



1 Canadian Electric Vehicle Stock You Can Buy Now and Hold Forever

Description

The demand for electric vehicles (EVs) has continued to surge, despite the global pandemic in the last couple of years. This is one of the reasons why most EV stocks have outperformed the broader market lately. A recent rally in oil prices has also accelerated the demand for electric cars, as consumers try to cut their discretionary expenses amid rising inflationary pressures, interest rates, and global economic uncertainties.

The continuation of these uncertainties could give another push to the EV demand and help EV stocks yield outstanding returns. That's why it might still not be too late to buy some fundamentally strong EV stocks. In this article, I'll highlight one of the best electric vehicle stocks you can buy on the **TSX** today and hold for the long term.

One top electric vehicle stock to buy in Canada

While the shares of electric car companies like **Tesla** have rewarded their investors with huge returns in the last few years, shares of such automakers might already be overvalued right now. That's why investors may want to consider investing in other mobility companies instead that are striving to expand their presence in the EV and mobility technology segments. Considering that, I find **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) stock to be really attractive at the moment.

Magna is an Aurora-based auto parts and mobility technology company with a market cap of \$24.1 billion. While this Canadian EV stock has risen by nearly 13% in the last month, it still trades with more than 18% year-to-date losses on the TSX at \$83.37 per share, making it look [undervalued](#) to buy right now.

Improving financial growth trends

After posting a decline of around 5.3% in the first quarter, Magna International's total revenue rose by 3.6% in the second quarter to around US\$9.4 billion. Rising demand for its products and services amid a recent improvement in global light vehicle production mainly drove its sales higher.

This stronger June quarter revenue and accelerating momentum in vehicle production encouraged the company to increase its sales outlook for 2022. Now, the company expects its full-year revenue to be in the range of US\$37.6 to US\$39.2 billion — higher than its previous guidance of US\$37.3 to US\$38.9 billion.

Focus on electric vehicles and mobility technology

Street analysts expect Magna International's sales growth to accelerate further in 2023 as global vehicle production and the demand for its mobility solutions continue to increase. In 2021, the company broke ground on a new manufacturing facility in Michigan to build complex battery enclosures for electric vehicles. This new manufacturing facility is named Magna Electric Vehicle Structures and is being built with an investment of over \$70 million. This move is likely to expand its presence in vehicle electrification space.

To accelerate the pace of its expansion in the EV segment, Magna [announced](#) the opening of a new EV center at its U.S. headquarters in Troy, Michigan. The company plans to have a specialized team at this EV center to prepare "the EtelligentForce solution to launch in the North American EV market from 2025, in addition to other EV products."

Foolish bottom line

Despite its consistently rising interest in electric cars and mobility technology, Magna stock hasn't seen much appreciation lately. Given that, it could be an opportunity for long-term investors to buy an amazing Canadian EV stock at a bargain.

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Date

2025/08/22

Date Created

2022/08/15

Author

jparashar

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