



## Is Magna Stock a Buy in December 2022?

### Description

Shares of **Magna International** ([TSX:MG](#)) have been on a roller-coaster ride in the last year. After losing nearly 36% of its value in the first three quarters of 2022, MG stock staged a more than 26% recovery in October and November combined, helping it regain investors' confidence to some extent. However, it turned negative again in December, as it now trades with about 6% month-to-date losses.

But could the recent dip in Magna stock be seen as a buying opportunity — especially if you want to hold this Canadian stock for the next decade. Before we analyze its fundamental outlook to determine whether MG stock is worth buying now to hold in 2023 and beyond, let's take a closer look at some key factors that moved its share prices in 2022.

### Magna stock: Key factors in 2022

If you don't know it already, Magna International is one of the biggest auto suppliers in the world, headquartered in Aurora. The company has a presence in 28 countries with more than 340 manufacturing facilities and some of the biggest names in the auto industry being its customers. Considering new trends in the automotive space with growing demand for autonomous and electric vehicles, Magna International has increased its focus on mobility technology in recent years.

MG stock currently has a [market cap](#) of \$22.2 billion, as it trades at \$77.92 per share with about 24% year-to-date losses. At this market price, it also offers a decent 3.1% dividend yield.

The year 2022 started with pessimism for investors, as the Canadian stock market witnessed a massive selloff, especially in [growth stocks](#), due mainly to factors like high inflation, rising interest rates, and growing geopolitical tensions. While these negative factors initially affected high-growth [tech stocks](#), shares of the auto supplier Magna International also slumped as global supply chain issues continued to dim its fundamental growth outlook.

This is one of the biggest reasons why Magna had to cut its full-year 2022 outlook on multiple occasions, hurting investors' sentiments and driving a selloff in MG stock.

## Is Magna stock worth buying now?

After a disappointing 2022, investors were hoping for the ongoing supply chain disruptions to ease significantly in 2023. But the possibility of a looming recession amid rapidly rising interest rates is still keeping investors on their toes. Given that, I wouldn't expect a miraculous recovery in Magna stock in the short term.

But even in a challenging macroeconomic environment, the Canadian auto parts company continued to focus on taking long-term growth-oriented strategic initiatives in 2022. To give a quick example, Magna recently [announced](#) the expansion of its Romania-based ADAS (advanced driver-assistance systems) engineering capabilities to benefit from expected significant ADAS demand growth in the coming years.

## Bottom line

Although macroeconomic uncertainties might keep Magna stock volatile in the coming months, you can expect its financial growth trends to improve significantly in the coming years based on its continued efforts in the right direction. Considering that, a double-digit decline in its share prices in 2022 could be an opportunity for long-term investors to buy it at a bargain.

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