

Tesla Motors

16:00 13 Sep 2017

China's traditional engine ban plan augurs well for battery metals sector

China's plans to ban the internal combustion engine is good news for the battery metals sector, reckons broker Eight Capital.

In a note, analyst David Talbot said while no specific date had been set he expects the engine ban to coincide with China's commitment to an emissions cap by 2030.

Of course China isn't the only country to go down this track.

Norway plans to go all electric by 2025, while the UK aims to ban sales of diesel and gas cars by 2040.

A third of the world's car market

According to Bloomberg Intelligence, China represents a third of the world's car market and almost 80% of the global auto market is pushing towards phasing petrol cars and adopting electric ones.

Talbot notes that future sales growth in China will be made up of electric cars and hybrids, and as many as 800,000 charging stations will be built next year. This will of course directly benefit China's electric vehicle makers.

In addition, global car making giant VW has pledge to spend €20bn to develop its electric models to market by 2030 and promising to devote another €50bn into the batteries required to power the cars.

Batteries are expensive...

Batteries are the main expense when making an electric vehicle and the industry is committed to drive down that cost. They have already fallen substantially in the last seven years to US\$270/kWh, while energy density has increased.

A reliable supply of lithium (cathode), cobalt (cathode), and graphite (anode) will be necessary to secure a global electric vehicle revolution.

The broker's top lithium stock picks, all of which are rated 'buy' are Nemaska Lithium (TSE:NMX), Lithium Americas Corp (TSE:LAC) and Advantage Lithium (CVE:AAL).

In graphite, it has NextSource Materials Inc (TSE:NEXT) and Northern Graphite Corp (CVE:NGC), and Mason Graphite Inc (CVE:LLG) - all rated 'buy'.

For cobalt, it highlights eCobalt Solutions Inc (TSE:ECS).

1 Year Share Price Graph



Share Information

Code: TSLA
Listing: NASDAQ
Sector: Manufacturing
Website: www.teslamotors.com

Company Synopsis:

Tesla Motors was founded in 2003 by a group of Silicon Valley engineers who set out to develop a new electric vehicle company. Tesla Motors uses proprietary technology, world-class design and state-of-the-art manufacturing processes to create a new generation of highway capable electric vehicles. We utilize an innovative distribution model based on Company-owned sales and service centers.

Author:

Proactive Investors Ltd
+44 (0)207 989 0813
action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts

journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.