

2023 BEST BETS FOR EV STOCKS

Analyst: Arihant Jain

Economic disruption during the unprecedented covid pandemic led to a massive hullabaloo in the automobile sector with the automotive industry hit hardest by the supply chain unrest, as per a CNBC report. However, maintaining distance led to a shift in the preference of people to travel in isolation rather than using public transportation leading to a rapid boost in the demand for personal mobility vehicles offsetting the huge losses of the pandemic, and awareness and legislations to save our very own planet, coupled with the contemporary burning topic of ESG (Environmental, Social & Governance), paved the way to the advent of the age of electric vehicles (EVs). Global EV registrations have catapulted by 41% in 2020 as per the Global EV Outlook, International Energy Agency (IEA), and global EV sales are predicted to shoot up 168%, as per Bloomberg NEF, by using regression techniques with 2019 as base year. The rat race to outshine and attain dominance in the EV market has heated up this sector making its firms the focal point for a great deal of investors.

On the same lines, here is our analysis of some of the prominent EV stocks, and the returns for the year 2023 that can be anticipated from investing in them. The stocks have been handpicked on the basis of the strength of the interest of analysts as well as investors in them, demonstrated by the total research reports that the stock has been subjected to in the past 3 months, and have been initially classified on the basis of the geographical location of the organizations.

EV Stocks- Domestic (Listed in US & are American)

Tesla (TSLA):

Despite the position and prestige that the Elon Musk company enjoys, the disclosure of its CEO's stake in twitter has made the stock to suffer high mobility diminishing as much as 42%, which is the reason behind its Zacks Rank #3 (Hold) position. The stock is highly volatile having a lowest value of \$90 and highest reaching to \$1,580 with median at \$779.94. The company has also exhibited an year on year increment of 62.62% in its total cost rising to \$13.296 billion. Tesla is a growth stock which announced its three-for-one stock split on June 10, 2022, which means that an owner of one Tesla share will get two more of its shares.

However, the dominance of Tesla in the EV segment is undoubtedly highly noteworthy with about 75% of the total EV market share being in the possession of the company. The Tesla Model Y SUV and Model 3 Sedan made up 68% of the market by themselves in the first quarter of 2022. The company managed an year on year increase of 68% in its total deliveries, with total deliveries being 310,048 vehicles (Model S/X and Model 3/Y), paired with its 81% year on year growth in the total revenues outweighing its 69% year on year growth in the total production, implying a higher profit margin to the company's products. The company has reported its total revenues to be \$18.756 billion and its total production to be 305,407 vehicles, and an year on year increase of 658% in the net income attributable to common stockholders rising to \$3.318 billion for the first quarter of 2022, all of which are indicating that the king of the EVs market share is irrefutably a great buy for the forthcoming year.

Canoo (GOEV):

Purchase the report to read full report