



## Is Now the Time to Buy Electric Vehicle Stocks?

### Description

Electric vehicle (EV) stocks were all the rage just about a year ago. A new president in the United States made it clear his administration would be focusing on [clean energy](#), and that included EVs. EV stocks, in turn, soared, along with other clean energy stocks at the announcement from Joe Biden.

Since then, the entire industry has been tamped back. This comes from a variety of reasons, including supply-chain disruptions, the crisis in Ukraine, and, of course, a looming recession.

But could this therefore be the best time to pick up EV stocks before the next boom?

### Short-term considerations

Let's first look at whether EV stocks could be a good or bad option in the short term. There is first that this is still a relatively risky industry. Investors want safety, so the downside is that EV stocks simply don't offer that right now.

However, there could be a move towards EVs in the near future with the incredible rise in gas prices. Imagine that you didn't have to wait for gas prices to drop a cent or two before racing to your local gas station? You just look forward to the same price each and every day, month, and year.

The biggest hurdle, however, was recently identified by legendary Canadian environmentalist David Suzuki. Suzuki pointed out that there needs to be a massive investment in infrastructure if we're seriously going to move towards EVs. And that means it could be some time before EV stocks see a huge boost.

### Long-term considerations

But then there's the long-term parts to consider. When it comes to stocks in general, you want to think long term. And in this light, EV stocks look like a great option. Yes, in the short term, we're looking at quite a few hurdles. But in the next decade, company after company and government after government

remain committed to providing a full fleet of EVs.

That means there are a slew of companies that you could consider when looking at EV stocks, and, honestly, that can make things even harder. You want in on the burgeoning industry, but you don't want to choose the wrong stock for the long term. Further, you don't want to see your shares remain incredibly volatile.

In that case, I would look at companies that would rise from an investment in EVs over the years, rather than EV companies themselves. So, instead of a car manufacturer, what about a [company that helps build those cars](#)?

## A huge value play

If you're looking at buying EV stocks long term, I would recommend **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) today. The company is down 29% year to date, trading at 13.26 times earnings. It's been suffering the last year or so from supply-chain issues, just as the rest of the automotive industry. So, why buy this stock now?

Magna stock has a few long- and short-term benefits. In the long term, it has partnerships with some of the largest car manufacturers on the planet. These companies are transitioning to EVs and need a company to build the parts for those vehicles.

In the short term, however, there could be some volatility. But once supply-chain issues and inflation get under control, Magna stock still provides parts to internal combustion engine vehicles as well, including electric components. Further, it offers investors a 3.24% dividend yield while you wait for the inevitable climb. And right now, that climb has an analyst target price of \$109 — a 51% potential upside!

## Bottom line

Yes, now is the time to buy EV stocks. There are significant opportunities for long-term holders, and there are bound to be some jumps in the short term. Further, you can gain access to dividends while you wait if you choose the right stock. And to me, that stock is Magna International — especially at these ultra-low valuations.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. alegatewolf
2. kduncombe

#### **Category**

1. Investing

#### **Date**

2025/08/22

#### **Date Created**

2022/07/14

#### **Author**

alegatewolf

default watermark

default watermark