

The Top 3 Lithium Stocks to Own for New Year 2022

2021 has been a bizarre, volatile year.

After months of dealing with the coronavirus, geopolitical issues, inflation, Fed action, and depressing economic outlooks, we're dealing with another exhausting variant to end the year.

While we can't tell you with 100% certainty what could possibly happen next, we can say one of the biggest stories of the new year could be lithium.

Here's why.

One, according to S&P Global, "There is the quadrupling of demand in just five years and probably a growth of six or seven times over 10 years. So, clearly the industry is not prepared today for that level of demand – the amount of incremental capacity that the industry needs over the next 10 years is at least 1.5 million mt and in terms of capital investment."

Two, according to Benchmark Mineral Intelligence, "there's a lack of available material."

With demand only set to accelerate with electric vehicles, lithium prices could see higher highs.

That being said, some of the top stocks to buy and hold for the new year include:

Lithium Americas (LAC)

Analysts at National Bank just reiterated an outperform rating on the stock with a price target of \$40 a share. Granted, the company isn't producing lithium just yet, but that's expected to change in the new year. Construction activities at Caucharí-Olaroz remain on track to achieve first production by mid-2022 on the initial 40,000 tonnes per annum operation.

Albemarle (ALB)

After exploding from a 2021 low of \$149.33 to \$276, ALB could easily run higher.

All with the lithium story showing no signs of cooling off. Plus, as noted by Bloomberg, "Albemarle Corp., the world's biggest lithium producer, is expanding as quickly as possible and evaluating new opportunities as buyers of the battery metal struggle to keep up with surging electric-vehicle demand."

Global X Lithium & Battery Tech ETF (LIT)

If you're looking for exposure to the lithium market, you can always pick up the Global X Lithium & Battery Tech ETF (LIT), which invests in the full lithium cycle. Some of the ETF's top holdings include Albemarle, BYD Co., Tesla, LG Chem Ltd., Livent Corporation, and dozens more, offering solid diversification among top lithium and battery tech names.