



## Is Now The Time to Buy EV Stocks?

### Description

Follow the money. It's one of the first things investors should do when detecting what the [next major industry](#) trend could be. It's like you're a detective, searching out a big break in a case. But in this case, that big break means you could make a tonne of cash.

Such is the case when it comes to [Electric Vehicle \(EV\) stocks](#).

### Why the interest in EV Stocks (or lack thereof)?

The reason we're discussing EV stocks is because *no one* is discussing them. And this to me seems just wild. EV stocks have seen a massive amount of investment over the years. Whether it's from governments or corporations, the world over is creating their own type of EV. And it's only becoming more common.

In the last few years, EV use in Canada alone has exploded. In 2019, 2.9% of cars sold were EVs. Yet by the first half of 2022, that more than doubled to 7.2%! Plus, the government of Canada now aims to have EVs represent one-fifth of vehicles sold by 2026. That's a huge investment pouring into this industry.

And yet, right now the investment isn't really there on the **TSX** today. If you look at traditional EV stocks, or even just manufacturers moving to EVs, shares are down across the board. Such is life when you move towards a recession, sure. But if you're looking for a growth opportunity, EV stocks are staring you in the face.

So here are the two top EV stocks I would recommend to investors on the TSX today.

### Magna stock

Granted, **Magna International** ([TSX:MG](#)) is down from more than simple investor interest in EV stocks. Magna stock has been suffering from supply-chain disruptions for years. Shares are down

16.5% in the last year alone, with some improvement from last October, though dropping again recently.

The recent fall comes from the company expecting its adjusted earnings before interest and taxes (EBIT) to fall below its latest guidance. While total sales came within the guidance levels, its EBIT came to 4.3%, below the expected 4.8% to 5% range.

This meagre bad news caused shares to plummet. However, long-term investors should see this as an opportunity. Magna stock has partnerships with some of the largest names in the car manufacturing industry. And it's helping many convert over to electric use. Whether it's through components, or from becoming full-blown EVs.

It's now one of the EV stocks that's incredibly valuable on the TSX today in terms of long-term investment. You can bring in a 2.98% dividend yield, and buy at 1.7 times book value. Plus, over the last decade shares are up 285%. That's a compound annual growth rate (CAGR) of 14.4%, one that we could definitely see again in the next decade as EV use expands.

## Lithium America

Now there's one thing that investors need to remember when looking at EV stocks. What exactly is powering them? A battery. And how is that battery powered? Through lithium. Lithium won't just power EV stocks, but the entire renewable energy future we're moving towards. Which is why **Lithium Americas** ([TSX:LAC](#)) is such a strong consideration on the TSX today.

Lithium Americas stock continues to expand its mines across the world, with its Thacker Pass soon to come fully online under its own entity in Nevada. Shares are still down by 9.5% in the last year, but got a recent boost from an update about the Thacker Pass mine. In the last decade, shares of the company have absolutely exploded, up by 3,674% in that time! That's a CAGR of 43.7%!

However, Lithium Americas stock is still one of the EV stocks that has room to run. There is seemingly an endless supply of need for lithium, given it powers everything from your kid's *Paw Patrol* toy to solar farms. Yet here it is, trading at 3.6 times book value. Even when it would only take 31.5% of its equity to cover all its debts.

## Bottom line

EV stocks *will* rise again, and if you believe that as well then these are definitely the two I would consider on the TSX today. Whether it's through direct investment in the transition to EV use, or the broader lithium market, both should continue to do well in the next decade and beyond.

### CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:LAC (Lithium Americas Corp.)
2. TSX:MG (Magna International Inc.)

#### **PARTNER-FEEDS**

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

#### **PP NOTIFY USER**

1. alegatewolf
2. cleona

#### **Category**

1. Investing
2. Metals and Mining Stocks
3. Tech Stocks

#### **Date**

2025/08/12

#### **Date Created**

2023/01/27

#### **Author**

alegatewolf

default watermark

default watermark