue of $1.20 billion — up from $1.01 billion in the previous year. Meanwhile, net income rose to $38.0 million over $36.0 million in the third quarter of 2020. Adjusted EBITDA delivered growth of 12% to $68.3 million. AutoCanada has managed to navigate a challenging environment, posting strong used vehicle sales and bolstering its presence in the United States.

This Canadian stock last had an attractive P/E ratio of 9.1. Its shares last had an RSI of 30, putting it just outside technically oversold territory.

One more Canadian stock I'd snatch up instead of Tesla

Linamar (TSX:LNR) is the third and final Canadian stock I'd snag over Tesla in this climate. This Guelph-based company is also engaged in the design, development, and sale of auto parts to a global market. Shares of this Canadian stock have climbed 15% in the year-to-date period. The stock is up 29% year over year.

The company unveiled its Q3 2021 earnings on November 9. It boasts a fantastic balance sheet and ended the quarter with liquidity of $1.8 billion — up from $1.3 billion at September 30, 2020. Net earnings in the year-to-date period increased to $370 million, or $5.65 per share — up from $166 million, or $2.54 per share, for the first nine months of 2020.

Shares of this Canadian stock possess a favourable P/E ratio of 10. It offers a quarterly dividend of $0.20 per share. That represents a modest 1% yield.

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