

Three of the Hottest EV Trades to Consider Right Now

Some of the biggest opportunities can still be found in beaten down green stocks.

Sure, countries all over the world have pledged to cut emissions. The U.S. just pledged to reduce emissions by up to 52% over the next several years. Europe wants to cut CO2 emissions by up to 55% by 2030. China says it'll stop releasing CO2 in the next 40 years.

However, it may not be enough.

According to a new report from The Climate Action Tracker, as noted by Yahoo Finance, "The recent pledges made by world governments to limit carbon emissions will not be sufficient to meet the goal of keeping global temperatures from rising above 1.5 degrees Celsius, a new report concluded. Instead, those non-binding commitments will result in a rise in the average global temperature to a potentially catastrophic 2.4 degrees Celsius."

To help, says the International Energy Agency (IEA), we have to stop using gas-powered vehicles in the next 14 years, abandoning coal mines, and ending oil exploration.

Helping, by 2030, according to the International Energy Agency, the world could see up to 145 million EVs on roads all around the world. In addition, "A new report by Cairn Energy Research Advisors, a research firm focused on the battery and EV industries, predicts a surge in electric vehicle sales in 2021 as countries around the world push new programs to encourage consumers to buy battery powered vehicles. Cairn estimates global sales of EVs in 2021 will jump 36% and top 3 million vehicles for the first time ever."

So, if you're looking for hot opportunity, these are some of the top stocks to consider.

Opportunity No. 1 – Nio Inc.

NIO just sold another 6,711 vehicles in May 2021 – up 95% year over year, which lead Citi analysts to upgrade the stock to a buy rating with a price target of \$58.30. "Based on the current production and delivery plan, the company will be able to accelerate the delivery in June to make up for the delays from May," said Citi, as quoted by Investing.com.

Opportunity No. 2 – Xpeng Inc. (XPEV)

Even the XPEV stock is soaring.

All after strong delivery numbers. In May, the company delivered 5,686 vehicles, which was 500 vehicles higher than the 5,147 delivered in April. Helping, Citi analyst Jeff Chung just raised his price target to \$50.30 with a buy rating. In addition, "Nomura analyst Martin Heung initiated coverage of XPeng with a buy rating and \$47 price target, calling the company the best China electronic vehicle player," as reported by The Fly.

Opportunity No. 3 – Global X Autonomous & Electric Vehicles ETF (DRIV)

One of the best ways to diversify your EV portfolio is with an ETF, such as DRIV. Not only does this ETF give investors exposure to EV and autonomous stocks, such as Tesla, Qualcomm, Nio, Apple, Microsoft, and Nvidia, it does so at less cost. For example, if you were to buy 10 shares of every listed stock in this ETF, it would cost thousands of dollars. However, with this ETF you can gain exposure to those very stocks at just \$28.30 per share.