



## Ballard Power Stock Drops 10% on Monday: Time to Buy?

### Description

**Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) shares fell by up to 10% on Monday, as the wider market dropped right along with it. But as this clean energy company falls, should investors see it as an [opportunity](#) to buy Ballard Power stock?

### What happened?

It seems investors wanted to take their returns on Monday after Ballard Power stock climbed to about \$13.75 last week. This came after news the company would be expanding its partnership with **Canadian Pacific Railway**.

CP stock ordered eight more 200-kilowatt fuel cell modules from Ballard Power stock. This would support the railway's hydrogen locomotive program, bringing it from one to three locomotives sometime this year. As CP continues to "significantly expand" its program, Ballard Power looks like it can climb right along with it.

### So what?

Let's first look at this deal. The recent addition brings the order from CP to a total of 14 hydro fuel cells. But it seems to only be the beginning. By 2030, Ballard Power stock estimates that the hydrogen-electric train business will reach \$4 billion. And it's already seen the benefit of this move in the United Kingdom, and in Europe and Asia. And even better news? Part of the expansion will be funded by the Emissions Reduction Alberta (ERA) program, giving the deal \$15 million to address climate change.

Now, let's look at the big picture for Ballard Power stock. When the rest of the world is focused in on electric vehicles, this company focused in on every *other* type of vehicle. Buses, army and marine vehicles, and, yes, trains — Ballard addresses them all. That leaves an endless amount of room for the hydrogen fuel cell company to expand.

## Now what?

Ballard Power stock remains significantly below fair value, especially considering the growth over the next few years. Analysts give it a consensus target price of \$26 as of writing. That's more than *double* its share price of \$12, as of writing.

Now, granted, some target prices dropped recently thanks to the supply-chain demand Ballard Power stock continues to experience. Even still, analysts believe the company has as strong future ahead. Even in the next year. It has \$1.2 billion on the books, making it an ideal company for merger and acquisition growth in 2022.

So, is Ballard Power stock a buy? I'd say, absolutely — especially for [long-term](#) investors looking for a [great deal](#).

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alegatewolfe

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