



## Your Play to Get in on the 2023 EV Boom

### Description

Even though more and more nations are putting measures in place to combat climate change, electric vehicles (EVs) are just now beginning to gain popularity among consumers.

Only about 5% of U.S. auto sales, for instance, were EVs as of the middle of 2022. To effectively combat climate change, EV sales need to make up 75 to 95% of all new car sales by 2030, according to a recent Climate Action Tracker analysis.

These kinds of projections imply that the global EV market has enormous [growth](#) potential. Investors looking to try their hands on an EV stock this year can opt for this Canadian EV play, which may rise to new heights in 2023.

## Institutional shareholders happy with Magna gains

Investors need to comprehend the ownership structure of **Magna International** ([TSX:MG](#)) to determine who is actually in charge of the company. Institutions, which own 67% of the company, have the largest share of the pie. In other words, this group has the greatest opportunity to benefit from growth.

Following a year of 21% losses, institutional investors undoubtedly welcomed last week's 3.6% uptick in share prices as an indication that returns are likely to start going higher.

## Is institutional ownership good for Magna International?

Investors should be aware that because institutions own more than half the corporation, they have a lot of influence on the company's overall strategic direction. Magna International shares are owned by a wide number of hedge funds and other major financial players. Thus, this is a stock that benefits from a solid long-term investor base. This investor group is less likely to sell based on the whims of the market. This can mean MG stock will be less volatile than its EV peers (a great thing for investors worried about volatility).

## Magna acquiring active safety division of Veoneer

Magna is purchasing Veoneer's Active Safety from SSW Partners for \$1.5 billion in cash, subject to working capital and other usual purchase price adjustments. By 2024, the combined entity is expected to produce sales of almost \$3 billion, making Magna's ADAS division a world leader.

In addition to leveraging Magna's strengths in Advanced Driver Assistance Systems (ADAS), the purchase positions the combined company with a wide range of products and capabilities. This will help Magna offer customers a complete line of ADAS solutions.

The acquisition increases Magna's ADAS customer base and geographic diversification while also adding considerable engineering resources.

Right now, Magna is trading at the \$64 level. Analysts believe there is more upside in the coming days. I like this stock as one that provides good exposure to the EV boom, with less potential volatility.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. 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. chrismacdonald
2. cleona

**Category**

1. Energy Stocks
2. Investing

**Date**

2025/06/27

**Date Created**

2023/02/01

**Author**

chrismacdonald

default watermark

default watermark