



Why Now Is the Time to Buy Lithium Stocks

Description

It might seem like oil and gas companies are where investors should be putting their cash these days. You've likely already seen why. Gas prices reached astounding levels this week, with the price of a barrel of crude oil surging past US\$100. Yet this is also the exact reason why now is the time to start thinking about clean energy stocks, and in particular, lithium stocks.

What happened

Clean energy and lithium stocks have seen an increase in [interest](#) with these rising prices of oil and gas. The reason the prices are rising in the first place is relatively simple: the Ukraine crisis. After Russia invaded Ukraine, countries around the world started imposing sanctions. That, of course, now includes crude oil.

Russia is the third-largest oil producer in the world. The country outputs about 11.3 million barrels per day. While North America doesn't tend to rely on it, European countries sure do. And that's why these sanctions were certainly not taken lightly.

Granted, it's unlikely that the Ukraine crisis will last forever. But it's bound to last some time, as tragic as that is. With that, Europe will be cut off from its supply of oil and gas, and need something else. Hence, clean energy and lithium stocks.

Why clean energy stocks

Clean energy and lithium are now where countries are turning their heads, and investors along with them. Clean energy companies already received interest over the last few years, as it's practically a unanimous agreement that renewable energy is needed to not absolutely demolish our planet.

But this increase in oil and gas prices pretty much put the nail in the coffin. Suddenly, one country goes to war and a massive amount of other countries will suffer for it as well. Sanctions may be in place for *years*, leading these countries to either come to some agreement, or find another solution. That

solution? Clean energy, and especially lithium stocks.

Lithium stocks make the future

So why lithium stocks? Lithium is used in batteries, and batteries are the key to practically any new [renewable](#) energy source. Wind power, solar power, hydro power, it all has to be stored somewhere, somehow. And that means creating new and improved battery power, with the key ingredient being lithium.

This is why lithium stocks like **Lithium Americas** ([TSX:LAC](#))([NYSE:LAC](#)) continues to soar this week. Lithium Americas stock rose 11% on Tuesday, closing out the day up 10%. As it seems oil and gas prices are only going up, renewed interest in the stock and other lithium companies continues to abound.

So the big question is whether it's now too late to get into lithium stocks like Lithium Americas stock? The answer is a resounding "no." The company continues to find new places to mine lithium, and is even considering creating a spin-off company just to manage its Thacker Pass project in Nevada.

Shares reached peak levels in November at \$53, but have since fallen to \$33.63 as of writing. Analysts give it a target price of \$47.58, but it could rise even more. In the last five years alone, shares [climbed](#) an incredible 593%! And that's *after* the recent price drop and recovery.

Foolish takeaway

Lithium stocks are the future, and investors are starting to realize that. With oil and gas prices continuing to rise, and the Ukraine crisis edging on, getting in on lithium companies like Lithium Americas stock is a sure-fire way for long-term investors to make some killer cash.

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