



Forget Lucid: Buy a Buffett-Backed EV Stock Instead

Description

Lucid Group ([NASDAQ:LCID](#)) shares continue to rise on the rebound in Electric Vehicle (EV) stocks. Lucid is one of the many EV stocks seeing a massive increase, with shares up a whopping 430% year to date.

But Lucid remains a volatile play today. Sure, EV stocks are absolutely the future. But it looks like share [increases](#) may begin to outpace actual growth in the companies. The \$88 billion company recently reported earnings that fell below analyst estimates. The company reported a loss of \$0.43 per share, with about \$232,000 in sales.

This could lead to a bubble that may burst in the near future. But Motley Fool investors looking for access to EV stocks certainly have other options. In fact, Warren Buffett picked one for you!

Your best BYDDY

Instead of Lucid, Warren Buffett made a huge investment into Chinese EV stock **BYD Company** (OTC:BYDDY). The investment mogul purchased shares about a decade ago, and has since witnessed gains of over 3,000%!

Yet BYD continues to trade under the radar, even as Lucid shares rise. Warren Buffett bought 225 million shares for \$232 million back in 2008 and continues to own shares as of December 31, 2020. This year alone BYD is up 29%. Sure, It's not the massive growth seen by Lucid. But that's far more stable and sustainable growth for Motley Fool investors.

And BYD is doing far better than Lucid when it comes to sales, even among EV stocks in general. BYD sold 183,000 EVs and hybrids during its latest quarter, a 294% increase year over year. When just looking at EVs, it sold 91,616, a 186% increase.

However, there is one major issue with BYD. The EV stock doesn't trade in Canada or in America. So you would need a specialized broker to invest. That said, you can still take advantage of its growth by investing in what all EV stocks need: batteries.

Forget Lucid, buy lithium

Lithium companies are likely to see a major increase right alongside EV stocks. This comes from the lithium batteries that power every company from the Warren Buffett-backed BYD to Lucid. As EV stocks continue to grow in demand, lithium batteries will be needed. And that makes [companies](#) like **Standard Lithium** ([TSXV:SLI](#)) of stellar value.

Many battery makers aim to nearly triple their manufacturing capacity next year to meet supply demand. Right now, many are debt-financed, but in the next year, there could be a wave of growth that sees them financed by adding more shares to the market.

Standard Lithium alone is up 287% year to date thanks to the growth in EV stocks like Lucid. This is despite a short-seller report from Blue-Orca Capital, which the company stated it would benefit from should the share price decline. The report didn't make much headway, with shares continuing to 52-week highs. Further, the company announced a US\$100 million direct investment into Standard Lithium by Koch Strategic Platforms to allow for "strategic opportunities" in the future.

With shares at just \$13.50 as of writing, it's a fraction of what you'd pay for Lucid or BYD stock right now. Plus, you can pick it up on the stock market today! So if you're looking for growth from EV stocks, I would consider Standard Lithium a top choice.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:LCID (Lucid Group, Inc.)
2. TSXV:SLI (Standard Lithium Ltd.)

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