

Tesla net income drops more than 20% from last year

- Tesla's Q1 2023 revenue and profit came in very close to expectations, based on a survey of analysts from Refinitiv.
- Tesla specified in a shareholder deck that "underutilization of new factories" stressed margins, along with higher raw material, commodity, logistics and warranty costs, and lower revenue from environmental credits, all contributing to the drop in earnings from last year.

Shares in electric vehicle maker [Tesla](#) dropped more than 4% after the company reported first-quarter earnings after the bell Wednesday. Here are the results.

- Earnings per share: 85 cents adjusted vs 85 cents expected, according to the average analyst estimate compiled by Refinitiv
- Revenue: \$23.33 billion vs \$23.21 billion expected, according to Refinitiv estimates

Tesla said net income fell 24% to \$2.51 billion, or 73 cents a share, from \$3.32 billion, or 95 cents a share, a year ago.

The company specified in a shareholder deck that "underutilization of new factories" stressed margins, along with higher raw material, commodity, logistics and warranty costs, and lower revenue from environmental credits, all contributing to the drop in earnings from last year.

Automotive revenue, Tesla's core segment, reached \$19.96 billion in the quarter, up 18% from last year. Total revenue rose 24%. Revenue from automotive regulatory credits during the first three months of 2023 amounted to \$521 million, down from \$679 million in the first quarter of last year.

On an earnings call, CEO [Elon Musk](#) emphasized an "uncertain" macroeconomic environment that could impact people's car-shopping plans. During a question-and-answer session with analysts, Musk said he expected 12 months of "stormy weather" in the economy. He cautioned that, "Every time that the Fed raises interest rates, that's the equivalent to an increase in the price of a car." He also said, whenever there's uncertainty in the economy, people will generally postpone "big new capital purchases like a new car."

He said, "We've taken a view that pushing for higher volumes and a larger fleet is the right choice here, versus a lower volume and higher margin," but noted he expects Tesla vehicles "over time will be able to generate significant profit through autonomy."

When Tesla began to discuss its ambitions in self-driving technology in 2016, Musk said the company would conduct a hands-free trip across the U.S. by late 2017. It has yet to complete that mission.

Tesla Energy revenue soared to \$1.53 billion, up 148% compared with the same period last year. Tesla's energy storage systems deployment increased to 3.9 gigawatt-hours, or by 360%, the company said. These lithium-ion battery-based energy storage systems, made by Tesla, include the home backup battery, called the Powerwall, and the utility-scale Megapack system which enables utilities to store and use more energy generated from renewable, but intermittent, sources like solar and wind.

Tesla's first-quarter earnings call was livestreamed via Twitter, a first for the electric vehicle maker. CEO Musk sold billions of dollars worth of his Tesla holdings in 2022 to finance a \$44 billion buyout of the social media company, where he is now also CEO.

The company cut prices on its vehicles at the end of last year and into the first quarter of 2023, including [additional reductions](#) Tuesday night. At the same time, Tesla is charting ambitious plans for expansion and increased capital expenditures.

Tesla currently sells four EV models, which are produced at two vehicle assembly plants in the U.S., one in Shanghai and another outside Berlin.

Shareholders who [submitted questions](#) ahead of the earnings call for management's consideration were seeking updates on the company's trapezoidal, sci-fi inspired Cybertruck, the company's energy division and the timing for a new model vehicle from Tesla.

On the call, Musk said Tesla is now building "alpha versions of the Cybertruck" on a pilot line. The company intends to produce the Cybertruck at its Austin, Texas, factory. Musk said he anticipates an event to kick off Cybertruck deliveries in the third quarter of 2023.

In 2023, Tesla expects to produce 1.8 million vehicles, Musk reiterated, or possibly an "upside" volume of 2 million vehicles this year.

In early April, Tesla reported [vehicle deliveries](#) of 422,875 vehicles in the first quarter, the closest approximation of sales disclosed by the company. Production was slightly higher than deliveries for the first three months of 2023 at 440,808 vehicles.

A month earlier, Musk announced plans to build a Tesla factory in Monterrey, Mexico, a day's drive from a relatively new factory in Austin. And more recently, Tesla said it plans to set up a factory to make [Megapacks](#), or large lithium-ion battery-based energy storage systems, in Shanghai.

According to a [financial filing](#) published in late January, Tesla expected to spend between \$7 billion and \$9 billion in 2024 and 2025, an increase in capital expenditures of about \$1 billion in the next two years.

Tesla shares have rebounded this year from a dismal 2022, when they lost about two-thirds of their value alongside a plunge in tech companies. The stock is up 48% in 2023.

Tesla Q1 2022 Earnings Report Recap

Tesla beat on earnings and on revenue

Updated April 21, 2022

Key Takeaways

- Tesla produced 305,407 vehicles in Q1, a dramatic increase from the year-ago quarter.
- Higher vehicle production is an indication of increasing demand for Tesla's main source of revenue as well as the company's ability to scale production.
- Tesla recently opened new manufacturing plants in the U.S. and Germany.Tesla (TSLA) Financial Results: Analysis

Tesla, Inc. ([TSLA](#)) reported [Q1 FY 2022 earnings](#) results that surpassed analysts' expectations. Adjusted [earnings per share \(EPS\)](#) beat estimates, rising 246.2% compared to the year-ago quarter. Revenue also came in above analyst forecasts, rising 80.5% [year over year \(YOY\)](#).¹ Revenue growth was driven by vehicle deliveries, increased average selling prices, and growth in other areas of the company's business.² [Tesla](#) produced 305,407 vehicles in the quarter, which it reported earlier in the month and which came in below analysts' forecasts.³⁴

The company's shares rose more than 4% in extended trading. Over the past year, Tesla's shares have provided a [total return](#) of 35.8%, below the S&P 500's total return of 7.9%.⁵

TSLA Vehicle Production

The number of vehicles produced by Tesla rose 69.4% YOY.⁶ Tesla's primary business is making electric vehicles, and it needs to continue expanding production in order to grow revenue and profits. The company recently opened new manufacturing plants in the U.S. and Germany.⁷⁸ Tesla said that it recently began deliveries of the Model Y from its new factory in Austin, Texas. Production at its new Gigafactory Berlin-Brandenburg began last month.⁹

However, the company has faced numerous challenges due to global supply chain disruptions. Those challenges, which include the global semiconductor shortage, continue to persist. Tesla was even forced to shutter its Shanghai factory in late March due to an outbreak of COVID-19 in the region.¹⁰ The company began preparing to reopen the plant earlier this week. However, the reopening will be under modified conditions where workers will have to live onsite to comply with China's "closed loop management" process for limiting the spread of the coronavirus.¹¹

Tesla said that it has made adjustments to its product pricing due to inflationary pressures on its cost structure.¹⁰ However, it has been able to reduce its cost of goods sold (COGS) per vehicle despite the inflationary pressures. That helped to drive its profitability during the quarter.²

TSLA Earnings Call Recap

During an earnings call after results were announced, Chief Financial Officer (CFO) Zachary Kirkhorn and Chief Executive Officer (CEO) Elon Musk said the company remains confident that it can increase volume at least 50% compared to 2021 numbers. However, the executives said that Tesla has lost about a month of “build volume” in Shanghai in the wake of shutdowns imposed by China’s central government due to the increase in COVID-19 cases. “Production is resuming at limited levels, and we’re working to get back to full production as quickly as possible,” Kirkhorn said.¹²

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The 10 Greatest Entrepreneurs

Electric carmaker Tesla, Inc. ([TSLA](#)) blew past market expectations yesterday after it reported earnings of \$17.7 billion, a 65% increase from previous year, and diluted earnings per share (EPS) of \$2.54. Analysts had estimated \$16.57 billion in revenue and an EPS of \$2.33 for the company. Tesla also achieved the highest operating margin among all electric vehicle manufacturers in 2021 at 14.7% and had record profits of \$2.3 billion during the fourth quarter.¹

While it was largely expected, Tesla's performance failed to move the markets. Its high-flying stock price fell 5% in after-hours trading and is down roughly 7% from the day's start to \$870.46, as of this writing.

Key Takeaways

- Tesla blew past analyst estimates for its earnings, but its successful quarter failed to move markets.
- The company says that supply chain issues will persist this year and prevent it from working on new car models. Instead, Tesla will focus on ramping up production for its existing slate of cars.
- CEO Elon Musk's exercise of options that constitute his salary affected the company's profitability.
- Tesla also plans to start work on its first humanoid robot to solve its labor problems.

Here are three key takeaways from the company's earnings call.

Supply Chain Problems Will Prevent Tesla From Working on New Car Models in 2022

Tesla CEO Elon Musk told analysts that the [supply chain](#) was a "fundamental limiter" to delivery across its factories. While the company devised workarounds to its supply chain shortages during the pandemic, it may not be able to repeat that performance this year. "I am not sure what you do for an encore to 2021, 2020," Musk told analysts.²

The end game of supply chain issues faced by Tesla is that the company is not planning to work on new models this year. That leaves a slew of vehicles, new and updates, in the lurch. The company's much-awaited Cybertruck, which was postponed from last year, now has a 2023 production date. The Semi truck remains indefinitely postponed. A long-awaited update to the Roadster, Tesla's first release, is also not in the cards. According to Musk, the chip shortage will "alleviate" next year.

"If we were to introduce new vehicles, our total vehicle output will decrease," he said during the earnings call. Instead, the company plans to focus on production of its existing slate of cars, which includes the Model 3 and Model Y. Together, both models accounted for 96% of total production output during the fourth quarter of 2021. Tesla does not provide production [guidance](#), but it aims for an output increase of 50% each year.

Musk's Options Exercise Affected Tesla's Profitability

Tesla CEO Musk's [exercise](#) of his [options](#) last year triggered a crash in the company's stock price. The options, amounting to roughly \$10 billion, ended up with Musk owning more of the company than before and incurring a massive tax bill. They also affected Tesla's overall profit. In its fourth quarter 2021 earnings release, the company stated that its [selling, general, and administrative](#) (SG&A) expenses had increased, mainly driven by \$340 million payroll tax on 2012 CEO award option exercise.

Why is this important? Musk was awarded 101 million options, subject to Tesla hitting certain financial targets, in his 2018 pay package. So far, the company has achieved seven of those financial targets, and five remain. Analysts expect Tesla to achieve the remaining five either this year or next. That means Musk should get the remaining options within the same timeframe. However, he is not expected to exercise them until 2028, when the options [expire](#).³

Tesla Is Building a Humanoid Robot

In true showmanship style characteristic of Musk, he announced yesterday that the company will focus on developing an Optimus humanoid semi-sentient robot this year. The robot was first introduced to audiences in human form during the company's AI Day.⁴ It flabbergasted audiences because the presentation featured a human dressed as a robot and dancing to music.

Tesla beats on earnings and revenue, says supply chain issues were ‘main limiting factor’

Points

- Tesla beat on the top and bottom lines.
- CEO Elon Musk gave a “product road map” update saying the company would not release any new model vehicles in 2022.
- Instead, Tesla is focusing on developing autonomous vehicle tech, and scaling up production at its new factories in Austin, Texas and outside of Berlin.

[Tesla](#) reported fourth-quarter results that came in stronger than expected on Wednesday. Shares fell as much as 5% in extended trading on Wednesday after the automaker warned supply chain issues could persist throughout 2022, but later rebounded into slightly positive territory.

Here’s how the company performed:

- Earnings (adjusted): \$2.52 per share, vs. \$2.36 per share expected by analysts, according to Refinitiv
- Revenue: \$17.72 billion, vs. \$16.57 billion expected by analysts, according to Refinitiv

Revenue rose 65% year over year in the quarter, while automotive revenue totaled \$15.97 billion, up 71%, according to a [statement](#).

Energy generation and storage revenue was \$688 million, which was down 8% and below the StreetAccount consensus of \$815.1 million. It was the lowest revenue for that division since the first quarter of 2021.

Net income, at \$2.32 billion, was up some 760%, and Tesla said it had a 27.4% gross margin, compared with 26.6% in [the previous quarter](#).

“Our own factories have been running below capacity for several quarters as supply chain became the main limiting factor, which is likely to continue through 2022,” the company said in a shareholder deck.

CEO Elon Musk said on the company’s earnings call that he expects Tesla to remain “chip-limited” in 2022, and that the company would introduce [no new vehicle models this year](#) as a result.

“We will not be introducing new vehicle models this year. We will still be parts constrained.” He said the company would instead work on engineering and tooling to create those future vehicles.

Shareholders had been waiting for progress updates on the company's long-delayed heavy-duty Semi truck and experimental Cybertruck pickup.

The CEO also said the company is not currently working on a \$25,000 compact electric vehicle, contrary to the ambitions he announced at a Tesla Battery Day presentation in 2020.

Musk alluded to ongoing supply chain issues in a tweet last November, writing, "Oh man, this year has been such a supply chain nightmare & it's not over! I will provide an updated product roadmap on next earnings call."

Despite those challenges, Musk said, Tesla had been making quite a few cars in Austin and Berlin starting in late 2021. He noted, "In Texas, we're building Model Ys with the structural battery pack and the 4680 cells. We will start delivering after final certification of the vehicle which should be fairly soon."

Tesla's first U.S. factory in Fremont, California, achieved record production in 2021, the company noted. The company aims to expand capacity at that facility beyond 600,000 cars per year.

In its shareholder deck, Tesla revealed that it has expanded its experimental driver assistance systems testing program, dubbed FSD Beta, to around 60,000 users in the U.S.

"Full Self-Driving (FSD) software remains one of our primary areas of focus," the company wrote. "Over time, our software-related profit should accelerate our overall profitability."

The California DMV and federal vehicle safety [regulators at NHTSA](#) are both investigating Tesla's approach to testing new, and unfinished driver assistance features with customers on public roads in the US. The California DMV is also investigating Tesla's use of the term "Full Self-Driving" to describe its premium, driver assistance package.

A spokesperson for the California DMV told CNBC in mid-January, "The DMV shares the concern held by many other safety stakeholders about the potential for driver inattention, misunderstanding, or misuse as these systems become more prevalent. Industry, government, safety organizations, and other stakeholders must work together to ensure that automated driving technologies are developed, tested and ultimately rolled out in a manner that builds public trust and provides for the safety of all road users."

Tesla rises as company ekes out a Q1 profit

- Tesla reported first-quarter results on Wednesday, including a \$16 million profit.
- A Covid-19 outbreak in China forced Elon Musk's electric-vehicle maker to suspend manufacturing in Shanghai for more than a week in February and in the U.S. at the end of March.

- Musk and Tesla CFO Zachary Kirkhorn are expected to update shareholders on the impact of the coronavirus on their business so far and their plans to bring production back online in the U.S.

[Tesla](#) shares rose more than 9% after hours as the company showed its third consecutive quarter with a profit.

Here's how the company did:

- Earnings per share (EPS): \$1.24 per share, ex-items
- Revenue: \$5.99 billion

Wall Street was expecting an adjusted loss of 36 cents per share and revenue of \$5.9 billion for Q1, according to a survey of analysts by Refinitiv. However, estimates varied widely and comparing Tesla's actual results with estimates isn't straightforward, given the difficulty of predicting the impact of the coronavirus.

The company reported a GAAP profit during the first quarter of \$16 million.

Tesla stock performance strong despite thin profits

Though the company has rarely been profitable on a quarterly basis, shares of TSLA have surged



SOURCE: FactSet, company statements. Stock price data as of market close on 4/29/20.



However, Tesla also recorded negative free cash flow of \$895 million, which will complicate its previously stated goal of being free cash-flow positive for 2020.

Tesla walked back prior guidance in Wednesday's investor update, saying while it has "capacity installed" to hit 500,000 vehicle deliveries in 2020, it remains uncertain how quickly its U.S. car plant, and suppliers, can ramp up production following [Covid-19 restrictions](#). It also said near-term profit guidance is "currently on hold," throwing cold water on hopes that it may achieve its first full year of profitability.

Previously, Tesla said that it had delivered around 88,400 vehicles in the first quarter of 2020, including: combined deliveries of 76,200 Model 3 sedans and Model Y crossover SUVs, and combined deliveries of 12,200 of the older and more expensive Model S and X vehicles.

Automotive revenue hit \$5.1 billion, and nearly 7% of that came from regulatory credits, according to Tesla's Q1 report. The credits helped the company fatten its automotive gross margins, which it says are now up to 25.5%.

Explaining lackluster sales of its Solar energy products during the quarter, Elon Musk said, "Covid essentially shut us down." Tesla reported \$324 million in revenue from energy generation and storage products for the quarter.

This period marked Tesla's first full quarter with a factory open in Shanghai and Tesla's first quarter of Model Y deliveries and production.

Last quarter, revenue came in at \$7.38 billion — Q4 revenues are typically the highest of the year because of seasonal factors — and Q1 2019 revenues were \$4.54 billion.

During the Wednesday call with shareholders, executives that Tesla is lowering the price of some of its Model 3 vehicles in China so that customers and the company can snap up new energy vehicle incentives there.

CFO Zachary Kirkhorn explained, Tesla is currently counting about 50% of the payment it receives for purchases of Full Self Driving software as revenue, while deferring the rest. The company plans to recognize more of this as revenue as Tesla rolls out additional, automated driving features.

Covid-19 effects

Government health orders meant to curb the spread of the virus forced Tesla to suspend production at its new car plant in Shanghai for around two weeks in February. By the end of March, Tesla would face an even longer restriction in the U.S.

Musk slammed the Bay Area's shelter-in-place orders as "unconstitutional" and "fascism" in a profanity-laced tirade on an earnings call Wednesday evening.

He said: "I think we are a bit worried about not being able to resume production in the Bay Area and that should be identified as a serious risk. We only have two car factories now, one in Shanghai and one in the Bay Area."

And he continued sounding more and more incensed, at one point asking, "What the f--k?"

Musk also ranted about the health orders: "I think people are going to be very angry about this and are very angry. It's like somebody wants to stay in the house? That's great, they should be allowed to stay in the house, and they should not be compelled to leave. But to

say that they cannot leave their house, and they will be arrested if they do, this is fascist. This is not democratic. This is not freedom. Give people back their goddamn freedom.”

(Leaving a place of residence is not a crime in California under Covid-19 health orders.)

Musk was [able to raise](#) \$2 billion in a stock offering in February before the epidemic in China expanded into a global pandemic.

Tesla’s main U.S. car plant, in Fremont, California, has been operating at a minimum basic level since March 24, as required by Alameda County public health orders. Minimum basic operations primarily include physical security around the facility and maintenance of equipment and inventory there.

The company also suspended production temporarily at its battery plant outside of Reno, Nevada, and at its facility in Buffalo, New York, where it makes components for its batteries and its electric-vehicle charging stations, along with some solar products.

Impacts of these shutdowns are expected to hit Tesla’s balance sheet fully in the second quarter of 2020. The company has already implemented furloughs and pay cuts and ceased all but essential contractor and temp assignments.

Despite coronavirus-related business disruptions, Tesla was able to sell cars online and deliver them to customers with a “contactless” delivery option throughout the U.S. and to keep servicing its customers’ cars.

Why Tesla (TSLA) Skyrocketed During the Pandemic

In January 2020, Tesla, Inc. ([TSLA](#)) was valued at \$117 billion by the stock market. By the end of the year, that figure had skyrocketed to \$658.39 billion. Subsequently, Tesla’s stock traversed the distance to a \$1 trillion [market cap](#) in less than a year, reaching that milestone on Oct. 25, 2021.

The stratospheric rise in Tesla’s shares within a short span of time has confounded investors. It also raises an important question: can the factors that propelled Tesla to a trillion-dollar valuation during the pandemic help sustain its momentum afterwards?

Key Takeaways

- The increase in Tesla’s stock price and market cap has created a financial complex of investment products that include or track the electric car maker’s stock.
- Average trading volume in Tesla options exceeds that in S&P 500 options.
- The financial complex has helped Tesla finance the next round of its evolution as a major car manufacturer.

The Tesla Financial Complex

While [retail investors](#) (and CEO Elon Musk's tweets) have played a major role in Tesla's ascent, at the heart of the electric car maker's meteoric rise lies what the Financial Times terms a "Tesla financial complex."¹ Included in this complex are an assortment of investment products—[options](#), equity-linked funds, climate tech-focused investment vehicles—and they exert a massive influence in the equity and [derivatives](#) markets.

The relationship between the stock and members of this complex is symbiotic. As Tesla's stature grows in the markets, funds and derivatives with exposure to the stock generate outsized returns, leading fresh investors to pour money into it and further increase its influence. For example, in July 2018, the Tesla was a holding in 106 [exchange traded funds](#) (ETFs). By December 2021, it became a holding in 244 ETFs.²³

Tesla's entry into the [S&P 500](#) in December 2020 has further exposed funds tracking the index to the company's stock, and they have reaped the rewards of its price run-up. The company joined the S&P 500 with a weighting of 1.6%. By the beginning of November 2021, it was weighted at 2.5% of the index and had contributed almost a quarter of the index's returns.⁴ A similar story played out in the [Russell 1000](#), where Tesla accounted for 4% of the overall weighting in November.

In the Morningstar Consumer Cyclical Index, Tesla has contributed 27.98 percentage points to the index's 95.24% gain in the past two years. Online retail behemoth Amazon.com, Inc. ([AMZN](#)) was a distant second with a contribution of 16.92 points.⁵

According to a recent report by investment firm Goldman Sachs, the nominal trading value of Tesla options averaged \$241 billion a day in recent weeks. For context, average trading volume for the rest of the S&P 500 excluding Amazon was \$112 billion. Goldman has attributed the explosion in options trading within the United States to Tesla, calling it a "critical driver of the market."⁶

Typically, options are a risky bet on an underlying equity's future price movement. The leverage risk, inherent in most options, is reflected in a stock's price volatility. While Tesla's stock is prone to wild swings, its rise has also been accompanied by a corresponding change in the perception of risk in the markets.

The electric car maker's choppy ascent since its debut in the stock market in 2010 has frequently been punctured by [short sellers](#), who claim that electric vehicles are expensive and have no future.⁷

The pandemic changed that calculus. Intensifying debate about climate change coupled with the current administration's green subsidy push and record delivery numbers (although they still lag those of established car manufacturers by a wide margin) have helped push Tesla past the \$1 trillion mark.

Should Investors Expect Further Gains?

During times of excess, [fundamentals](#) take a backseat. And so it has been with Tesla. Even though the company makes a fraction of the cars of its competitors such as Ford Motor Company ([F](#)) and General Motors Company ([GM](#)), it sported roughly five times their combined market cap in December 2021.⁸ Much of the heft in Tesla's valuation (and associated financial products) comes from the promise of a future dominated by electric vehicles. At present, that world does not exist, making Tesla's current valuation seem outlandish.

Drew Dickson, chief investment officer at Albert Bridge Capital, told the Financial Times that valuations nowadays are driven by a "huge, recursive 'tail wagging the dog' nature," meaning they are based on expectations of the future rather than present reality. "I'm unwavering in my belief that ultimately the fundamentals are what matters," he said.¹

While it has artificially inflated the company's valuation, the financial juggernaut machine behind Tesla's wild pandemic ride in the markets has also helped bolster the company's fundamentals. The flow of investors pouring money into Tesla's stock and associated financial products helped finance its investments into manufacturing infrastructure. The company's reliance on [bonds](#), which require regular payments, has lessened.

Last year, Tesla issued \$10 billion worth of new equity at prices that were approximately nine times that of 2019, to capitalize on demand for its shares.⁹ That capital infusion has helped the company inaugurate new factories in Austin and Berlin. Once they become operational, along with its factories in Fremont and Shanghai, the company should kickstart into high gear with its vehicle delivery.

Tesla's EV sales increase over 35% in 2020 despite Covid-19 setbacks

Delivery and sales from leading US-based electric vehicles (EVs) manufacturer Tesla showed strong growth over the course of 2020 despite the economic setbacks and logistic disruptions triggered by the global spread of Covid-19 and its economic consequences, according to data released by the company on Saturday January 2.

Tesla produced 509,737 and delivered 499,550 EVs during 2020.

The figures show a year-on-year increase in production of around 39.6% and an annual increase in sales of around 35.9%, in line with the company's guidance.

The company added that production of its Model Y has begun at its factory in Shanghai, with deliveries of the newest model due to begin shortly.

Demand for battery raw materials rosy on EV demand

Lithium carbonate is a critical component of lithium-ion batteries that power EVs. Demand for the raw material is expected to surge in the coming years while EV adoption gains pace across the world.

In October 2020, Tesla announced during its Battery Day its plan to manufacture battery cells in-house to aid its expansion plans.

On December 29, Chinese lithium producer Sichuan Yahua Lithium, a subsidiary of Sichuan Yahua Group, signed a long-term supply agreement for battery-grade lithium hydroxide with Tesla.

Yahua Lithium will provide battery-grade lithium hydroxide to Tesla with a total order volume of \$630-880 million from 2021-2025, it said.

Market participants expect demand for lithium hydroxide to increase in the coming years, coinciding with the development of higher performance batteries and vehicles with a longer driving range.

Battery-grade and technical-grade lithium carbonate prices in China, a key market for EVs, bottomed out at the beginning of the fourth quarter of 2020 and the upward momentum has continued in December amid a resurgence of lithium iron phosphate (LFP) battery demand in the country.

Fastmarkets' weekly price assessment for [lithium carbonate, 99.5% Li₂CO₃ min, battery grade, spot price range exw domestic China](#) was 48,000-52,000 yuan (\$7,349-7,961) per tonne on Thursday December 31, up from 45,000-48,000 yuan per tonne the previous week.

The spot price for battery-grade lithium carbonate in China dropped to a multi-year low of 41,000-37,000 yuan per tonne between July 9 and October 8, Fastmarkets historical data shows.

China's technical and industrial-grade lithium carbonate spot market has also trended up recently. Fastmarkets assessed the Chinese technical and industrial-grade lithium carbonate spot price at 40,000-45,000 yuan per tonne on December 31, rising from 39,000-42,000 yuan per tonne the previous week.

The price fell to as low as 30,000-34,000 yuan per tonne between June 11 and July 9, Fastmarkets data shows.

Fastmarkets' [lithium hydroxide monohydrate, 56.5% LiOH.H₂O min, battery grade, spot price range exw domestic China](#) was at 41,000-46,000 yuan per tonne on Thursday December 31, unchanged week on week but down by 20% from 52,000-57,000 yuan per tonne at the start of 2020.

Fastmarkets' battery raw materials research team said it sees the relative weakness in hydroxide prices as being temporary and expects fast growth in demand for high-nickel ratio batteries, especially in the Europe and United States market, to absorb the increase in hydroxide supply before too long.

Feb 24 2020

Tesla shares tumble on coronavirus concerns

- Tesla shares tumbled on Monday amid a broader market sell-off namely driven by investors' coronavirus concerns.
- Tesla recently opened a Shanghai car plant and is heavily reliant on Chinese suppliers to make its electric cars.
- Tesla shares tumbled on Monday amid a [broader market sell-off](#) driven by investors' coronavirus concerns. The COVID-19 epidemic in China could turn into a pandemic, with infections on the rise in Iran, Italy and South Korea.
- [Tesla](#), which recently began manufacturing operations in Shanghai, saw its shares close down 7.5%, ending the day at \$833.79. Tesla also relies on many Chinese suppliers to make its electric cars, and is hoping to sell more cars to Chinese consumers.
- By way of comparison, the S&P 500 lost 3.35%, and most large-cap tech stocks with limited exposure to China dropped around 4%.
- As the outbreak emerged, Tesla CFO Zachary Kirkhorn said on a [2019 fourth-quarter earnings call](#) that the coronavirus outbreak would only cause the business a week-and-a-half production delay in China.
- By February 13, 2020, the company [changed its tone](#) and said in an annual financial filing that the coronavirus outbreak may have a material adverse impact on its business.
- Tesla Investors have also been concerned about the final results of an Autopilot-related crash investigation by the National Transportation Safety Board. The NTSB plans to deliver that report on Tuesday afternoon in Washington D.C. (It originally planned to reveal its findings in the morning, but postponed the report.)
- Tesla CEO Elon Musk frequently claims that Autopilot saves lives. However, the safety of this automated driver assistance system, which is standard in newer Tesla vehicles, is still being evaluated by third party researchers.

Mar 11,2025

Elon Musk Loses \$29 Billion In A Single Day As Tesla Stocks Crash, He Says 'It Will Be Fine'"Musk's net worth was \$330 billion on Sunday and \$301 billion as of Monday evening, a 6.7% decline.

The world's richest man, Elon Musk, has suffered a significant blow to his fortune. According to the Bloomberg Billionaires Index, Musk's net worth was \$330 billion on Sunday and \$301 billion as of Monday evening, a 6.7% decline. In a single day, Monday, Musk's wealth took a staggering \$29 billion hit. His net worth, which peaked at \$486 billion in December 2024, has plummeted by \$132 billion since the start of this year.

The primary cause of this downturn is attributed to Tesla's struggling stock performance and declining sales, which have been exacerbated by Musk's new role as chief of the US

Department of Government Efficiency (DOGE). The company's sales have plummeted, with orders in Germany dropping by 70% and shipments in China falling by 49%.

Tesla's stock price reflected this decline, closing at \$222.15 on the Nasdaq on Monday, March 10, down 15.43% or \$40.52 from its previous value. This marked its steepest single-day decline since September 2020, when it tumbled 21.1% to \$110. This sharp drop was part of a broader market downturn, with the Nasdaq 100 falling 4% and the S&P 500 losing 3%. The US stock markets were roiled by concerns of an economic slowdown, sparked by the Trump Administration's tariff moves, which triggered a heavy selloff across the board.

Undeterred by the decline, Elon Musk expressed optimism about Tesla's prospects. In response to a tweet about the company's sliding share price, Musk replied, "It will be fine in the long term."

(April 10, 2020)

— Along with markets in much of the industrialized world, the U.S. stock market crashed in March 2020 as the fast-moving COVID-19 pandemic engulfed the nation. By this time, the deadly virus, against which no known vaccine existed, had proliferated to more than a hundred countries in virtually every continent, infecting nearly half a million people.

With the benefit of hindsight, it seems the U.S. stock market was slow in recognizing the rapidly growing global health crisis with potentially catastrophic implications for the U.S. economy. The earliest case of the novel virus originating in Wuhan, China, became widely known in the global media in January. However, the U.S. stock market continued to rise until Feb. 12, the day the market, as measured by the Dow Jones Industrial Average (the Dow) peaked at 29,551. This was at the tail end of a bull market that lasted 11 years, the longest in modern history.

From the Feb. 12 peak to the close of trading March 9, the Dow lost nearly 20% (5,900 points) of its value in four weeks. On Monday, March 9, the Dow tumbled 2,013 points, or nearly 8%, a record-breaking event. Measured in points, this was the worst one-day drop in the Dow's history! However, the worst was yet to come. On Thursday, March 12, the day after the World Health Organization (WHO) officially declared COVID-19 a pandemic, the Dow lost a jaw-dropping 2,352 points, a 10% drop another record-setting event. By now, it was clear the market was hurtling towards something more than a "correction," which is defined as a 10% decline.

There were strong indications we were witnessing the beginnings of a “bear market.” The extreme volatility continued, getting worse by the day. On Monday, March 16, the Dow plummeted by an astonishing 2,997 points (12.93%) – not only was this the largest one-day point decline, but also this collapse was a bigger percentage drop than the 12.8% decline on the infamous Black Monday in 1929, nearly 90 years ago, marked by historians as the day the Great Depression began.

Why should one be concerned about a decline in the stock market? This is a big concern for several reasons. First, the stock market plays an important role in a capitalist economy by connecting the saver with the investor. Entrepreneurs and companies that wish to expand their business find a ready source of capital in the stock market, which helps them avoid debt. This critical source of capital and finance is impaired in volatile or declining markets.

Second, there is a direct connection between the stock market (or Wall Street) and the real economy (or Main Street). Economists who study business cycles consider the stock market a barometer and lead indicator for future movements in the real economy, or growth in gross domestic product (GDP). A steep decline in stock prices is early warning of potential trouble for the real economy. A precipitous decline indicates that investors fear disastrous consequences for the real economy, in this case, from the pandemic.

Last, but not least, a declining stock market wipes out significant savings and wealth in the economy. This negative wealth shock has the potential to reduce consumer spending as people lose confidence in the future of the economy and increase their saving for a rainy day. The combination of real and psychological effects from major declines in stocks can be devastating for the real economy.

Why did the stock market lose so much value in March 2020 in such rapid succession? Economic historians will write about this for a long time. Doctoral students will write dissertations on this, given the abundance of big data available on this modern economic event. However, even at this early point, one can point to a number of factors that might have contributed to this massive decline in stocks, along with extreme volatility.

One theory is that the market was ready for a correction after a very long bull market. At this late stage in the 11-year bull market, the valuations had become unrealistic as speculative elements dominated. Media coverage of stock prices making new highs attracts less-sophisticated investors lured by the promise of easy money. This might have led to what

economists call a speculative bubble, when market prices reflect speculative forces more than real fundamentals. Take the example of Tesla, Elon Musk's company, which produces a high-quality electric vehicle with high brand recognition. After a long slump due to production issues, the company ramped up production of vehicles, and Tesla's stock price jumped 143% to \$917 over an eight-week buying frenzy. On Jan. 8, the stock rose 5%, valuing the company at \$89 billion, larger than the combined value of GM and Ford.

When investors believe a stock price will jump the next day, they rush in hordes to buy the stock, which boosts demand for the stock. These self-fulfilling expectations can take place in the market for any asset or commodity and leads to what economists call a speculative bubble, where crowd psychology plays a more important role than the fundamentals of the company.

As the bubble inflates, it inevitably pops, since the growth is unsustainable. Only the needle or the trigger is missing for the crash in its price.

A second factor behind the March 2020 crash is likely the very real global pandemic from the spread of COVID-19. Once the virus spread out of China, it was too late to localize the damage. Too many world leaders were negligent and caught unprepared for crisis without precedence in recent world history. Public health experts understood the grave threat of a virus, but politicians with a short horizon ignored their warnings. Given the lack of credible leadership and response, the potential became real for the virus to spread unchecked, causing massive death and dislocation. The only real solution was large-scale testing, universal social distancing and self-quarantining, strategies which could lead to the demise for many markets and industries which exist and thrive on human physical interaction.

The investors panicked and started selling expecting a big decline in GDP, an imminent recession and an inevitable depression. As in any bubble scenario, once the decline begins, the amateur investors are caught unprepared, ensuing in a mad rush to the exits, making the decline faster and more severe than otherwise justified. The algorithm-based trading on Wall Street likely accentuated the selling, adding to the speed of the crash. The stock market bubble initially popped, perhaps on March 9, with the largest one-day point decline in the Dow's history to that day (the Dow fell 2,352 points March 12 and 2,997 points March 16).

How does the future of the equity markets look from this point? Given the poor leadership shown by the current administration in seeking a science-based collective response, and the

inability to respond with sufficient urgency to increase the supply of masks, testing kits, and ventilators, the prognosis for the economy is not good. Every crisis is different. The nature of this crisis – fast-moving infectious virus, which leads to respiratory complications for some, relatively high mortality rates, a lack of hospital equipment, and the necessity for social distancing and quarantining large chunks of the population and the economy – bodes ill for a market economy that thrives on social interaction.

A recession with a huge spike in unemployment is already upon us. Whether this would lead to a deep and long depression depends on how much havoc the virus causes to the productivity in the economy, and how resilient and creative the businesses are in responding to the new realities. Goldman Sachs economists have predicted an annualized contraction in GDP growth of negative 6% in the first quarter, followed by a jaw-dropping negative 24% in the second quarter, before the economy makes a recovery. These are mind-boggling numbers, given that the economy was in relatively good shape, with a 50-year low unemployment rate, with low but steady GDP growth, and low inflation and interest rates.

How will this economic scenario affect the ordinary American? For Americans who have significant investments in the stock market, either directly or through their pension 401(k) funds, the past few weeks must have been disorienting and perhaps nerve-wracking. The U.S. stock market has been whiplashed with unprecedented volatility. Nearly every day, the market has recorded historic moves and sometimes head-spinning intraday reversals. Losing 20% to 30% of one's lifetime savings in a few weeks can lead to panic moves by many investors, and certainly sleepless nights.

Severe as this stock market decline has been, compared with earlier corrections and bear markets, the overall decline is within the historical ballpark. For example, in the 2008 market meltdown, stocks reached an intraday low of over 50% before recovering. The stock market experienced equally steep reductions during the Great Depression of the 1930s.

January 5, 2023

Tesla stock plummeted 12% in a single day. Here's why

Shares of Tesla plummeted 12% on Tuesday, wiping nearly \$50 billion from the company's value and eliciting scrutiny of CEO Elon Musk as he appears to focus on Twitter.

The losses exacerbated a skid that goes back months. Since Musk acquired Twitter in late October, Tesla stock has fallen by half. Since last January, when Musk began investing in Twitter, the company has lost nearly three-quarters of its value.

In early trading on Wednesday, Tesla stock jumped about 3%, recovering some of the losses.

The precipitous drop this week followed a disappointing sales report for the last three months of 2022, which fell short of Wall Street expectations. Tesla delivered 405,000 vehicles from October through December; analysts anticipated 420,000 deliveries.

In all, Tesla sold a total of 1.3 million cars last year, which marked a 40% increase from the year prior. The figure fell short of Tesla's stated goal of 50% annual sales growth.

MORE:What can drivers expect in 2023? Electric SUVs, more inventory and lower prices

The latest blow deepened some concerns that already hung over the automaker. Tesla faces falling demand amid recession fears and interest rate hikes, heightened competition and pandemic-induced production challenges.

Further, some analysts and major investors have sharply criticized Musk over a perceived lack of focus on Tesla, saying the company needs leadership as it contends with an adverse business environment.

"We all know Tesla management needs to be 100% focused at the moment," Ross Gerber, CEO of Gerber Kawasaki Wealth & Investment Management, tweeted on Tuesday.

Gary Black, the managing director of investment firm the Future Fund, said on Monday in response to the company's latest report on sales: "No way to sugar coat this."

Tesla and Elon Musk did not immediately respond to ABC News' request for comment.

Previously, Musk has attributed the falling stock price to rising interest rates, which typically benefits savers who stand to gain from an uptick in the interest yielded by accounts held at banks.

"As bank savings account interest rates, which are guaranteed, start to approach stock market returns, which are not guaranteed, people will increasingly move their money out of

stocks into cash, thus causing stocks to drop," Musk said last month in response to concern from a prominent Tesla investor.

Musk said late last month that he will resign as head of Twitter when the company identifies a successor.

The world's richest person has sold nearly \$40 billion worth of Tesla stock since late last year, including a \$3.6 billion sale as recently as last week.

The sales have reduced the stake Musk holds in Tesla, raising questions about his continued level of involvement with the company.

In this Jan. 7, 2020, file photo, Tesla China-made Model 3 vehicles are seen during a delivery event at its factory in Shanghai, China.

Since he acquired Twitter, Musk has made dramatic changes. He fired top executives and cut the company's 7,500-person workforce in half, while reinstating some formerly suspended accounts

For his part, Musk has defended his actions at Twitter as part of an aggressive effort to rescue the company from financial peril, which he described in a Twitter Spaces interview in December as an "emergency fire drill."

"That's the reason for my actions," he added. "They may seem sometimes spurious or odd or whatever."

Tesla remains the top seller of EVs in the U.S. but its lead has slipped in recent months as competitors offer a host of affordable alternatives, a S&P Global Mobility report showed in November.

The company held a 65% market share of newly registered electric vehicles in the U.S. through the third quarter 2022, a drop from 71% in 2021 and 79% in 2020, the report found.

Responding to weakened demand, Tesla announced in December that it would offer \$7,500 discounts on Model 3 and Model Y vehicles delivered in the U.S. that month.

In a tweet on Tuesday, Musk appeared to acknowledge how his fortunes had changed: "12 months ago, I was Person of the Year," h.

March 10, 2025

Its stock tumbled 15% on Monday after UBS Group AG's Joseph Spak cut projections both for the first quarter and the full year. Robert W. Baird & Co. analyst Ben Kallo similarly lowered his estimates for Tesla deliveries on March 6.

Spak sees Tesla delivering only 367,000 vehicles this quarter, a 16% reduction from his prior estimate. He's also no longer expecting the company to sell more vehicles in 2025 than last year, projecting a roughly 5% annual drop. On average, analysts surveyed by Bloomberg are expecting a roughly 10% increase for the year, and Tesla executives have said the company will return to growth in 2025.

"While we do expect the Model Y refresh to help, we believe orders are somewhat muted," Spak wrote in a report to clients. He cited Tesla's website in China showing that customers only need to wait two to four weeks for delivery of the new SUV.

In addition to disruptions related to changing over its most important model to a new design, blowback against Chief Executive Officer Elon Musk is hurting Tesla's standing in some of the world's biggest EV markets early this year. In Germany, for instance, registrations plummeted 70% during the first two months of the year as Musk weighed in on the country's closely contested federal election.

In China — the world's biggest EV market — Tesla is among the manufacturers struggling to keep up with domestic champion BYD Co. Vehicle shipments from the Musk-led company's plant in Shanghai plunged 49% in February to just 30,688 vehicles, the lowest monthly figure since July 2022.

Join us at the Fortune Workplace Innovation Summit May 19–20, 2026, in Atlanta. The next era of workplace innovation is here—and the old playbook is being rewritten. At this exclusive, high-energy event, the world's most innovative leaders will convene to explore how AI, humanity, and strategy converge to redefine, again, the future of work. Register now.

January 6, 2021

It's hard to imagine anyone has had a better year than Elon Musk did in 2020.

His personal net worth soared like one of his SpaceX rockets, increasing by more than \$100 billion. And his loudest critics, aka investors who shorted Tesla (TSLA) stock on the assumption the share price would go down, lost a record \$40.1 billion betting against him, according to analysis by S3 Partners.

Those critics, with whom Musk has had a very harsh, very public war of words over the years, stood to make a healthy return if Tesla shares dropped in value, but risked big losses if the stock continued to gain.

And, boy, did it gain, rising 743% during the course of the year.

The \$40.1 billion in losses by investors shorting Tesla stocks were unlike the losses weathered by any other companies' short investors – last year or ever – according to Ihor Dusaniwsky, managing director at S3 and an expert in the subject.

In fact, the losses endured by Tesla shorts were more than the short losses for the next nine companies – combined. Losses on No. 2 Apple (AAPL) in 2020 came to \$6.7 billion, which is only slightly more than Tesla shorts lost in the month of December alone. Amazon (AMZN) cost the shorts \$5.8 billion, according to S3.

Tesla has long been a favorite play for short investors, who controlled about 19% of the shares as 2020 began. For all those who believe the company is a paradigm-changing, clean energy leader of unlimited potential, other investors maintain it is an overhyped niche player soon to be overwhelmed by larger, more established automakers.

Many of the shorts were forced to admit defeat last year. About two-thirds of the short positions were unwound during 2020, which in itself was a factor that helped drive Tesla shares higher, as the short investors were forced to buy higher-priced shares to exit their positions.

"It was a gentle tail wind in Tesla's price move all year long," said Dusaniwsky.

But the year ended with short investors still holding roughly 5.5% of Tesla's shares, which equates to a \$31 billion bet against the company's future prospects. For comparison, there is \$13.3 billion and \$10.2 billion currently bet against Apple and Amazon respectively, with shorts controlling less than 1% of each of those companies' stocks.

Musk's very lucrative year

Musk has regularly battled with short sellers, taking shots at them on Twitter and in public comments. But beyond any joy he's feeling from their losses last year, their collective pain doesn't compare to his own personal gains.

Musk's stake of 170 million shares increased in value by a whopping \$106 billion in 2020, and that's only a portion of the gains he earned from Tesla's performance. He came into the year with options to buy another 22.9 million shares, when adjusted for the company's five-for-one stock split. Those options increased in value by \$14.2 billion.

Employees work at the Tesla Gigafactory in Shanghai, east China, Nov. 20, 2020. U.S. electric car company Tesla in 2019 built its first Gigafactory outside the United States in the new Lingang area, with a designed annual production capacity of 500,000 units. The Tesla Shanghai Gigafactory broke ground in early 2019 and delivered its first batch of made-in-China Model 3 sedans one year later.

Tesla hit half-million car target in 2020

During the course of 2020, Musk also qualified for options to buy an additional 33.8 million shares, part of his options-only compensation package that he collects when the company hits certain market values and operational targets. He qualified for four separate tranches of options in 2020, which ended the year worth \$21.5 billion after taking into account the exercise price.

And he's poised to qualify to get another two tranches of options to buy an additional 16.9 million shares sometime early this year, given the company's recent financial and market performance. Those additional options would be worth \$10.7 billion based on the year-end stock price.

All told, Musk should soon control enough options to buy another 73.5 million shares of Tesla at an average price of about \$50 a share. It is currently trading above \$700.

Musk has yet to exercise any of the options he now holds, which is not unusual. Executives granted stock options rarely exercise them until they are ready to sell the shares, or the options are about to expire.

All of this has left Musk the second richest man the world, with a net worth that Forbes estimates at \$162 million, behind only Amazon CEO Jeff Bezos, whose net stands at \$187 billion. Bezos' current holdings in Amazon increased in value "only" \$75 billion during the course of 2020.

Mar 11, 2025

Almost 50% wiped out in 50 days: Tesla shares crash under Trump's second term

The first 50 days of Donald Trump's second presidency have been brutal for the stock market, with Tesla Inc emerging as one of the biggest casualties. Shares of the electric vehicle giant have tumbled nearly 48% since President Trump's inauguration day on January 20, driven by collapsing sales, a weak earnings report, and CEO Elon Musk's increasingly ubiquitous role in the U.S. President's administration.

Read more at:

https://economictimes.indiatimes.com/markets/stocks/news/almost-50-wiped-out-in-50-days-tesla-shares-crash-under-trumps-second-term/articleshow/118879888.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

February 14, 2020

A few theories could help explain what is going on:

A Massive "Short Squeeze": According to the Wall Street Journal, losses for short sellers since January exceeded more than \$8.4 billion and more than \$2.4 billion last week alone. Over the last several years, Tesla has consistently been one of the most shorted stocks in the U.S. markets (and in early February, the biggest short interest of any U.S. stock). Interestingly, Tesla CEO Elon Musk has always taken a relatively aggressive approach with these "short sellers."

“FOMO” (Fear of Missing Out) After Better Than Expected Q4 Numbers: Tesla reported in late January better Q4 numbers than Wall Street expected. This from a company that over the last few years set high expectations and often failed to deliver. The other piece to the FOMO theory is that Q4 was also the second profitable quarter in a row. This means that with four quarters of profitability, Tesla would be eligible to be included in the S&P 500, the largest equity index and one of the most followed indices globally. With the median market cap of the companies in the S&P 500 approximating \$55.6 billion, Tesla would be a significant addition by investors that benchmark against the S&P 500.

Quantitative–driven Funds Got Involved: With the extreme volatility and volumes that Tesla’s stock exhibited the first week in February, it “hit the screens” of many of the quantitative funds, causing more active trading of Tesla to take place. This caused Tesla’s stock to trade so much volume (~148 million shares) in the first three days of February that it equaled what it normally trades in 15 trading days.

Buying Power from ESG Investors: With Blackrock, the world’s largest asset manager, highlighting in the CEO’s annual letter in mid-January their focus on ESG (environmental, sustainable and governance) investing going forward, this obviously generated more enthusiasm for companies like Tesla, which are regarded as meeting ESG criteria. This, along with the size of the ESG investing market now exceeding more than \$30 trillion gives long-term support to ESG investable companies.

Tesla Bulls Got More Vocal: On the back of Tesla’s strong Q4 numbers, several analysts raised their opinions and price targets. Tesla’s most-bullish analyst at a smaller firm, ARK Invest, raised her price target to \$7,000 a share (from \$6,000) by 2024. In addition, before the market opened on February 4, a long-time Tesla bull (and one of its largest shareholders), Ron Baron, founder and CEO of Baron Capital, forecasted on CNBC that Tesla would reach \$100 billion in revenues in four years (Tesla reported \$24.6 billion in 2019) and could do \$1 trillion in revenues by 2030. Now, the ARK analyst has been super bullish for a while and this isn’t a new forecast by Baron. Still, with Tesla surprising the market with better-than-expected numbers, these positive voices provided more support to a stock already poised to go higher.

While the movements in Tesla’s stock price are the result of some combination of these factors, some explanations sound far-fetched. One of them is that investors have been buying the stock in anticipation of Tesla being included in the S&P 500. The potential inclusion is at least two quarters away, and Tesla still also needs to be included. In other words, one of the S&P 500 companies has to be removed from the index, through M&A or another event, for a company to be added.

The theory about the power of ESG investors is also unconvincing. Some \$30 trillion or so managed for ESG investments isn’t new money; it was there before last week. While you

could make the argument of FOMO by some of these investors, you could make a similar argument for many growth investors. Moreover, according to Yahoo Finance, Tesla's ESG risk score (as measured by Sustainalytics' ESG Risk Ratings), only puts Tesla in the 59th percentile, which means the stock probably wouldn't be top of mind for ESG investors on its ESG qualifications alone.

With Tesla shares having gone up more than 85% YTD and almost 150% in the last year, the stock has had a significant re-valuation. However, some key questions still remain. Among them:

Is Tesla management stable? In the last few years, Tesla has seen a number of senior people leave. While Elon Musk is a great visionary, he also needs a strong team to help Tesla continue to execute. Additionally, Musk has had some issues in recent years including problems with the S.E.C. and on a few occasions not demonstrating the best judgment. While investor concerns about Musk seem to have subsided with the rising Tesla stock price, expectations going forward have also risen.

What will Tesla's competitive environment be and is its "first mover" advantage enough? While Tesla has established significant share in the electric car market globally, there are lots of potential competitors like BMW, GM and Toyota (to name a few). The Tesla "bears" seem to think that these well-established competitors in traditional vehicles are a major market share threat to Tesla because they will cut costs to build share. On the other end, the Tesla "bulls" believe that Tesla has established a significant first-mover advantage and has built a pretty good "moat" (including more efficient manufacturing and distribution than the major vehicle makers). Is Tesla the "Apple of 2001" when it changed the game with the introduction of the IPod (and now the IPHONE) and continues to evolve and grow share; or Netflix, which pioneered content streaming, but now faces a significant threat as it builds content, while well-funded competitors with lots of content like Disney are getting more aggressive.

With U.S. tax credits expiring and potentially at risk in China, how will this impact demand? With the U.S. having phased out tax credit subsidies for Tesla cars at the end of 2019, the question on some investors' minds was whether the robust Q4 performance was influenced by increased demand before the phase out; and if so, if it would have material impact on lowering demand in 2020. Additionally, questions about the continuation of China's tax credits (already sliced in half last summer), with the serious impact of the trade war and now the horrible coronavirus (and its potential costs) on its economy, could also impact demand in China, Tesla's expected biggest market going forward.

What will be the capex spend going forward? While Tesla generated positive free cash flow for 2019 after severely ratcheting down its capex spend to \$1.3 billion (vs. \$2.1 billion in 2018 and Tesla's original guidance of \$2 billion to \$2.5 billion for 2019), questions remain

with all the new product lines (cybertrucks, semis, etc.). What will be Tesla's capex going forward? And how will that impact cash generation in the next few years?

Does Tesla need more capital? This doesn't seem as obvious after the equity deal that they just announced. However, is \$2 billion really enough for a company that just went cash flow positive for its first fiscal year (by ratcheting back capex); has very aggressive expansion plans (both in new product lines and more manufacturing capacity); and has been very close to "running on fumes" in recent years? The current stock price, in combination with the volatility embedded in Tesla's stock, provides much more potential financing flexibility than Tesla has ever had in the past. Given Tesla's considerable use of convertible bonds in the past, they could also easily get some relatively cheap debt-like financing done. One adage we use in our Strategic Equity Finance course is companies should "raise money when you can; not when you have to." Unfortunately, "when you have to" can often be more expensive (and with more onerous terms); and in some very challenging cases, financing may not be available at all.

How much is Tesla worth in terms of valuation? With Tesla's stock currently trading at 33x Enterprise Value/2021E EBITDA, it is trading at significant premium to the so-called FANG stocks (Facebook, Amazon, Netflix, Google), with the exception of Netflix, which is trading at similar multiple levels and has similar expected EBITDA growth rates but has significantly higher expected margins than Tesla does.

Mar 10 2025

Tesla shares plunge 15%, suffering steepest drop in five years

Tesla's

sell-off on Wall Street intensified on Monday, with shares of the electric vehicle maker plunging 15%, their worst day on the market since September 2020.

On Friday, Tesla wrapped up a seventh straight week of losses, its longest losing streak since debuting on the Nasdaq in 2010. The stock has fallen every week since CEO Elon Musk went to Washington, D.C., to take on a major role in the second Trump White House.

Since peaking at \$479.86 on Dec. 17, Tesla shares have lost more than 50% of their value, wiping out upward of \$800 billion in market cap. Monday marked the stock's seventh worst day on record.

Tesla led a broader slump in U.S. equities, with the Nasdaq tumbling almost 4%, its steepest decline since 2022.

During an interview on Fox Business after hours on Monday, Musk was asked how he manages to run his businesses while fulfilling his role in the Trump White House. He said he's doing so "with great difficulty."

In addition to Tesla's troubles, Musk's social network X experienced several outages throughout the day on Monday, and his aerospace and defense company SpaceX is investigating two explosions in a row that occurred during test flights of its massive Starship rocket.

Musk also said during the interview that he expected to remain in the Trump administration for another year. After the broadcast, he posted on X that "It will be fine long-term," referencing Tesla's steep stock price decline.

The downdraft in Tesla's stock on Monday was tied to uncertainty surrounding President Donald Trump's plans on tariffs. Canada and Mexico are key markets for automotive suppliers, and increased tariffs, with the potential for a trade war, will likely affect production and lead to higher prices.

Tesla is also dealing with brand erosion due to Musk's incendiary political rhetoric and his extensive work with the Trump administration, where he is leading up the so-called Department of Government Efficiency. Musk, the world's wealthiest person, has become the public face of the administration's effort to dramatically shrink the federal government's workforce, spending and capacity.

Meanwhile, Musk has used X to level accusations against judges whose decisions he did not like and promoted false Kremlin talking points about Ukraine President Volodymyr Zelenskyy.

Activists and former Musk fans have protested at Tesla facilities across the U.S., and Tesla vehicles and facilities have been the apparent targets of vandalism and arson attempts. Repeated arson attempts and instances of vandalism occurred at a Tesla store and service center in Loveland, Colorado, most recently on March 7, police told CNBC.

Ben Kallo, an analyst at Baird, told CNBC's "Squawk on the Street" on Monday that recent reports of vandalism could hurt demand.

"When people's cars are in jeopardy of being keyed or set on fire out there, even people who support Musk or are indifferent Musk might think twice about buying a Tesla," Kallo said.

Analysts at Bank of America's wrote in a report on Monday that Tesla's new vehicle sales plummeted about 50% in Europe in January from a year earlier, partly owing to growing distaste for the brand. The firm also noted that some prospective customers are waiting for the new version of the Model Y.

Tesla's Model Y, which is a small SUV, remained the best-selling battery electric vehicle globally in January. It was followed by China's Geely Geome, which surpassed the Tesla Model 3 sedan for the month.

Global sales of electric vehicles, including fully electric and plug-in hybrid models, increased 21% in January from a year ago, even as Tesla's sales declined. The growth was driven by demand in Europe, according to Bank of America.

October 21, 2020

Tesla's Q3 FY 2020 exceeded analyst expectations across multiple categories, as the company posted what it described as a "record quarter on many levels." Adjusted EPS of \$0.76 shattered consensus estimates of \$0.59; the actual figure marked an increase of 105.4% YOY. Revenue of \$8.8 billion solidly beat analyst expectations of \$8.2 billion for the quarter. Tesla released vehicle production figures prior to its October 21 earnings report, and this figure exceeded analyst predictions as well. With this quarter's strong earnings, Tesla seems poised to continue to grow and dominate the electric vehicle space going forward.

What to Look For

Tesla Inc. (TSLA)'s stock has risen by nine-fold in the past year as its market value has soared to \$420 billion amid growing optimism about the electric automaker's future. Tesla, the world's largest automaker by market value, also handsomely beat estimates for vehicle deliveries in Q2 FY 2020 as it posted its fourth consecutive profitable quarter.

Investors will be watching to see if Tesla can continue its streak of profitability when it reports earnings on October 21, 2020 for Q3 FY 2020.

Analysts estimate that Tesla will report sizable year-over-year (YOY) gains in revenue and adjusted earnings per share (EPS).

In the upcoming report, investors also will look closely at Tesla's key metric of vehicle production, which fell in Q2 2020 as the coronavirus pandemic expanded in the U.S. and globally. This figure is an important indicator of the company's ability to scale up its production to meet surging customer demand. Tesla, which reports these numbers early, blew past analysts' estimates as it boosted production by 50.7% during the quarter.

Tesla has dramatically outpaced the stock market, providing a 1-year trailing total return of 770.3%, about 47 times the S&P 500's total return for the same period.

One Year Total Return for S&P 500 and Tesla

Tesla historically has posted highly erratic earnings performance, reporting mostly EPS declines or losses over the eight quarters through Q2 FY 2019. Tesla then produced four straight quarters of profits through Q2 FY 2020, further boosting its stock on investor optimism that Tesla would be included in the S&P 500 index. The company's shares plunged in September after the company was passed over for inclusion in the index, but the stock has since recovered nearly all of that decline.

Analysts estimate adjusted EPS will rise 57.8% in Q3 2020. While that growth is strong, nonetheless it would mark a deceleration compared to Q1 and Q2 FY 2020, both of which swung back to positive EPS after quarterly losses a year prior.

By contrast, Tesla's revenue performance has been more stable. In the past three years, the company has posted robust quarterly revenue growth in all but two quarters, when it posted modest YOY declines. One of those quarters was Q2 FY 2020, when revenue fell 4.9%. Analysts expect revenue to rebound in Q3 FY 2020, jumping 30.2% to \$8.2 billion. That quarterly revenue for Q3 FY 2020 would be about 150% bigger than the same quarter in 2017, a reflection of the company's rapid growth.

To keep its stock rising, the company will need to produce higher volumes of vehicles. That's why investors focus on vehicle production as a key measure of Tesla's longterm ability to grow its revenue, earnings and market share. Tesla also must keep production rising to

protect and boost its market share amid stiffening competition from emerging rival electric vehicle manufacturers such as Nikola Corp. (NKLA) and NIO Ltd. (NIO) as well as big automakers such as GM. Investors have watched Tesla's vehicle production rates particularly closely in Q3 FY 2020, in part because the company shut down production at its Fremont, California factory for several weeks earlier in the year due to the pandemic.

In spite of this setback, the company was able to exceed analyst expectations for vehicle deliveries, a related metric, for Q2 FY 2020.

Because Tesla releases quarterly car production figures ahead of its earnings reports, it is clear that the company beat analyst expectations on the production front. In Q3 FY 2020, Tesla produced 145,036 vehicles, ahead of the predicted 143,400 vehicles. Tesla's Q3 production was nearly six times the level only three years ago in Q3 FY 2017.

March 22, 2025

Tesla investors at a loss as Elon Musk drags down stock price: 'This time it feels different'

Tesla is in uncharted territory now that it appears to have shed its aura of invincibility. Punters find themselves in the dark about the stock's outlook, with Morgan Stanley telling clients the price could just as easily triple to \$800 in the coming months as it could drop to \$200.

Late last month, Simon Hale landed in hot water with his compliance department at Wellington Altus Private Wealth. Due to the sharp rally in Tesla, his holdings of the EV giant had become too valuable relative to the portfolio managed by the Montreal-based institutional investor, and it needed trimming to diversify risk.

"That's no problem any more," Hale glumly told fellow investors during an online discussion last week. The stock, beaten down over the past fortnight, had just plunged a further 15% in one session, solving his quandary without the portfolio manager ever having to lift a finger

CEO Elon Musk's attempt to replicate Argentine president Javier Milei by cutting government spending with a chainsaw has sparked a wave of outcry across the United States, as has his emphatic embrace of Germany's far-right AfD party.

Musk is now trying to rally his troops' morale. But the backlash has been so fierce that it's unclear whether the stock can recover the aura of infallibility it first earned following 2020's stratospheric rally, when the CEO could swiftly silence doubts with a bold prediction or two.

In the process, Tesla is now down 9% from election day, when it initially launched a furious rally to touch an all-time high in mid-December, and a staggering 46% since Trump took office.

Musk's fans regularly convene on his X platform to share info about all things Tesla, but lately these pep talks sound more like group therapy sessions where small stockholders affirm why they are right to buy more shares at prices where board directors, including chairwoman Robyn Denholm, have already sold a collective \$100 million recently.

Hale then dropped the boom on others listening: Jewish investors were pressuring him to sell their Tesla stock.

"They really didn't like what happened in terms of the salute," he confided. "I'm hearing this over and over again from wealthy clients, and clients in Europe—that Elon is supporting the AfD."

Sep 8 2020

Tesla rebounds 7% after suffering its worst single-day loss in history

Tesla shares were up about 7% in premarket trading Wednesday after closing down 21.06% a day earlier.

The S&P 500 Index Committee added Etsy, Teradyne and Catalent to the index on Friday, but stopped short of including Tesla.

Some investors had expected Tesla to be included this quarter, after it reported its fourth consecutive quarter of profitability in July.

Tesla shares rebounded in early trading Wednesday, recovering slightly from Tuesday's steep losses after Elon Musk's electric vehicle maker was left out of the S&P 500 by the committee that decides on new additions to the index.

Tesla shares were up about 7% in premarket trading Wednesday after closing down 21.06% a day earlier, making it the worst one-day loss on record. Tuesday's drop brought the company's market valuation down by roughly \$82 billion to \$307.7 billion. The stock has been on a tear this year, having risen around 300%, and the company is now worth more than some of the world's largest automakers, including Toyota

and Volkswagen

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Tesla stock dropped more than 7% after hours on Friday following the news. U.S. markets were closed Monday because of Labor Day.

Tesla's move lower Tuesday also follows a major reversal in the big technology stocks last week, amid fears that valuations had reached unsustainable levels. Japanese tech investment juggernaut SoftBank was reportedly the mystery "Nasdaq whale" that bought billions of dollars in call options in Big Tech names, including Tesla, Amazon , Microsoft

Tesla split its stock 5-to-1 at the end of last month, a move that saw its value climb significantly in the run-up despite having no fundamental impact on the stock. But it fell a few days later after Baillie Gifford, its largest outside shareholder, cut its stake in the company. Baillie Gifford said the reduction in ownership was merely down to portfolio restrictions.

Tesla said Tuesday it completed its sale of \$5 billion in new stock. The firm closed out the sale by Friday, according to a regulatory filing, just three days after announcing plans to sell the additional shares on Sept. 1.

Meanwhile, Nikola

— an electric vehicle start-up vying to take on Tesla — revealed on Tuesday that General Motors had agreed to take an 11% stake in the firm. As part of the deal, GM will produce Nikola's hydrogen fuel cell electric pickup truck, the Badger, by the end of 2022. Shares of Nikola jumped about 29% in premarket trading while GM jumped 6%.

US President Donald Trump holds a signed founding charter at the "Board of Peace" meeting during the World Economic Forum (WEF) annual meeting in Davos on January 22, 2026.

Trump signed his Gaza 'Board of Peace' into being. Here's who's on it — and who isn't

Volodymyr Zelenskiy, Ukraine's president, during the World Economic Forum (WEF) in Davos, Switzerland, on Thursday, Jan. 22, 2026.

Zelenskyy lays into 'lost' Europe: Stop trying to 'change' Trump

A person shops at an Amazon Fresh grocery store on December 12, 2024 in Federal Way, Washington.

Fed's main gauge shows inflation at 2.8% in November, edging further away from target

Traders work on the floor at the New York Stock Exchange (NYSE) in New York City, U.S., Jan. 21, 2026.

December 22, 2020

Tesla tumbles 6.5% from record high in S&P 500 debut

Dec 21 (Reuters) - Shares of Tesla (TSLA.O), opens new tab ended sharply lower in their S&P 500 debut Monday, with losses accelerating after news of potential future competition from Apple (AAPL.O), opens new tab.

Tesla ended down 6.5% from a record high in the previous session, its steepest one-day drop in over a week. Losses steepened towards the end of the session after Reuters reported that Apple is targeting 2024 to produce a passenger vehicle that could include its own breakthrough battery technology.

The company's shares had opened down nearly 5%.

The decline in Tesla's shares accounted for about 0.1 percentage points of the S&P 500's (.SPX), opens new tab 0.4% decline for the day, according to Refinitiv data.

The electric car maker, headed by billionaire Elon Musk, is the most valuable company ever admitted to Wall Street's main benchmark and accounted for a 1.69% weight in the index ahead of Monday's trading. The shares had surged almost 60% since mid-November, when Tesla's debut in the S&P 500 was announced, opens new tab, and have soared almost 700% so far in 2020

Tesla's addition to the S&P 500 led index-tracking funds to buy \$90 billion of shares by the end of Friday so their portfolios reflected the index, according to S&P Dow Jones Indices' analyst Howard Silverblatt. The change was effective prior to the open of trading on Monday, and Tesla is replacing Apartment Investment

Actively managed funds that benchmark their performance to the S&P 500 must now decide whether to buy shares of Tesla, and risk underperforming if Tesla's recent rally continues and they do not own the shares.

"We put off that decision because we really believe the stock was running up into its inclusion in the S&P and that those who are in it for the arbitrage would sell starting today,

and at least today, we are right," said Tim Ghriskey, chief investment strategist at Inverness Counsel in New York.

California-based Tesla's rally has put its market value at about \$616 billion, making it the sixth most valuable publicly listed U.S. company, although many investors view it as wildly overvalued.

Silverblatt said the S&P 500's 2021 price/earnings ratio rises to 22.6 from 22.3 following Tesla's addition.

Tesla is by far the most traded stock by value on Wall Street, with \$18 billion worth of its shares exchanged on average in each session over the past 12 months, easily beating Apple (AAPL.O), opens new tab, in second place with average daily trades of \$14 billion, according to Refinitiv.

Sep 9 2020

Tech

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Tesla

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Tesla's move lower Tuesday also follows a major reversal in the big technology stocks last week, amid fears that valuations had reached unsustainable levels. Japanese tech investment juggernaut SoftBank was reportedly the mystery "Nasdaq whale" that bought billions of dollars in call options in Big Tech names, including Tesla, Amazon , Microsoft and Netflix , potentially driving up valuations. SoftBank declined to comment on the reports.

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Feb 21, 2024

The Stock-Split Anomaly: How Apple, Tesla Created Powerful Alpha Last Month

Apple did something very unusual in July. It announced a 4-for-1 stock split. That is to say, if you owned a share of Apple, the company in effect now issued you three additional shares. The total number of Apple shares outstanding increased by a factor of 4, and the market reset the share price at one quarter of its previous level. It was like trading a dollar for four quarters. The maneuver left the value of your holdings, and the value of the company in the market, unchanged (for the moment).

"Splits don't change anything" is the conventional wisdom. But in this case there were surprising repercussions for Apple, Tesla, and several other major companies in the following

weeks. This conjunction of rare events (see below for how rare they are) produced a chain reaction, which spewed out huge quantities of “alpha” – that is, mispricings that investors could profit from to earn large “abnormal” or above-market returns.

Tesla’s shares gained over 70% in just the 20 days between the announcement and the execution of the split (after trading sideways, and down slightly, in the prior month).

August 17, 2021

Tesla (TSLA) Stock Falls After NHTSA Announces Autopilot Investigation

The National Highway Traffic Safety Administration (NHTSA) is investigating Tesla, Inc.'s (TSLA) Advanced Driver Assistance System (ADAS) to assess its self-driving technology after reports that detailed its vehicles involvement in a series of crashes. The investigation is focused on Tesla Models Y, X, S, and 3 from 2014 to 2021 model years. It will investigate crashes or accidents that occurred after January 2018.

News of the NHTSA's inquiry yesterday crashed Tesla's price by more than 5% to \$681. Tesla's stock price, which is still up by 7% on a year-over-year basis, is at \$686 as of this writing.

Jun 5 2025

Tesla loses \$152 billion in market cap after Musk-Trump spat, biggest hit ever

Shares of Tesla

fell 14% on Thursday as President Donald Trump threatened to pull government contracts for CEO Elon Musk's companies, escalating a war of words over the spending bill.

The move dropped the EV maker \$152 billion in value, the biggest hit to its market cap ever, putting it below the \$1 trillion benchmark and settling Thursday at \$916 billion.

“Elon was ‘wearing thin,’ I asked him to leave, I took away his EV Mandate that forced everyone to buy Electric Cars that nobody else wanted (that he knew for months I was going to do!), and he just went CRAZY!” Trump wrote on Truth Social.

Trump spoke from the Oval Office earlier Thursday and said Musk was upset that EV credits were not included in the bill.

"Elon and I had a great relationship. I don't know if we will anymore," Trump said in the Oval Office on Thursday. "I was surprised."

"Whatever," Musk fired back as the president spoke.

"Without me, Trump would have lost the election, Dems would control the House and the Republicans would be 51-49 in the Senate," he posted on X.

Musk, the world's richest man, in recent days has threatened to make lawmakers who vote for the bill face primary elections and called the bill a "disgusting abomination," marking a significant shift in his comments about the administration.

The fall in shares comes after the EV maker saw a 22% rally in May despite weak sales numbers, with Musk wrapping up his time as head of Trump's so-called Department of Government Efficiency, or DOGE.

Shares are down nearly 18% this week as Musk has continued to rail against the budget bill. This year, shares are down nearly 30% and well off the high of \$488.54 reached Dec. 18.

Since Musk's special government employee term ended Friday, he's appeared at odds with the Trump administration and gone on a full assault against the president's signature tax-cut bill.

"One of the things about Elon is when he goes all in, he goes all in," Walter Isaacson, author of a Musk biography, told CNBC's "Squawk Box" on Thursday.

"He is somebody who's not exactly calibrated in these things and he is seriously upset," Isaacson said.

Musk, who also runs SpaceX and xAI, posted a stream of attacks against the Trump bill on X Wednesday.

NBC News reported that Musk had tried to convince Trump and other GOP members of the administration to change aspects of Trump's bill that would curtail EV and residential solar tax credits, which generate profits for Tesla.

February 23, 2021

4 reasons Tesla's stock is tumbling

New York

CNN Business

—

Tesla, the hottest stock in the market for more than a year, has sunk into bear market territory.

Shares of Tesla (TSLA) fell 6% Tuesday after closing down 8.5% Monday, wiping out its gains for the year. The stock closed at a record just above \$883 on January 26 and has tumbled since. It fell low as \$619 Tuesday, the first time Tesla (TSLA) shares have fallen below \$700 since December 31.

The steep decline has taken Tesla shares below their level when the company entered the S&P 500 on December 21. It also knocked CEO Elon Musk into the No. 2 position in the richest person on the planet list, behind Amazon (AMZN) founder Jeff Bezos. The two have been swapping positions repeatedly this year.

Tesla's stock is selling off for several reasons:

Bitcoin

Tesla announced earlier this month that it had invested \$1.5 billion in bitcoin. That helped feed the recent rally in bitcoin and by some estimates earned Tesla a quick \$1 billion profit — more than it has ever made from selling cars in a single year.

But on Saturday, in response to a critic of Tesla's bitcoin (XBT) investment, Musk tweeted that the prices of both bitcoin (XBT) and another cryptocurrency called Ether "do seem high." That [a href="https://www.cnn.com/2021/02/23/investing/bitcoin](https://www.cnn.com/2021/02/23/investing/bitcoin) (XBT)-

[prices-fall-yellen-gates/index.html](#) helped to send the price of bitcoin (XBT) down 9.3% in trading Monday, which may have helped to drag down Tesla shares.

“Bitcoin is the smart move at the right time for Tesla in our opinion, but on the downside its playing with firecrackers and risks and volatility are added to the Tesla story,” said Daniel Ives, tech analyst for Wedbush Securities, who remains bullish on Tesla shares.

Model Y pricing

Last Thursday, Tesla cut the price of the cheapest version of its Model Y and its best-selling Model 3 cars by \$2,000 each. That brought the price for the “standard range” Model Y, one that can travel 244 miles on a charge, to \$38,490 – and the standard range Model 3 to \$34,590.

But over the weekend, the cheapest “standard range” version of the Model Y disappeared from Tesla’s sales site, leaving only the more expensive long-range and performance versions of the SUV. Tesla did not explain its decision.

“We see the plausible reasons as either: the mix was skewed too much to the cheaper variant, and thus it was going to kill their margins, or more likely there just wasn’t much demand for the lower variant,” said Gordon Johnson of GLJ Research, one of the more bearish critics on Tesla shares. He said the recent price cuts and other price cuts show that Tesla vehicles do not have the demand that its fans claim.

“Tesla can’t keep its current factories running at capacity without ... price cuts,” said Johnson in note on Monday.

Increased competition

Established automakers have recently set ambitious targets for their own EV sales.

General Motors rolled out an SUV version of its Chevrolet Bolt a week ago, priced well below the Model Y, and announced it intends to sell only emissions-free cars after 2035. Ford (F) set an even more ambitious EV target for its European sales, saying all of the car models it sells there will be EVs by 2030.

Apple (AAPL) is also considering partnering with an automaker to get into the car business, according to several news reports.

Those efforts are making some Tesla investors nervous, said Ives, although he believes there will be enough of a shift to EVs for multiple winners among global automakers.

Investors got ahead of themselves

Tesla shares peaked one day before a disappointing earnings report on January 27 that fell short of forecasts from Wall Street analysts.

The earnings showed that the money Tesla made from the sale of regulatory credits to other automakers outpaced its overall net income. Critics, like Johnson, said it's proof Tesla isn't able to make money building and selling cars (although by some other profit measures Tesla is profitable).

During the earnings conference call on January 27, Musk also spoke about a shortage of batteries needed to power electric vehicles. He said that even with Tesla's own in-house supply of batteries and its planned expansion of battery production, the company is scrambling to find the batteries it wants to build more vehicles.

"The fundamental limit on electric vehicles right now, in general, is total availability of [battery] cells," he said. For example, Musk said Tesla would have already started producing a semi-truck if it had the batteries available to do so.

Shares are still way up

Tesla shares rose a market-leading 743% in 2020, as investors embraced the idea that the future of the auto industry would be electric. Tesla remains by far the most valuable automaker in the world, with a market value well above that of the eight largest automakers combined.

Even with the recent decline, Tesla shares are up about 1,300% since October 2019, when it reported a third-quarter profit that surprised investors, sending shares on a tear.

Some investors believe Tesla's stock flew too high. Yet many analysts believe Tesla will bounce back. Ives has a 12-month target price of \$950.

Even so, he has a warning: "It's 'buckle up the seat belt time' again for Tesla's stock with more volatility on the horizon," Ives said.

Jan. 30, 2025

Tesla Stock Slips After Earnings

Tesla stock opened up 5.5% at \$410.50 before slipping. The initial rise was a surprise for two reasons.

For starters, earnings were relatively weak and guidance was "vague," according to Morgan Stanley analyst Adam Jonas. Jonas is a Tesla bull. He rates shares Buy with a \$430 price target for the stock.

These days, Tesla stock is all about self-driving technology and the potential for autonomous robotaxis to unlock trillions of value. That's the bull case.

The bear case is that CEO Elon Musk is famously overly optimistic and widespread deployment of AI-trained self-driving cars is still years away.

January 21, 2021

Tesla is the proxy for a stock market gone mad

According to many of the best minds in investing, including Jeremy Grantham and the experts at Research Affiliates, the investor mindset that's driving Tesla's stock ever higher mirrors the reckless thinking that has pushed the S&P 500 to an unsustainable speculative fever that's soon bound to break. Since early summer, Tesla has been showing the same excesses, on an ultra-exaggerated scale, as the overall S&P. In the view of many market sages, Tesla is now the proxy for a market gone mad.

In an essay posted on Jan. 5, legendary investor Grantham asserted that the S&P 500 has recently entered bubble territory, and that the leading indicator, a symbol of "bulls gone wild," is the explosion in Tesla's stock. Grantham warns, "For the first 10 years of this bull market, we lacked such wild [1929- and 2000-style] speculation, but now we have it," adding that it's "especially Tesla" that epitomizes the market mania.

Grantham, the octogenarian cofounder and long-term investment strategist at asset management giant GMO, asserts that you know it's a craze when share prices, after rising steadily to lofty heights, suddenly break from that gradual ascent and take a moonshot, as if propelled by a booster rocket. "It is precisely what you'd expect from a late-stage bubble: an accelerating, nearly vertical stage of unknowable length—but typically short," he writes. For Grantham, a market vaulting faster and faster from one new peak to the next signals that we're near the bursting point.

Exhibit A is Tesla. No enterprise in the history of equity markets has ever staged such gigantic jumps in market cap, each leap far exceeding the last, in such a brief period as the electric-car maker garnered starting last summer. As of early January, Tesla's liftoff has made founder and CEO Elon Musk the world's richest person, boasting a net worth of \$195 billion, putting him \$9 billion ahead of the previous title holder, Amazon's Jeff Bezos. Tesla's warning lights are also flashing that its shares are flying free of fundamentals, notably: reasonable estimates of how fast its sales and earnings can grow from here, the gravitational metrics that normally govern stock prices.

In a recent paper, Rob Arnott, Vitali Kalesnik, and Lillian Wu of Research Affiliates—a firm that oversees investment strategies for \$145 billion in mutual funds and ETFs—argue that Tesla fits the two key criteria for a bubble: first, "implausible assumptions are needed to justify its valuation," and second, that "buyer interest is based on a great narrative or story that foretells great future success" but omits detailed forecasts of how Tesla will triumph, including the gigantic share of sales in the slow-growing global auto industry it would need to get there.

Let's start with Grantham's warning on how a big, new spike in prices, from already high levels, presages the death throes of a bull market. Once again, Tesla's trajectory mirrors what's happened in big-caps, just on a much grander scale. From the start of 2020, Tesla doubled to an all-time high of \$180 in mid-February, only to retreat back below \$100 during the brutal March selloff. Around that time, rumors abounded that the S&P 500 planned to add the electric-car maker to the index. As it turned out, the journey toward joining the S&P greatly helped Tesla's shares.

Getting a place in the 500 provides a big lift to the newcomer's shares, and the rise happens in two phases, both coming before the day it's actually added. The first boost takes place in the period when the market is buzzing that "XYZ Inc." is up for membership. The second bump, which is usually bigger, arrives when the S&P announces that it's admitting XYZ and

gives the starting date. In its study, Research Affiliates notes that hedge fund managers and other liquidity providers stockpile XYZ's shares before it joins the S&P, first during the rumor period, then at a faster pace when the S&P makes it official. Those intermediaries then unload their inventories of XYZ to the hedge funds, ETFs, and investment vehicles that track the S&P (and are hence obligated to sell shares in the companies that are kicked off, and purchase shares proportional to XYZ's weight in the index).

In Tesla's case, that pre-membership buying was epic—because the EV giant is by far the biggest new contender, measured by market cap, ever to enter the S&P. Research Affiliates estimates that \$11 trillion in assets track the index. From mid-March, when the rumors started, to Nov. 16, when the S&P made the word on Wall Street official, Tesla's stock jumped from around \$90 to \$408, a rise of 350% that swelled its market cap by \$300 billion, to \$390 billion. Then, following the S&P's pre-Thanksgiving announcement, Tesla staged a second, even bigger blowout measured in what matters most, its total valuation. In the nine weeks from announcement day to officially joining on Dec. 21, its shares waxed another 59%, to \$659, then surged again by Friday, Jan. 8, to \$880, not long before this story was published. All told, from the Nov. 16 news to Jan. 8, Tesla more than doubled to \$880, an explosion that raised its market cap even more than in the rumor period, by \$446 billion.

Nov 12 2021

Tech

Tesla just had its worst week in 20 months after Elon Musk sold \$5.7 billion worth of shares

Shares of Tesla

declined 15.4% for the week after CEO Elon Musk commenced with his plans to sell a huge block of his holdings this week.

It marks Tesla's worst one-week performance in 20 months. It's also the stock's worst week ever excluding declines that occurred in February and March 2020 — as the coronavirus pandemic emerged in the U.S., roiling markets.

Tesla closed down 2.8% on Friday.

Musk — who still owns more than 167 million shares of Tesla, according to financial filings out Friday morning — sold stock worth around \$5.7 billion this week.

Musk sold shares in part to satisfy tax obligations related to an exercise of stock options. Before his sale plan was made public, Musk asked his 62.5 million Twitter followers to vote in an informal poll, telling them their vote would determine the future of his Tesla holdings. This week's filings reveal he knew some of his shares were slated for sale this week.

Tesla shares are still up around 46% year to date following a record closing price of \$1,229.91 on Nov. 4, 2021.

By comparison, Ford shares are up around 120%, General Motors shares are up around 51% and Volkswagen AG shares have risen around 66% year-to-date.

The slump in Tesla's stock price followed a sell-off, and coincided with a record-breaking IPO in autos for Rivian, a newer maker of fully electric pickup trucks and sport utility vehicles.

Shares of Rivian closed rose 5.6% on Friday. It's up around 66.6% since its debut on Wednesday.

Rivian raised around \$12 billion in its market debut Wednesday, making its IPO the largest in the world this year so far. Rivian now ranks the second most valuable car manufacturer in the U.S. behind Tesla, though it expects to record less than \$1 million in sales for the third quarter.

In financial filings, Rivian said that it has 55,400 preorders for its R1S SUV and R1T pickup truck, plus a contract to build 100,000 electric delivery vans for Amazon by 2030.

Musk responded to Rivian's IPO success on Twitter saying:

"I hope they're able to achieve high production & breakeven cash flow. That is the true test. There have been hundreds of automotive startups, both electric & combustion, but Tesla is only American carmaker to reach high volume production & positive cash flow in past 100 years."

Mar 31 2025

Tesla plunges 36% in first quarter, worst performance for any period since 2022

Tesla's

stock just wrapped up its worst quarter since 2022 and suffered its third-steepest drop in the company's 15 years on the public market.

Shares of the electric vehicle maker plunged 36% in the first three months of the year.

The last time Tesla had a worse stretch was at the end of 2022, when the stock cratered 54%. That quarter included CEO Elon Musk's sale of more than \$22 billion worth of Tesla shares to finance his \$44 billion acquisition of Twitter, later renamed X. On Friday, Musk said his artificial intelligence startup xAI has acquired X in a deal valuing the social media company at \$33 billion.

Tesla's first-quarter drop wiped out over \$460 billion in market cap. The majority of the quarter overlaps with Musk's time in the second Trump administration, leading an effort to slash government spending and regulations, and terminating tens of thousands of federal employees.

Musk is leading what's known as the Department of Government Efficiency, or DOGE. As of Monday, the DOGE website claimed that, through March 24, the program had notched \$140 billion in federal spending reductions, a number equal to less than one-third of Tesla's valuation loss in the first quarter.

"My Tesla stock and the stock of everyone who holds Tesla has gone, went roughly in half," Musk said on Sunday night at a rally he held in Green Bay, Wisconsin, to promote the right-wing judge he's backing for Tuesday's state supreme court election. "This is a very expensive job is what I'm saying."

DOGE's website contained numerous errors previously, causing the group to revise its own claims about its savings. And many of Musk's allegations about waste, fraud and abuse in the federal budget have also been shown to be misleading or false.

Musk recently said on a Fox News interview with Bret Baier, that he and DOGE plan to slash \$1 trillion from total federal spending levels by May.

Musk's role in the White House is one factor weighing on Tesla's stock, as it's contributing to waves of protests, boycotts and violent attacks on Tesla stores and vehicles around the world. President Trump's automotive tariffs are also a concern as they involve Tesla's key suppliers, notably Mexico and China. Tariff fears sparked a broader selloff in tech stocks, with the Nasdaq closing the quarter down 10%, its biggest drop since 2022.

Tesla faces other headwinds, such as a steep decline in new vehicle sales, and pressure to deliver on Musk's promises for robotaxis while rivals extend their lead in the market.

Musk has said Tesla will launch a driverless ride-hailing business in Austin, Texas in June, but some analysts are voicing skepticism about the company's ability to meet that deadline.

For about a decade, Musk has promised that existing Tesla cars can be turned into robotaxi-ready vehicles with one more software upgrade. On the company's fourth-quarter earnings call, Musk said that a forthcoming version of Tesla's Full Self-Driving software will require a hardware upgrade as well.

While the first-quarter stock drop has been painful for shareholders, they've experienced similar volatility in the recent past. In the first quarter of 2024, the shares plunged 29% due to declining auto sales and increased competition. But the stock rallied the rest of the year to finish up 63%.

Dec 28, 2022

Why Tesla Stock Lost More Than Two-Thirds of Its Value in 2022

The tailspin in Tesla Inc. shares accelerated Tuesday, marking their longest losing streak since 2018, as a report of a plan to temporarily halt production at its China factory rekindled fears about demand risks.

Shares of the Elon Musk-led company closed down 11% at \$109.10, for the seventh straight decline and its steepest one-day drop since April. The electric-vehicle maker's market valuation has shrunk to roughly \$345 billion, below that of Walmart Inc., JPMorgan Chase & Co. and Nvidia Corp. This latest selloff also cost Tesla its position among the 10-highest valued companies in the S&P 500 Index, a distinction it had held since joining the benchmark in December 2020.

News of reduced output in Shanghai comes on the heels of last week's report that Tesla was offering US consumers a \$7,500 discount to take delivery of its two highest-volume models before year-end, combining to intensify concerns that demand is ebbing. For Tesla, whose valuation is pinned on its future growth prospects, these worries reflect a significant risk.

"Most of the stock's weakness this year is due to indicators showing flagging demand globally," said Craig Irwin, an analyst at Roth Capital Partners. Tesla's estimated revenue growth "is still amazing, but not \$385 billion market valuation-type amazing," he said, referring to the value at the end of last week.

Analysts on average expect revenue to grow 54% in 2022 and 37% in 2023, data compiled by Bloomberg show.

The hope that Tesla will be the leading EV company in a future dominated by electric cars drove a spectacular eight-fold rally in the shares in 2020, earning its place in the S&P 500 and at one point making it the fifth-most valuable stock in the gauge.

But this year the unwinding has come equally fast. It has lost 69% its value amid Musk's Twitter takeover and related distractions, investor jitters about growth assets and most recently, worries that high inflation and rising interest rates will dampen consumers' enthusiasm for EVs.

"Our sense is the company's market share has peaked and concerns about its over-reliance on China for profits and the factory shutdown are weighing on the stock," said Jeffrey Osborne, an analyst at Cowen. Tesla "appears to have burned through its backlog as they are resorting to promotions to move cars and delivery lead times are 1-2 weeks in the majority of the world."

Wall Street analysts started flagging warnings about EV demand earlier this month, with the average 12-month price target for Tesla falling 10% since the end of November. Meanwhile, the average adjusted earnings estimate for 2022 has declined over 4% from just three months ago.

28 Jan 2021

Tesla shares fall despite electric carmaker's first annual profit

Bumper payout to CEO Elon Musk and move to cheaper EV models means earnings missed forecasts

This article is more than 4 years old

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Bumper payout to CEO Elon Musk and move to cheaper EV models means earnings missed forecasts

Jasper Jolly

Thu 28 Jan 2021 09.30 GMT

Share

Tesla shares fell in after-hours trading after the electric carmaker's earnings fell short of expectations, despite recording its first annual profit, after a bumper payout to its chief executive, Elon Musk.

Operating income rose to \$575m (£420m) in the fourth quarter, but it was held back by a \$267m payout for Musk. Under a scheme waved through by investors in 2018, Musk could eventually be eligible for awards worth up to \$55.8bn as the share price rises.

Tesla is expanding rapidly as it tries to match its manufacturing capabilities to a stock market valuation that surged eightfold during 2020 to make it the most valuable automotive company in the world. That rise in value has made Musk the world's richest person, with a net worth of \$206bn, according to the Bloomberg Billionaires Index.

During 2020, Tesla made an annual profit for the first time, with net income of \$721m. However, it made more than \$1.5bn from selling regulatory credits to other carmakers during the year, a profit source that will disappear as rivals catch up with electric car production.

The average selling price of new Teslas fell by 11% during the fourth quarter of 2020 as it shifted towards cheaper Model 3 and Y models.

The disparity between its earnings and its valuation – at \$819bn when markets closed on Wednesday – means investors are keenly awaiting signs of the company's future growth. Tesla said it expected to grow output by more than 50% during 2021, but gave no further detail.

Tesla last year narrowly missed its target of delivering 500,000 vehicles, but it is racing to finish new factories in Texas and Berlin. It is still on track to build its first vehicles in both plants during 2021, as well as expanding its factory in Shanghai further, Tesla said.

One big advantage Tesla gained during its enormous share price increase was easy access to capital, removing a significant concern in earlier years. Tesla had \$19.4bn of cash or cash equivalents at the end of December, a pile that will allow it to continue to make big investments in technologies that it views as key to future earnings such as still-under-development autonomous driving capabilities.

22 Sep 2021

Tesla has changed the way in which the world views sustainable energy since its inception in 2003 and has become a strong force in the stock market. Tesla focuses on building all electric vehicles as well as clean energy generation storage products. The success of Tesla has been proven in the stock market with their steady increases in stock prices and interest of investors. Tesla is a prime example of sustainable energy companies beginning to surpass investor interest in the auto industry as more and more people begin to focus on the environmental impact of gas vehicles. Tesla produced massive share increases in 2020 showing that investor enthusiasm was at an all-time high. In 2021, this began to change when the company shares dropped approximately five percent. As more and more companies begin to invest in all electric vehicles and they start to offer additional electric alternatives to their gas vehicles at a much lower cost, is it possible for Tesla to maintain their momentum within the stock market? Tesla needs to remain innovative if they want to stay ahead of their competitors. In this article we discuss how an increase in all electric competitors and COVID-19 has impacted Tesla in the stock market. We review if innovation can be the only tool for success in order for Tesla to continue surpassing their competitors.

March 30, 2025

Tesla Stock Dropped 50% From Its High. History Says This Will Happen Next.

As mentioned, Tesla stock has declined at least 50% from a record four times since the company went public in June 2010. We can review the first three incidents to make an educated guess about how the current one might play out. Here's what happened the last three times:

2017: Tesla shares peaked at around \$26 in September 2017 before dropping 54% by June 2019. Model 3 manufacturing problems, Model Y production delays, and disappointing financial results drove the decline. Shares reached a new high in December 2019, shortly after the Cybertruck unveiling. A bullish forecast from Ark Invest CEO Cathie Wood also helped. The stock returned 394% during the year following its low in June 2019.

2020: Tesla shares peaked at around \$61 in February 2020 before falling 60% by March 2020. Whereas the last drawdown was driven by company-specific factors, this one aligned with a sharp decline in the broader stock market as the rapid spread of COVID-19 led to factory closures and supply chain disruptions. The stock reached a new high in June 2020, and it returned 804% during the year following its low in March 2020.

2021: Tesla shares peaked at around \$410 in November 2021 before falling 73% by December 2022. Supply chain problems and weak demand amid rising interest rates caused the decline, as did the perception that CEO Elon Musk was distracted after purchasing Twitter. Shares hit a new high in December 2024, shortly after Donald Trump was elected president. The stock returned 140% during the year following its low in December 2022.

Here is the big picture: History says Tesla will eventually recoup its losses. The stock not only rebounded from the last three declines exceeding 50% but also returned an average of 446% during the 12 months following the bottom of those declines. Of course, it is impossible to know whether the current decline has reached the bottom, but that information is still encouraging for shareholders.

However, there is some bad news. The current decline is essentially a continuation of the last one because the underlying problems were never solved. Instead, the rebound was driven by expectations that Tesla would benefit from the ties between Musk and President Trump. However, the company is still battling weak demand, and Musk is arguably more distracted than ever.

A stock price chart drawn in red that trends downward at a steep rate.

Image source: Getty images.

Tesla needs to restore demand and bring robotaxis to market

Demand for Teslas is deteriorating around the world. The company lost market share across its three major markets in 2024, and the losses have accelerated in 2025. In January, Tesla's market share fell by nearly 7 percentage points in the U.S., 8 percentage points in Europe, and 2 percentage points in China.

One reason for the weakness is increased competition from other automakers, which has been challenging for Tesla due to its aging lineup of electric cars. The company plans to build a more affordable vehicle this year, reportedly called the Model Q, which may help to some degree. However, weak demand is likely also related to Elon Musk's involvement in politics.

Tesla sales declined 49% in Europe during the first two months of 2025 despite strong growth in the broader electric car market. That alarming figure suggests Musk is damaging the brand by alienating potential buyers. The other issue with Musk dedicating so much time to the Department of Government Efficiency (DOGE) is that it raises questions about how actively involved he is with Tesla.

That is worrisome not only because the company is losing market share but also because it plans to launch an autonomous ride-sharing (robotaxi) service in Austin, Texas, this June. Alphabet's Waymo has been providing autonomous rides in several cities for years, so Tesla is already behind the curve. That means the stakes are high, and the launch must go smoothly so that Tesla can begin to catch up.

Importantly, Tesla's full self-driving software is powered entirely by computer vision. That makes its robotaxis less expensive and more scalable than Waymo robotaxis, which use lidar and radar (in addition to cameras) to map streets in high definition. Tesla avoids those costs and the associated time commitment by relying solely on cameras.

So, the company could theoretically launch robotaxis in any city once its full self-driving software supports true autonomy. By comparison, Waymo must meticulously map the metropolitan areas where it operates beforehand. Nevertheless, Tesla faces execution risk. Waymo has a head start, and its robotaxis may be safer because they are equipped with multiple types of sensors.

Here is the bottom line: Tesla shares have fallen by more than 50% three times before. The stock has always generated triple-digit returns during the year after hitting bottom and has always eventually reached a new high. However, for that trend to continue, I think Tesla must deal with demand issues and avoid permanent damage to the brand. The company must also successfully bring robotaxis to market in the near future. The stock may continue falling without those catalysts.

Dec 12, 2024

It took 1,133 days, but Tesla shares finally hit a new high. The stock closed Wednesday at \$424.77, eclipsing the prior split-adjusted high of \$409.97 on Nov. 4, 2021. Shares traded as high as \$424.88 on Wednesday, passing the prior intraday high of \$414.50 reached on the same day.

04/24/2024

Tesla Earnings Fall To Lowest Since 2021. Tesla Stock Surges Late On 'Affordable' EV.

Tesla (TSLA) announced worse-than-expected first-quarter earnings and revenue Tuesday, with the EV giant reporting its lowest quarterly EPS since 2021. But TSLA stock soared after hours and early Wednesday as the EV giant signaled "more affordable" new models are still coming.

Tesla reported Tuesday that Q1 earnings fell 47% to 45 cents per share. Meanwhile, quarterly revenue totaled \$21.3 billion, down 9% vs. Q1 2023. Analysts projected Q1 earnings falling more than 42% to 49 cents per share with sales declining nearly 5% to \$22.22 billion.

Tesla's Q1 EPS was the lowest since it reported 31 cents per share in Q1 2021.

Next-Generation Platform And The Robotaxi

Meanwhile, Tesla listed its next-generation platform as "in development." The company added that it believes its next wave of growth "will be initiated by advances in autonomy and introduction of new products, including those built on our next generation vehicle platform."

Tesla reported that it has updated its "future vehicle line-up to accelerate the launch of new models ahead of our previously communicated start of production in the second half of 2025."

These new vehicles include "more affordable models," according to Tesla and will "utilize aspects of the next generation platform as well as aspects of our current platforms." Tesla said these new vehicles will be able to be produced on the same manufacturing lines as its current vehicle line-up.

Chief Executive Elon Musk said on the earnings call the new model line will come early in 2025 "if not late this year."

The Tesla chief also confirmed the company will be "showcasing" its robotaxi, or "cybercab," on Aug. 8 and that a low cost vehicle will be discussed more at that time.

"The way to think of Tesla is almost entirely in terms of solving autonomy and being able to turn on that autonomy for a gigantic fleet," Musk said Tuesday.

Tesla Revenue, Free Cash Flow And The Hunt For AI

The EV giant said Tuesday its Q1 revenue decline was primarily due to a reduced average vehicle selling price and a drop in vehicle deliveries. Tesla added revenue was also hindered by issues with the Model 3 refresh rollout at its Fremont factory.

Total gross margins came in at 17.4%, down 199 basis points compared to Q1 2023. Meanwhile, Tesla ended the first quarter with a global vehicle inventory of 28 days, up 87% compared to Q1 2023.

The company added that the growth rates of its energy storage deployments and revenue from its energy generation and storage business "should outpace" the automotive business in 2024.

Tesla's free cash flow also went negative to the tune of \$2.5 billion in Q1, driven by an inventory increase of \$2.7 billion and Tesla spending \$1 billion on "AI infrastructure." Tesla executives expect free cash flow to turn positive once more in Q2.

However, the company added it will "continue to increase" its AI infrastructure capacity in the "coming months" and that it is currently working on ride-hailing functionality that will be "available in the future."

"The future is not only electric, but also autonomous," the company said in its earnings release. "We believe scaled autonomy is only possible with data from millions of vehicles and an immense AI training cluster. We have, and continue to expand, both."

Musk added on the earnings call that "if somebody doesn't believe Tesla is going to solve autonomy, I think they should not be an investor in the company."

Tesla Stock

TSLA shares gained 12.6% early Wednesday. Tesla stock advanced 1.9% to 144.69 during regular market action. On Monday, Tesla stock fell 3.4% to 142.05, hitting a fresh 52-week low of 138.80 intraday.

Tesla stock dropped around 2% on Friday, diving 14% for the week and undercutting April 2023 lows.

Tesla reported in early April that global first-quarter deliveries totaled 386,810 while it produced 433,371 vehicles. The deliveries included a combined 369,783 Model 3 and Model Y units along with 17,027 "other" vehicles.

Tesla's 386,810 deliveries tally in Q1 undercut even the lowest estimates and marks the lowest quarterly deliveries since 344,000 in Q2 2022.

Tesla stock ranks eighth in the 35-member IBD Auto Manufacturers industry group. The stock has a 28 Composite Rating out of a best-possible 99. Tesla stock also has a 10 Relative Strength Rating and a 67 EPS Rating.

Tesla shares sink below S&P entry level, wipe out 2021 gains.

Bitcoin's gains had skyrocketed to new highs recently after Tesla announced two weeks ago it added \$1.5bn in Bitcoin to its balance sheet.

Tesla Inc. shares wiped out their year-to-date gains Tuesday and traded below the level where they were when the electric-carmaker entered the S&P 500 Index in December.

The stock dropped as much as 12% to \$627.10 in New York on Tuesday, its biggest intraday decline since Sept. 8, after falling 8.6% on Monday. The stock is now down 30% from its Jan. 25 record intraday high.

Tesla's early-week decline amid a wider market selloff was fueled in part by Chief Executive Officer Elon Musk's comments over the weekend that the prices of Bitcoin and smaller rival Ether "do seem high."

The concerns over the value of the cryptocurrency helped erase some of Bitcoin's gains, which had rocketed to new highs after Tesla announced two weeks ago it added \$1.5 billion in Bitcoin to its balance sheet.

Smaller electric-vehicle stocks, which typically take their daily trading cues from Tesla, also dropped sharply Tuesday. The breakneck rally in many of the pure-play EV makers has slowed down considerably in 2021 as investors grew wary of increasing competition from traditional auto companies, such as General Motors Co. and Ford Motor Co.

Dec 31, 2022

[Tesla Stock Had the Worst Year Ever. That Doesn't Make It Cheap](#)

Tesla Inc. shares have fallen so far, so fast that some individual investors are piling in, seeing a chance to pick up what was once Wall Street's highest flying stock on the cheap.

But would-be bargain hunters may want to take a closer look.

Even after this year's record 65% drop, the electric-car maker's meteoric surge during 2020 and 2021 has left it with stock-market value of \$389 billion, more than Toyota Motor Corp., General Motors Co., Stellantis NV and Ford Motor Co. combined.

And the shares still trade at a higher valuation — relative to expected earnings — than most major technology giants, showing anticipation that the company will see the heady growth

that Chief Executive Officer Elon Musk has promised and dominate the industry in years to come.

In the short term, though, the company is facing mounting challenges, including rising costs, competitive threats, and the risk that a recession will slow demand. At the same time, Musk has been distracted by his takeover of Twitter, a transaction that's weighed on the stock due to speculation he could sell more Tesla shares to keep the money-losing social-media company afloat and take his eye off running the carmaker.

Musk Repeats Vow to Not Sell More Tesla Stock Amid 2022 Rout

"Tesla was priced for perfection — and perfection is hard to come by," said Catherine Faddis, senior portfolio manager at Fernwood Investment Management. "People are asking themselves, exactly why should it trade at so much of a premium?"

Such concerns fueled a major selloff in Tesla that drove the shares down more than 36% in December, the steepest monthly decline since the initial public offering in 2010. That delivered a windfall to short sellers who had bet against the stock after a two-year rally pushed it up 1,163% by the end of 2021.

Electric cars are still expected to be the future of the auto industry globally. But Tesla's short-term outlook has been clouded by the trajectory of the economy and factors like the surging cost of raw materials used in batteries. That led Tesla to raise prices this year just as consumers were contending with rapid inflation and high interest rates. To clear its inventory, Tesla offered a rare \$7,500 discount to customers who took delivery by the end of the year, effectively matching a potential federal subsidy that starts in 2023.

The company is also facing a growing competitive threat from major automakers that are slated to flood the market with a slew of new EVs over the next few years.

Despite that, the stock market is pricing in that Tesla will continue to post rapid growth and brokerage analysts are broadly more positive on the company than they were a year ago, when 29% of them advised selling the stock as it held over \$350, according to data compiled by Bloomberg. Only 11% are doing so now that it's dropped to around \$123.

Tesla shares are trading at more than 24 times its forward 12-month estimated earnings, with GM and Ford hovering between 5 and 6. That reflects how much more rapidly Tesla's sales are expected to increase in years ahead: While GM and Ford's 2023 revenues are anticipated to expand by low single digits, analysts see Tesla recording 36% growth.

Concerns that the company might be struggling with eroding demand have grown in recent weeks, however, on news of the year-end discounts and a temporary production halt at its factory in China.

"There is risk to both pricing and volume" for Tesla, said Ivana Delevska, chief investment officer at SPEAR Invest. "Analysts are estimating 50% volume growth, which is a stretch in an environment where affordability is the focus point for the consumer."

As Tesla slid recently, some analysts dialed back their 12-month price targets, dropping the average by 13% to \$247. Morgan Stanley analyst Adam Jonas was among them, cutting his call to \$250 from \$330.

But, like those who have been buying the recent dip, Jonas remains bullish on the stock and kept his overweight rating. His target implies the stock price may more than double in 2023.

Nov 9 2021

Tesla drops 12% for biggest fall this year after Musk stock sale proposal

Tesla stock ended Tuesday down 11.99% after CEO Elon Musk announced over the weekend that he plans to sell 10% of his shares.

Current and former board members including board chair Robyn Denholm, Elon Musk's brother Kimbal Musk, Ira Ehrenpreis and Antonio Gracias have also offloaded hundreds of millions of dollars worth of Tesla shares since Oct. 28.

Tesla stock closed down 11.99% on Tuesday, extending losses for a second day, after CEO Elon Musk over the weekend proposed selling 10% of his shares in the electric vehicle business.

The drop is on pace to be the largest of the year for the stock, and comes after a fall of nearly 5% on Monday, tempering a mostly upward trend for the year. Overall, Tesla shares are up more than 47% in 2021 and have more than doubled from one year ago, as the company reported improved automotive margins and navigated a chip shortage to ramp production while competitors faltered.

Current and former board members including chairwoman Robyn Denholm, Elon Musk's brother Kimbal Musk, Ira Ehrenpreis and Antonio Gracias have also offloaded hundreds of millions of dollars worth of Tesla shares since Oct. 28 after Tesla's market cap surpassed \$1 trillion.

Musk was awarded a hefty options package as part of a CEO performance plan in 2012. Because he doesn't take a salary or cash bonus, his wealth comes from those stock awards and gains in Tesla's share price. The 2012 award was for 22.8 million shares at a strike price of \$6.24 per share. Those are due to expire on Aug. 13, 2022.

He has additional options from an unprecedented 2018 CEO pay package as well.

The iconoclastic CEO has pledged at least 92 million of his Tesla shares to lenders for cash borrowing. As CNBC previously reported, Musk may want to sell some shares to pay down his debt, and he faces a potentially massive tax bill on his windfall as he exercises his options and sells shares.

Despite recent insider sales, Jefferies raised its price target for shares of Tesla from \$950 to \$1,400 in a note Monday.

Analyst Philippe Houchois wrote, "Without dismissing execution risk, Tesla is getting to a position where it can balance affordability and speed, goals which are as important as profitability in Elon Musk's vision."

Like many other analysts, he expects Tesla to maintain an edge in the battery electric segment of the new vehicle market for years to come.

However, Elon Musk's car company is facing new competitive pressure from upstarts and legacy automakers alike.

For example, the electric vehicle upstart Rivian, which is backed by Amazon , Ford

and Cox Automotive, Rivian, is poised for an IPO this week. The company plans to start customer deliveries of its R1S, a three-row seven-passenger sports utility vehicle next month.

Chinese automaker Geely just introduced a heavy duty battery-powered electric truck to compete with Tesla's long-delayed Semi.

According to China Passenger Car Association data out this week, Volkswagen sold over 12,000 of its ID series fully electric vehicles in China in October, and sold over 16,000 electric vehicles in total in China last month, while Tesla sold an estimated 13,725 there, opting to export 40,666 of the 54,391 electric cars it made in Shanghai instead.

"Tesla China often starts quarters slow and finishes strong. September deliveries, for example, topped 50,000. So it is hard to draw hard conclusions from the October numbers," cautions Michael Dunne, CEO of the auto industry advisory ZoZoGo.

Confusion over Tesla's Semi program and relationship with rental car company Hertz may also be weighing on Tesla shares. Tesla has said its Tesla Semi production is still "in development" while a Pepsi executive said he expects Tesla to deliver some of its heavy duty trucks to the food and beverage giants this quarter.

Hertz has said it was ordering 100,000 electric vehicles from Tesla for its rental fleet, and interim CEO Mark Fields said the companies have a contract. However, Musk has said there is no contract with Hertz for the massive order.

2021

Based on average monthly returns since 2021, Tesla's has an average return of 11.47% and a 75% chance of a price increase in November. As markets remain volatile and momentum builds, all eyes are on whether Tesla can maintain its streak this November.

December 02, 2021

Why Tesla (TSLA) Skyrocketed During the Pandemic

In January 2020, Tesla, Inc. (TSLA) was valued at \$117 billion by the stock market. By the end of the year, that figure had skyrocketed to \$658.39 billion. Subsequently, Tesla's stock traversed the distance to a \$1 trillion market cap in less than a year, reaching that milestone on Oct. 25, 2021.

The stratospheric rise in Tesla's shares within a short span of time has confounded investors. It also raises an important question: can the factors that propelled Tesla to a trillion-dollar valuation during the pandemic help sustain its momentum afterwards?

Key Takeaways

The increase in Tesla's stock price and market cap has created a financial complex of investment products that include or track the electric car maker's stock.

Average trading volume in Tesla options exceeds that in S&P 500 options.

The financial complex has helped Tesla finance the next round of its evolution as a major car manufacturer.

The Tesla Financial Complex

While retail investors (and CEO Elon Musk's tweets) have played a major role in Tesla's ascent, at the heart of the electric car maker's meteoric rise lies what the Financial Times terms a "Tesla financial complex."¹

1

Included in this complex are an assortment of investment products—options, equity-linked funds, climate tech-focused investment vehicles—and they exert a massive influence in the equity and derivatives markets.

The relationship between the stock and members of this complex is symbiotic. As Tesla's stature grows in the markets, funds and derivatives with exposure to the stock generate outsized returns, leading fresh investors to pour money into it and further increase its influence. For example, in July 2018, the Tesla was a holding in 106 exchange traded funds (ETFs). By December 2021, it became a holding in 244 ETFs.²

2

3

Tesla's entry into the S&P 500 in December 2020 has further exposed funds tracking the index to the company's stock, and they have reaped the rewards of its price run-up. The company joined the S&P 500 with a weighting of 1.6%. By the beginning of November 2021, it was weighted at 2.5% of the index and had contributed almost a quarter of the index's returns.³

4

A similar story played out in the Russell 1000, where Tesla accounted for 4% of the overall weighting in November.

In the Morningstar Consumer Cyclical Index, Tesla has contributed 27.98 percentage points to the index's 95.24% gain in the past two years. Online retail behemoth Amazon.com, Inc. (AMZN) was a distant second with a contribution of 16.92 points.

5

According to a recent report by investment firm Goldman Sachs, the nominal trading value of Tesla options averaged \$241 billion a day in recent weeks. For context, average trading volume for the rest of the S&P 500 excluding Amazon was \$112 billion. Goldman has attributed the explosion in options trading within the United States to Tesla, calling it a "critical driver of the market."

6

Typically, options are a risky bet on an underlying equity's future price movement. The leverage risk, inherent in most options, is reflected in a stock's price volatility. While Tesla's stock is prone to wild swings, its rise has also been accompanied by a corresponding change in the perception of risk in the markets.

The electric car maker's choppy ascent since its debut in the stock market in 2010 has frequently been punctured by short sellers, who claim that electric vehicles are expensive and have no future.

7

The pandemic changed that calculus. Intensifying debate about climate change coupled with the current administration's green subsidy push and record delivery numbers (although they still lag those of established car manufacturers by a wide margin) have helped push Tesla past the \$1 trillion mark.

Should Investors Expect Further Gains?

During times of excess, fundamentals take a backseat. And so it has been with Tesla. Even though the company makes a fraction of the cars of its competitors such as Ford Motor Company (F) and General Motors Company (GM), it sported roughly five times their combined market cap in December 2021.

8

Much of the heft in Tesla's valuation (and associated financial products) comes from the promise of a future dominated by electric vehicles. At present, that world does not exist, making Tesla's current valuation seem outlandish.

Drew Dickson, chief investment officer at Albert Bridge Capital, told the Financial Times that valuations nowadays are driven by a "huge, recursive 'tail wagging the dog' nature," meaning they are based on expectations of the future rather than present reality. "I'm unwavering in my belief that ultimately the fundamentals are what matters," he said.

1

While it has artificially inflated the company's valuation, the financial juggernaut machine behind Tesla's wild pandemic ride in the markets has also helped bolster the company's fundamentals. The flow of investors pouring money into Tesla's stock and associated financial products helped finance its investments into manufacturing infrastructure. The company's reliance on bonds, which require regular payments, has lessened.

Last year, Tesla issued \$10 billion worth of new equity at prices that were approximately nine times that of 2019, to capitalize on demand for its shares.

9

That capital infusion has helped the company inaugurate new factories in Austin and Berlin. Once they become operational, along with its factories in Fremont and Shanghai, the company should kickstart into high gear with its vehicle delivery.

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Mar 11, 2025

Tesla stock price drop on March 11, 2025: Why TSLA shares fell, Elon Musk's response, and future outlook

Tesla's stock (TSLA) has experienced a significant decline, with its price dropping sharply on March 11, 2025. Investors are closely monitoring Tesla's situation as the electric vehicle (EV) leader faces challenges such as falling sales, market volatility, and changing investor attitudes. Despite this, CEO Elon Musk remains hopeful, asserting, "It will be fine." So, what exactly triggered this downturn, and what should investors anticipate moving forward?

How has the broader tech sector affected Tesla's stock?

The challenges faced by Tesla are indicative of a larger decline in the tech sector:

In 2025, eight prominent tech billionaires, including Musk, have seen their combined wealth decrease by \$266 billion.

Market fluctuations have been exacerbated by President Donald Trump's economic policies, contributing to the uncertainty within the tech industry.

How has Elon Musk reacted to the drop in Tesla's stock?

El ..

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2022

Tesla traded at \$449.47 this Friday January 23rd, increasing \$0.11 or 0.02 percent since the previous trading session. Looking back, over the last four weeks, Tesla gained 7.40 percent. Over the last 12 months, its price rose by 10.55 percent. Looking ahead, we forecast Tesla to

be priced at 423.98 by the end of this quarter and at 385.88 in one year, according to Trading Economics global macro models projections and analysts expectations.

Tesla, Inc. designs, develops, manufactures, sells and lease electric vehicles and energy generation and storage systems, and offer services related to its sustainable energy products. The Company's segments include automotive, and energy generation and storage. The automotive segment includes the design, development, manufacturing, sales and leasing of electric vehicles as well as sales of automotive regulatory credits. The energy generation and storage segment include the design, manufacture, installation, sales and leasing of solar energy systems and energy storage products, services related to its products, and sales of solar energy system incentives. Its automotive products include Model 3, Model Y, Model S and Model X. Model 3 is a four-door sedan. Model Y is a sport utility vehicle (SUV) built on the Model 3 platform. Model S is a four-door sedan. Model X is an SUV. The Company's energy storage products include Powerwall, Powerpack and Megapack.

03/01/2023

Tesla delivered 1.3 million vehicles in 2022

Tesla has revealed that it delivered 405,278 vehicles in the final three months of 2022, which marked a new record high but still fell short of the 420,000 to 430,000 deliveries forecast by analysts.

That meant Tesla delivered a record 1.3 million vehicles in 2022, marking a 40% jump from the 936,222 units shipped in 2021. While impressive, this fell short of Tesla's goal to grow deliveries by around 50% each year.

Tesla deliveries hit a record high in 2022, but missed expectations

Tesla continues to suffer from logistical problems

The annual growth in deliveries was driven by a stronger performance in the second half of the year following the problems we saw during the first. Widespread supply chain issues held back growth in both output and deliveries in the first and second quarters of 2022, as did severe Covid-19 disruption in China. We then saw these headwinds ease, but only to be replaced by new logistical issues that has made it more difficult to ship cars to customers. This saw the gap widen between the number of vehicles being made to the number being delivered in the second half, as demonstrated by the chart below. Notably, Tesla's annual production rose over 47% in 2022, which was much closer to its 50% target.

Tesla's delivery numbers continue to lag production

Tesla confessed that deliveries lagged production again in the fourth quarter because it is taking longer to get them to customers, leading to an increase in the number of vehicles in transit at the end of the fourth quarter compared to what we saw in the third. CEO Elon Musk vowed to get on top of this issue back in October, but the situation appears to have worsened considering it produced over 34,400 more vehicles than it delivered in the fourth quarter, up from the 22,000 gap reported in the third.

This could continue to weigh on sentiment going forward as it threatens Tesla's goal to grow vehicle volumes by 50% each year, which in turn is a major factor that underpins its valuation and prospects.

Tesla 2023 outlook: How many cars can it deliver?

Wall Street believes the logistical issues will ease in 2023 and forecast that both production and deliveries will rise another 43% this year, leading to a more normalised balance between the two metrics. Analysts currently anticipate the carmaker will produce 1.96 million cars in 2023 and deliver 1.88 million of them to customers.

While analysts remain confident that Tesla can celebrate another record year in 2023, we have seen concerns shift from supply toward demand in recent months. Rising interest rates and fears of an economic slowdown are both igniting concerns that demand could slow this year. That is occurring at a time when competition is intensifying across the world, from traditional automakers like General Motors and Ford to newer outfits such as BYD, NIO and Rivian.

Tesla earnings date pencilled in for this month

Tesla will release earnings for the fourth quarter of 2022, as well as the full year, after US markets close on Wednesday January 25.

The company has also announced it plans to hold an investor day on March 1, which will be livestreamed from its Gigafactory in Texas. ‘Our investors will be able to see our most advanced production line as well as discuss long term expansion plans, generation 3 platform, capital allocation and other subjects with our leadership team,’ Tesla said in a statement.

Tesla shares suffer worst year in 2022 since IPO

Tesla shares fell 65% in 2022, marking the worst performance on record since the electric carmaker went public back in 2010. That saw Tesla’s valuation plunge by a staggering \$850 billion during the year as a myriad of headwinds hit the stock, from Covid-19 disruption in China, logistical issues and fears over demand to the offloading of stock by Musk and his controversial takeover of social media platform Twitter, which has led to accusations that Tesla is lacking leadership at a critical time.

That has brought Tesla’s valuation down dramatically considering the company is currently trading at a blended forward price-to-earnings ratio of 23.1x compared to a five-year average of 127.7x, according to figures from Bloomberg. Still, while much more reasonable, Tesla continues to trade at a huge premium compared to its rivals because it is the only pure-play electric carmaker delivering profits – with newer startups earning much lower multiples because they are still in the red and traditional automakers still being punished for their legacy businesses built around combustion engines.

Where next for TSLA stock?

Tesla shares slumped to their lowest level in 29 months in the final days of 2022 after suffering a sharp fall late in the year. We have seen some support emerge above the \$108 mark, which appears to have been low enough to have attracted buyers back into the market in the last two trading days of the year.

Still, the severe fall seen in late 2022 was accompanied by a surge in volumes, with the average volume at time over the past 20 sessions coming in over 60% above the 100-day average. Volumes have increased further considering the 10-day and 5-day figures are even higher, suggesting the current downtrend could be gaining traction.

The 29-month low is now the immediate level of support that must hold to avoid fresh lows. A fall from here risks bringing in the key psychological level of \$100 back into the picture. A move below here would open the door to the next level of support we saw back in mid-2020 at \$95.30.

The recent rebound will provide some hope that Tesla shares have found the bottom considering it pushed the RSI deep into oversold territory, supporting the view that a new level of support could emerge around current levels. Still, the stock still has a big job to break out of the downtrend that can be traced back to late September. If it can achieve this, then the stock can recapture the \$152 level of resistance seen in September and October 2020 before targeting the November 2022-low of \$167.50.

Tue 27 Dec 2022

Tesla stock marks lowest close in years as investors worry about Musk's focus

Tesla shares fell on Tuesday to their lowest in more than two years, marking the company's worst day in eight months, as Elon Musk's electric carmaker confronts a rocky financial period.

The company's stock has lost more than half its value since the start of October. Investors worry that Twitter is taking much of Musk's time, now that he is the social network's owner and CEO.

Elon Musk needs to realise Twitter is a hobby and Tesla is his priority

Nils Pratley

Nils Pratley

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His tenure as head of the platform has been marked by chaos as he implements – and often reverses – a host of new policies. Musk recently said he would find a new CEO to replace him after most polled Twitter users voted for him to step down. Experts say his erratic behavior has undermined confidence in Tesla, with shares down 73% from November 2021.

Tuesday's loss, which saw Tesla shares drop 11.4%, also followed a Reuters report that the company was planning to run a reduced production schedule in January at its Shanghai plant. That news sparked worries of a drop in demand in the world's biggest car market, amid a rising number of Covid-19 infections in China.

"There's no question there are demand fears," Great Hill Capital chairman Thomas Hayes said, citing a delivery forecast cut from Chinese rival Nio in the key market.

Hayes also added that Tesla's stock was facing a "perfect storm" of high interest rates, tax-loss selling and share sales by some funds that hold a significant amount of Tesla stock.

Tax-loss selling is when an investor sells an asset at a capital loss to lower or eliminate the capital gain realized by other investments for income tax purposes.

Meanwhile, a Reuters analysis showed that prices of used Tesla cars were falling faster than those of other carmakers, weighing on demand for the company's new vehicles rolling off the assembly line.

Tesla CEO, Elon Musk

Elon Musk loses title of world's richest person to Bernard Arnault

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Musk previously attributed Tesla's recent struggles to rate hikes from the Federal Reserve, stating "people will increasingly move their money out of stocks into cash, thus causing stocks to drop".

The billionaire himself has offloaded Tesla stock this year, selling nearly \$4bn of his own shares in Tesla to finance the deal to buy Twitter, which he bought at \$44bn. He said in mid-December he would not sell additional Tesla stock "for at least 18 to 24 months". However, financial filings show he sold millions after making similar promises in April 2022.

Analysts have raised the possibility of Musk being asked to step down as executive at Tesla over his actions at Twitter, as he is already facing a lawsuit over his alleged failure to focus on Tesla due to outside ventures.

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Dec 23, 2022

Here's How Tesla Stock's 69% Crash In 2022 Compares To Other Slumping Stocks

Tesla's 8.9% decline Thursday and 1.8% loss Friday brought its year-to-date drop to 69.2%, driven by largely recession-related demand concerns in the U.S. and China, as well as the

controversial “antics” of Musk as he offloaded \$22.9 billion in Tesla shares to fund his takeover of the social media company Twitter.

The Texas-headquartered automaker’s 2022 losses far surpass those of major stock indexes, with the Dow Jones Industrial Average down 9.2% over 2022, while the S&P 500 and tech-heavy Nasdaq are down 19.9% and 33.7%, respectively.

Other innovative companies long heralded for outperforming the market are also slumping, with each component of FAANG (Facebook parent Meta, Amazon, Apple, Netflix and Google parent Alphabet) down 28% or more year-to-date.

But Tesla’s fall still far outpaces those peers, narrowly surpassing Meta’s 65.5% drop and far underperforming Amazon’s 50.9% and Netflix’s 50.8% declines.

Even bitcoin has performed better than Tesla shares amid the ongoing “winter” for cryptocurrencies as the industry is roiled in controversy and uncertainty, with bitcoin down 64.8% year-to-date to \$16,806.

12/09/2024

Tesla Stock Heads Toward 400 For First Time Since 2022

Tesla (TSLA) stock jumped early Monday, attempting to add to a nearly 13% gain last week, as the EV giant eyes a level it hasn't reached since early 2022.

TSLA shares angled higher, hitting 404.80 early, before paring those gains advancing 0.15% to 389.79 during market action on Monday. Tesla stock last touched 400 in January 2022, according to MarketSurge charts. Elon Musk's company hit an all-time high of 414.50 on Nov. 4, 2021. That day it closed at 409.97.

TSLA surged 5.3% to 389.22 on Friday, part of a 12.8% gain last week. The stock is on a 55% tear since Donald Trump's election win, as investors speculate that self-driving is coming soon, with the Trump administration easing the regulatory path for autonomous vehicles.

Tesla stock popped 3.2% to 369.49 on Thursday, clearing a recent range, which could have offered an add-on entry for existing TSLA holders. However, the stock is more than 70% above its 200-day moving average, a red flag of a stock becoming overextended.

Bank of America analyst John Murphy on Thursday raised his Tesla stock price target to 400, up from 350, and maintained a buy rating. The analyst hiked his price target after visiting Tesla's Texas gigafactory.

March 30, 2025

Tesla Stock Dropped 50% From Its High. History Says This Will Happen Next.

Tesla (NASDAQ: TSLA) hit a record high of \$480 per share in December after Donald Trump won the presidential election. The market assumed the relationship between CEO Elon Musk and President Donald Trump would benefit the company in some way, but that benefit has yet to materialize.

Instead, Tesla stock tumbled more than 50% from its record high in early March, something that has happened only three times before. Shares have since rebounded slightly but remain 45% below their high. Fortunately, history says Tesla will eventually recoup its losses.

History says Tesla stock will eventually rocket higher and recoup its losses

As mentioned, Tesla stock has declined at least 50% from a record four times since the company went public in June 2010. We can review the first three incidents to make an educated guess about how the current one might play out. Here's what happened the last three times:

2017: Tesla shares peaked at around \$26 in September 2017 before dropping 54% by June 2019. Model 3 manufacturing problems, Model Y production delays, and disappointing financial results drove the decline. Shares reached a new high in December 2019, shortly after the Cybertruck unveiling. A bullish forecast from Ark Invest CEO Cathie Wood also helped. The stock returned 394% during the year following its low in June 2019.

2020: Tesla shares peaked at around \$61 in February 2020 before falling 60% by March 2020. Whereas the last drawdown was driven by company-specific factors, this one aligned with a sharp decline in the broader stock market as the rapid spread of COVID-19 led to factory closures and supply chain disruptions. The stock reached a new high in June 2020, and it returned 804% during the year following its low in March 2020.

2021: Tesla shares peaked at around \$410 in November 2021 before falling 73% by December 2022. Supply chain problems and weak demand amid rising interest rates caused the decline, as did the perception that CEO Elon Musk was distracted after purchasing Twitter. Shares hit a new high in December 2024, shortly after Donald Trump was elected president. The stock returned 140% during the year following its low in December 2022.

Here is the big picture: History says Tesla will eventually recoup its losses. The stock not only rebounded from the last three declines exceeding 50% but also returned an average of 446% during the 12 months following the bottom of those declines. Of course, it is impossible to know whether the current decline has reached the bottom, but that information is still encouraging for shareholders.

However, there is some bad news. The current decline is essentially a continuation of the last one because the underlying problems were never solved. Instead, the rebound was driven by expectations that Tesla would benefit from the ties between Musk and President Trump. However, the company is still battling weak demand, and Musk is arguably more distracted than ever.

Dec 12, 2024

Tesla Stock Hit a Record. What History Says Comes Next.

It took 1,133 days, but Tesla shares finally hit a new high. The stock closed Wednesday at \$424.77, eclipsing the prior split-adjusted high of \$409.97 on Nov. 4, 2021. Shares traded as high as \$424.88 on Wednesday, passing the prior intraday high of \$414.50 reached on the same day.

Nov 9 2022

Tech

Tesla sinks to almost two-year low on Elon Musk stock sales, Twitter distraction

Tesla

shares dropped more than 7% on Wednesday to close at \$177.59, their lowest since November 2020, after CEO Elon Musk disclosed the sale of close to \$4 billion worth of stock in the electric car company.

The stock is down 50% year-to-date. As of Tuesday's close, it was the 465th worst performer this year in the S&P 500.

Musk apparently sold the latest batch of Tesla shares at least in part to finance his \$44 billion acquisition of Twitter, which closed in late October. His sales were revealed through financial filings with the SEC on Tuesday night, published as votes from the U.S. mid-term elections were being tallied.

According to an analysis by Ben Silverman, Director of Research for VerityData, Musk's latest Tesla stock sales were very well-timed. Silverman tracks insider sales by company executives.

Tesla closed at \$215.31 on Nov. 3, the day before his first sale in this batch, and closed at \$191.30 on Nov. 8, the day of his most recent disclosed sale. Shares declined about 11% over those three trading days.

VerityData's InsiderScore notes that Musk had 267.6 million shares of Tesla pledged as collateral for personal indebtedness as of Mar. 31. He holds about 19.7% of Tesla's outstanding shares following the latest sale of about 19.5 million shares, a decline from about 22.4% ownership at the end of 2020.

Musk still owns 445.6 million Tesla shares and holds exercisable options for 177.3 million more Tesla shares at \$23.34, as well as some smaller tranches of options.

Musk sold \$8.5 billion worth of Tesla shares at \$294.36 per share in April and \$6.9 billion worth of his stock at \$289.79 per share. Late last year, Musk sold \$6.6 billion worth of Tesla shares at \$357.23.

"Regardless of his reasoning for selling TSLA shares right now, it's hard to ignore the expert timing of his previous sales," InsiderScore wrote. "In other words, Musk is no dummy, so following his lead may not be a bad idea."

Musk has pulled dozens of Tesla employees, mostly Autopilot engineers, to Twitter to help him with code review and other work. He hasn't made clear how he or these employees will divide their schedules and responsibility at the companies.

Tesla stock closes out worst year ever with a 65% loss in 2022, wiping out more than \$700 billion in market cap

Tesla stock ticked up Friday, the last trading day of 2022, but closed out its worst year in the company's history.

Shares sank about 65% from the start of the year, amounting to a loss of more than \$700 billion in market value.

Investors have sounded the alarm on slowing demand and vehicle production, a sluggish market share in China, Fed rate hikes, and CEO Elon Musk's takeover of Twitter.

The Tesla stock sell-off far outpaced the losses of major indices including the S&P 500 and the tech-heavy Nasdaq, which plunged 20% and 33%, respectively, for the year.

But Musk, who has also seen his personal net worth tumble alongside Tesla shares, has tried to shrug off the carnage.

"Don't be too bothered by stock market craziness. As we demonstrate continued excellent performance, the market will recognize that," he told Tesla employees in a message earlier this week.

After touching an all-time high in November 2021, share began trending lower. But the majority of the downturn in the stock has come since Musk completed his takeover of Twitter, where he is also serving as CEO, in October.

A big shift also occurred that month at Tesla, which walked back expectations that the company would increase production by 50%.

Investors and analysts have since displayed growing concern that Twitter is taking away Musk's focus on Tesla with his politicized tweets hurting the EV maker's brand as well.

Sep 15, 2025

Tesla's Stock Rises As Elon Musk Buys Over 2.5 Million Shares Worth \$1 Billion

Tesla's stock is climbing as CEO Elon Musk disclosed the purchase of more than 2.5 million shares worth approximately \$1 billion.

Tesla's stock is climbing Monday as CEO Elon Musk disclosed the purchase of more than 2.5 million shares worth approximately \$1 billion.

Shares of the electric vehicle maker rose more than 5% in morning trading.

Musk purchased various amounts of shares at different prices on Friday, according to a regulatory filing. The move may be viewed by the markets as the billionaire remaining confident in the company's future.

Earlier this month Tesla released a proposed pay package for Musk that would possibly make him the world's first trillionaire if he hits a series of extremely aggressive targets for the company over the next decade.

Tesla said in a regulatory filing that it will hand Musk shares worth as much as 12% of the company in a dozen separate packages if the company meets certain performance targets, including massive increases in car production, share price and operating profit. If approved by shareholders, the new pay package could make Musk the world's first trillion dollar executive, and would mark a new level of outsized pay in a country already known for extreme compensation. But the payoff is in shares, not cash, and the goals are extreme as well.

To get his first package of shares equivalent to 1% of the company, Musk would have to convince investors in the stock market that Tesla is worth \$2 trillion in total, double what they value it today, and also hit several other milestones. To receive all the shares offered and make him the world's first trillion-dollar man would require that market value to then rise to \$8.5 trillion, double that of the world's most valuable company now, chipmaker Nvidia.

Tesla has seen a plunge in sales this year, largely due to blowback over Musk's affiliation with President Donald Trump. Tesla also faces intensifying competition from the big Detroit automakers and particularly from China.

Investors have grown increasingly worried about the trajectory of the company after Musk had spent so much time in Washington this year, becoming one of the most prominent officials in the Trump administration in its bid to slash the size of the U.S. government.

Tesla is set to hold its annual shareholders meeting on Nov. 6, where investors will vote on the new pay package.

Jun 06, 2025

Trump-Musk Feud: Tesla Now Worst-Performing Stock, Loses \$380 Billion In 2025

During the spat, Elon Musk reminded the "ungrateful" President that the reason he can call the White House his home, was because of Musk's financial and moral support during the election campaign last year, for which he had poured in hundreds of millions of dollars.

Elon Musk's political adventure has been nothing short of a roller-coaster ride - Oval Office access and conference calls with world leaders at the President's golf resort at its peak and being threatened about his government contracts being scrapped and tax benefits being revoked at its worst.

But it is Musk's businesses that have borne the brunt of his political escapade, especially in the last 24 hours, after his public fallout with former friend and boss Donald Trump. Tesla has become the worst-performing large-cap stock this year. Its valuation was on a steady decline ever since Musk made his political ambitions public.

THE DECLINE

Its decline picked pace amid Trump's rhetoric about "beautiful" oil and his executive order on Day 1 of his second term ordering to "drill baby, drill" to "Make America Great Again". As Trump kept hard-selling vehicles that run on petroleum, the demand for Electric Vehicles or EVs fell sharply.

Chief Executive Officer Elon Musk's political controversies over his ties to far-right groups resulted in Tesla stock losing even more value after Trump took office in January. But the most devastating blow to the Tesla stock came after Thursday's explosive fallout when the two brash billionaires indulged in a no-holds-barred verbal duel resulting in an end to their partnership.

This Article is From Jun 06, 2025Trump-Musk Feud: Tesla Now Worst-Performing Stock, Loses \$380 Billion In 2025During the spat, Elon Musk reminded the "ungrateful" President that the reason he can call the White House his home, was because of Musk's financial and moral

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Written by:

Abhishek Chakraborty

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Trump-Musk Feud: Tesla Now Worst-Performing Stock, Loses \$380 Billion In 2025

Tesla Inc has borne the brunt of the public feud between Donald Trump and Elon Musk.

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Washington DC:

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FREE FALL

Stock valuation went into free fall as markets opened after Trump's 'One Big Beautiful Bill' was passed by House Republicans leading to Musk and Trump trading threats and insults. Tesla stock plunged more than 14 per cent, resulting in a wipeout of roughly \$152 billion in a matter of hours.

With this, Tesla has lost more than \$380 billion in valuation since the beginning of 2025 - making it the biggest loser among large-cap stocks. Tesla's market capitalization has fallen 29.3 per cent to \$917 billion so far this year.

The firm, which ranked eighth globally in terms of market cap at the start of the year, is now on the verge of dropping out of the top 10 big companies globally.

THE EV-KILLER BILL

Trump's 'Big Beautiful Bill' is seen by Elon Musk as an EV-killer since the bill removes tax cuts or tax benefits given to electric vehicle manufacturers. For a firm like Tesla, this means tens of billions of dollars annually.

Donald Trump has now also threatened to cut Elon Musk's government subsidies and contracts, which give both Tesla and SpaceX "billions and billions of dollars" of benefits. Elon Musk's personal wealth has also taken a beating since the public feud, dropping by nearly \$9 billion, according to Bloomberg's billionaire index.

Jan 3 2023

Tech

Tesla shares tumble more than 12% following deliveries report

Shares of Tesla

closed down 12% on Tuesday, a day after the electric auto maker reported fourth-quarter vehicle production and delivery numbers for 2022 that fell shy of analysts' expectations and the company's stated goals.

Deliveries are the closest approximation of sales disclosed by Tesla. The company reported 405,278 total deliveries for the quarter and 1.31 million total deliveries for the year. The full year numbers represented a record for the Elon Musk-led automaker and growth of 40% in deliveries compared to 2021.

But according to a consensus of analysts' estimates compiled by FactSet, as of Dec. 31, 2022, Wall Street was expecting Tesla to report around 427,000 deliveries for the final quarter of the year. Estimates updated in December, and included in the FactSet consensus, ranged from 409,000 to 433,000.

Shares of Tesla suffered a yearlong sell-off in 2022, prompting CEO Musk to tell employees in late December not to be "too bothered by stock market craziness."

Musk has blamed Tesla's declining share price in part on rising interest rates. But critics point to his rocky \$44 billion Twitter takeover as another big culprit. Musk sold tens of billions of dollars of his Tesla shares last year, in part, to finance the leveraged buyout.

Toni Sacconaghi at Bernstein sees Tesla "facing a significant demand problem," in 2023.

He wrote in a note on Monday, "Tesla's annual order run rate in Q4 including significant discounting was only about 1M units, and the company's target is to sell close to 2M units in

2023. We expect demand challenges persisting in 2023.” He noted that no Tesla models appear to currently qualify for any Inflation Reduction Act rebates except the 7-seat version of the company’s Model Y. The 7-seat option costs about \$3000.

He added, “We believe Tesla will need to either reduce its growth targets (and run its factories below capacity) or sustain and potentially increase price cuts globally, pressuring margins.”

Analysts at Goldman Sachs said they consider the delivery report to be an “incremental negative,” and view Tesla as a company that is “well positioned for long-term growth.” Goldman reiterated its buy rating on the stock in a Monday note and said that making vehicles more affordable in a challenging macroeconomic environment will be a “key driver of growth.”

January 15, 2024

Why Tesla Stock Surged 102% in 2023

Elon Musk's electric vehicle (EV) company had a phenomenal year. Despite volatility, Tesla (NASDAQ: TSLA) stock doubled investors' money in 2023 as it surged 101.7%, according to data provided by S&P Global Market Intelligence.

It wasn't an easy year to begin with, though. Competition was already on the rise when soaring inflation and interest rates began to hit demand. Tesla made a bold move: It slashed prices of its cars multiple times, and steeply, over several months.

The move triggered a price war in the industry and hit Tesla's margins, leading many to question CEO Elon Musk's rationale. Musk, however, was willing to forego margins in the short term for higher volumes and insisted that Tesla is committed to delivering over the long term. It was a calculated move, as Tesla exited the year with strong growth in deliveries despite all the hiccups. In between a much-awaited launch of its Cybertruck helped boost investor sentiment in Tesla stock. Expectations from Tesla are already running high for 2024.

Strong demand and cash flows drove Tesla stock higher

Tesla's 2023 production was up 35% year over year to around 1.85 million cars, while its deliveries surged 38% to 1.81 million units. Tesla's lower-priced models, Model 3 and Model Y, accounted for 96% of its total deliveries in the year. Other models, including Model S,

Model X, Tesla Semi truck, and Cybertruck made up the rest. Tesla met two important targets in 2023: Delivering 1.8 million cars as it projected earlier in the year, and starting production of its Cybertruck at its Texas gigafactory in late 2023.

Tesla delivered its first set of the all-electric pickup truck in late November. During Tesla's third-quarter earnings conference call, Musk reiterated that Cybertruck was Tesla's "best product ever" and demand was already "off the charts," with reservations crossing 1 million. Musk, however, is not one to mince words, and he reminded investors how hard it is to scale up production. He assured them that while demand is plentiful, building trucks at a price that people can afford is where the real challenge lies. It could, therefore take a year or more before the Cybertruck starts contributing meaningfully to Tesla's cash flows. Once it does, it should be a big boost to Tesla's cash flows which are already growing steadily.

As of the end of the third quarter, Tesla generated \$8.9 billion in operating cash flow and \$2.3 billion in free cash flow. The EV maker ended the quarter with a hefty cash and equivalents balance of \$26 billion. Those are commendable figures, as 2023 was a challenging year on several counts for Tesla. The company is also pumping more and more money every quarter into new products and technology, including Cybertruck, artificial intelligence technologies like self-driving Optimus and Dojo, and its energy business.

January 6, 2023

Tesla's stock lost over \$700 billion in value. Elon Musk's Twitter deal didn't help

For several years, the meteoric rise of Tesla stock has captivated, thrilled and mystified Wall Street. But in 2022, that meteor blazed out.

The electric-carmaker's stock lost 65% of its value in 2022. And the company kicked off the new year with yet another plunge, dropping 12% in a single day after disappointing sales figures were announced.

That's not only bad for investors. It's also bad for Tesla CEO Elon Musk, who has a big chunk of his wealth tied to the automaker and is no longer the world's richest man.

But what made those sales figures so disappointing? Tesla set new sales records; it grew deliveries 40%. The company continues to dominate the electric vehicle market in the U.S., which is growing rapidly as the world seeks to reduce the carbon emissions causing climate change.

Here are four reasons the transformational company's stock has cratered.

It was a tough year for the entire auto industry

It wasn't just Tesla that saw stock values slide. The stock market as a whole declined in 2022, and within the auto sector, every single automaker saw stock prices go down. Major players like General Motors and Ford fell some 40%, and startups like Rivian and Lucid dropped more than 80%.

All automakers faced the same headwinds that the broader economy faced (inflation, rising interest rates).

They also started off 2022 with shortages of parts that kept dealer lots unusually empty — and ended the year with sky-high vehicle prices that could be turning away would-be buyers.

U.S. auto sales declined in 2022 to decade lows, according to estimates from Cox Automotive.

And Tesla's sales may have increased 40% over 2021, but they still fell short of both its ambitious growth targets and analysts' expectations.

Tesla faces new competition for electric vehicle sales

Despite a tough year for the broader auto industry, electric vehicle sales increased last year. And Tesla continues to dominate the electric vehicle market.

Sponsor Message

The bad news for Tesla? Competition is rising. At the high end of the market, familiar names such as Mercedes-Benz, BMW and Audi, as well as Lucid, Rivian and Polestar, are starting to cut into the territory of Tesla's pricier models.

"We have a bunch of cars that are competing on even footing with Tesla in that they're performance oriented, they're luxury," says Brian Moody, the executive editor of Autotrader.

Brand-new Tesla cars sit in a parking lot at the Tesla factory in Fremont, Calif., in October. Tesla stock lost 65% of its value in 2022.

Justin Sullivan/Getty Images

Meanwhile, vehicles like the Kia EV6, the Ford Mach-E and the redesigned Chevy Bolt are starting to chip away at the mass market for EVs. There is also growing competition in China, a critical market for Tesla and other automakers.

Tesla still makes up 65% of U.S. electric vehicle sales, according to S&P Global Mobility. But the percentage is dropping, which the stock market doesn't love.

Elon Musk's Twitter takeover is a headache for Tesla

Musk has run multiple companies for years. But his purchase of Twitter last year is not like his stewardship of, say, SpaceX.

The aura around Musk — to his fans, a genius and a visionary — is part of the reason many people want a Tesla. Now Musk has essentially become a professional Twitter troll, posting provocations and gleefully embracing some right-wing positions from his powerful perch atop the social media giant.

Tesla shares sink, wipe out over \$125 billion in value, as Musk scores Twitter deal

Business

Tesla shares sink, wipe out over \$125 billion in value, as Musk scores Twitter deal

A survey by Morning Consult found that between October and November 2022, Tesla's net favorability fell by 20 percentage points among Democrats and rose 4 points among Republicans. That could be affecting sales, since liberal voters tend to be more likely to want to buy electric vehicles.

Musk has also had to sell billions of dollars of Tesla shares to fund his Twitter takeover, which hurt the stock. Musk saw his own personal wealth drop sharply, though he still has more than \$100 billion.

Meanwhile, to the dismay of some of his most ardent backers, the amount of time he's spending on Twitter is cutting into the time Musk has for Tesla.

25-04-2023

Tesla to cut prices again as it struggles to hit its volume targets - analyst

Tesla (NASDAQ:TSLA) shares are down over 21% in April after the company delivered Q1 results last week.

The first quarter was characterized by several rounds of price cuts as Tesla struggles to attract demand in a difficult macroeconomic environment.

"Every time that the Fed raises interest rates, that's the equivalent to an increase in the price of a car," CEO Elon Musk said on the earnings call.

"We've taken a view that pushing for higher volumes and a larger fleet is the right choice here, versus a lower volume and higher margin."

In 2023, Tesla expects to produce 1.8 million vehicles, but Bernstein analysts believe the electric vehicle (EV) maker will struggle to sell these many cars.

"The company still appears to be struggling to generate sufficient demand and the impact from price cuts has been short-lived. We estimate that Tesla's run-rate demand was ~1M units exiting Q4 and ~1.2M units exiting Q1 - well below target 2023 volumes of 1.8M - despite price cuts of 10% - 20%+," they said in a client note.

The analysts rate Tesla stock at Underperform with a \$150 per share price target.

"We see risk-reward on Tesla 2023 as coming more into balance, but worry that the specter of further price cuts and downward revisions may make it difficult for the stock in the near to medium term."

Tesla stock is down a further 1.6% in premarket Tuesday.

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Want to know if TSLA is currently featured in any ProPicks AI strategies, or if there are better opportunities in the same space?

Jan 03, 2023,

Tesla shares start 2023 lower on worries over weak demand, logistical issues

Tesla Inc shares kicked off 2023 with a 5% drop on Tuesday, extending a selloff from last year on growing worries about weakening demand and logistical problems that have hampered deliveries.

8 October 2025

Tesla shares fall as new lower-cost cars disappoint

Tesla has unveiled cheaper models of two of its most popular cars in the US as it tries to boost sales on the heels of the expiration of a key US tax credit.

But the carmaker's shares tumbled about 4% as investors were underwhelmed by the announcement. In the US, the new versions of its Model Y mid-sized sport utility vehicle and Model 3 sedan are priced only \$5,000 less than previous versions.

Tesla, which faces growing competition, has lost ground as it has been slow to offer new, more affordable vehicles, despite its release of a new Model Y version this year.

Boss Elon Musk had previously promised a cheaper car but abandoned those plans last year to focus on robotaxis and humanoid robots.

"Elon has this way of getting people to really focus on the future. And today is the downside of that," said James Stanley, a macro analyst at StoneX, of Wall Street's reaction.

"It's a lower-cost EV [electric vehicle] that everyone pretty much saw coming."

Despite Musk's emphasis on artificial intelligence ventures, Tesla still relies heavily on its core car business, which has been under pressure on multiple fronts.

It faces cuts to US government support for electric cars, competition from Chinese carmakers and consumer backlash earlier this year against Musk's involvement in the Trump administration.

In July, the carmaker reported that its sales fell by 12% in the second quarter to \$22.4bn - the biggest drop in at least a decade - after deliveries plunged 14%.

Last week, Tesla was among the car companies to report record sales of electric cars over the past three months. But analysts said the boom was caused by a dash to buy before the end of a government subsidy.

Tesla vehicle prices for US consumers increased by as much as \$7,500 (£5,588) this month after a US tax credit for electric vehicles expired at the end of September.

Tesla executives have acknowledged that the end of the tax credit for buyers of electric cars in the US is likely to hurt the business.

The newly released lower-cost models, aimed in part at offsetting the loss of the EV credit, will lack certain features found in other Tesla vehicles.

In the US, the lower-cost, stripped-down versions of its Model Y and Model 3 will be priced at \$39,990 and \$36,990 respectively, according to Tesla's website. They did not immediately appear on the UK version of Tesla's website.

Tesla's last big vehicle launch - the Cybertruck - has yielded lacklustre results, with US sales totalling roughly 52,000 units since deliveries began in 2023, according to Cox Automotive.

Jan 21 2025

Tesla brand value shed \$15 billion in 2024 with aging lineup, Musk at helm, researchers found

Points

The value of Tesla's brand dropped in 2024 for a second straight year, according to research and consulting firm Brand Finance.

Tesla's brand value now stands at around \$43 billion, down from \$58.3 billion at the beginning of 2024, and behind Toyota at \$64.7 billion, the firm said.

Regarding Elon Musk's influence, Brand Finance CEO David Haigh said, "There are people who think he's wonderful, but many that don't."

The value of Tesla's

brand fell by 26% in 2024, a second straight annual decline, with factors including an aging lineup of vehicles, and CEO Elon Musk's "antagonism," according to research and consulting firm Brand Finance.

Tesla's brand value now stands at an estimated \$43 billion, down from \$58.3 billion at the beginning of 2024 and \$66.2 billion at the start of 2023, the firm said in its annual ranking. Toyota

is the most valuable brand in autos at \$64.7 billion, with Mercedes close behind at \$53 billion, the researchers found.

Brand Finance, based in London, conducts comprehensive consumer surveys and analyzes thousands of companies' financials, looking at revenue, licensing agreements, margins and more, to estimate the monetary value of brands. The assessments include corporate brands and the sub-brands associated with individual product lines.

As part of the firm's ranking this year, Brand Finance analyzed answers from about 175,000 survey respondents worldwide, including about 16,000 people who shared their views on Tesla.

The results show that the way consumers view Tesla is very different from Wall Street's assessment.

Tesla's stock price soared 63% last year, reaching a record in December, after investors snapped up the shares following Donald Trump's election victory the prior month. Musk contributed \$277 million to help propel Trump and other Republican candidates to victory, and is poised to wield influence in the administration to the benefit of his companies.

When it comes to the broader public, Brand Finance CEO David Haigh says that Musk's political rhetoric and public persona has its downsides.

"There are people who think he's wonderful, but many that don't," Haigh said. "If you are buying electric vehicles, his persona is highly likely to impact your view of whether or not you want to buy one of his company's cars, but that's only one of many factors."

On key measures like "consideration," "reputation" and "recommendation," Tesla's scores declined across the board in major markets where it operates factories and sells its cars -- the U.S., Europe and Asia, Brand Finance found.

Elon Musk walks on Capitol Hill on the day of a meeting with Senate Republican Leader-elect John Thune (R-SD), in Washington, U.S. December 5, 2024. REUTERS/Benoit Tessier

Elon Musk walks on Capitol Hill on the day of a meeting with Senate Republican Leader-elect John Thune (R-SD), in Washington, U.S. December 5, 2024.

Benoit Tessier | Reuters

A consideration score shows whether people would consider buying from a brand. A reputation score shows how highly respondents regard a brand on average on a scale from 1 to 10. And a recommendation score indicates whether or not people are likely to speak favorably about a brand.

Tesla saw significant declines in its scores in Europe, where its consideration score dropped from 21% to 16% on average from 2024 to 2025.

Competitors Mercedes and BYD beat Tesla especially on consideration and recommendation scores outside the U.S.

Tesla maintained a high loyalty score of 90% in the U.S., however. That means customers who already owned a Tesla vehicle were likely to keep driving it over the next 12 months. But Tesla's recommendation score in the U.S. dropped from 8.2 out of 10 to 4.3.

Haigh said Tesla's declining scores and brand value are a sign that the company's "pulling power is weakening." There's a risk, he said, that "Tesla won't be able to sell so many products, and it won't be able to sell at such high prices as it did before."

There were troubling signs already. Tesla's deliveries for 2024 declined by about 1% to 1.79 million, even though demand for battery electric vehicles increased worldwide. In the U.S. Tesla's, market share in EVs dropped to 49% from 55% a year earlier, according to data from Cox Automotive.

Tesla's brand strength index score, according to Brand Finance, has also dipped from just over 80 to just under 65. The score indicates how well a brand is doing compared to competitors on intangible measures.

"Unless Tesla can come up with a whole range of new products that will really excite consumers, and unless they can mitigate some of the antagonism caused by their leader, they will be seen as past their peak and will begin to go down," Haigh said.

January 25, 2024

Tesla Stock Plunges as 2024 Volume Growth Hits the Brakes—Key Price Levels to Monitor

Tesla shares traded sharply lower after missing Wall Street's fourth-quarter earnings and revenue forecasts.

The company said 2024 vehicle volume growth may be notably lower than last year due to a lull between Tesla models.

Tesla shares have been unable to make a decisive breakout from a symmetrical triangle.

Shares in electric vehicle maker Tesla (TSLA) were down nearly 8% in pre-market trading Thursday after the company disappointed investors with its 2024 volume growth outlook and missed the mark on quarterly earnings. Late Wednesday, the company reported an adjusted profit of 71 cents per share on revenue of \$25.17 billion, both short of analysts' expectations.

1

Although total revenue grew 3% from a year earlier, Tesla said a global reduction in the average vehicle selling price stemming from price cuts in the second half of last year hurt the top line.

The company's operating margin of 8.2% rose slightly on a sequential basis, but fell from 16% in last year's corresponding quarter due to increasingly intense pricing competition from Chinese EV makers.

2

"If volume's going to be lower, then my guess is, (Tesla CEO Elon) Musk will probably cut prices and take share. Margins may continue to struggle for a while," Gary Bradshaw, a portfolio manager at Hedges Capital Management, told Reuters.

3

Tesla said in its earnings release that 2024 vehicle volume growth may be "notably lower" than last year due to a lull between its Models 3 and Y, which rolled off the production line between 2017 and 2020, and its next generation vehicle, which the company expects to start production at its Texas plant in the second half of 2025. While Tesla didn't quantify 2024 vehicle volume growth, Wall Street projects a figure of about 20%, representing a sharp fall from 38% last year.

3

Tesla shares traded within a symmetrical triangle between late April and early December before staging breakouts on both sides of the pattern. More recently, a fall below the triangle's lower trendline has occurred on lackluster share turnover, indicating no clear direction. Investors should watch for a volume-backed breakout on either side of the market to gain clues on the stock's next move.

26 February 2025

Tesla shares slump after European sales fall

Shares in electric car maker Tesla have slumped more than 9% after EU and UK sales fell by almost half in January.

The drop in Tesla shares took the company's valuation back below \$1trn for the first time since November 2024.

Tesla has been facing stiff competition in the European market from Chinese and other manufacturers.

In addition, Tesla owner Elon Musk has been making controversial political waves on both sides of the Atlantic, an analyst said.

Tesla sales in January bucked European electric car sale trends, which grew by more than a third in the month, according to trade body Acea.

Instead, Tesla sales across the EU, EFTA and the UK fell more than 45%, and more than 50% in the EU alone.

It comes after Tesla sales fell last year for the first time in more than a decade as demand faltered and rivals gained pace.

The main factor in the January sales slump was likely to be increasing competition, AJ Bell investment director Russ Mould said.

Chinese manufacturer BYD has been making big strides, in part because it includes as standard some features which cost extra from other makers, Mould said.

However, some car buyers may also be taking a "principled stand" on Musk's political interventions, he said.

Musk has made waves in the US with his involvement in slashing US development funds and efforts to drastically reduce US federal funding.

In the UK he supports jailed far-right activist Stephen Yaxley-Lennon, also known as Tommy Robinson, and repeatedly criticised Prime Minister Sir Keir Starmer.

Musk also supports the far-right AfD party in Germany, and congratulated its leader after the party's record second-place result in elections.

Dec 18 2024

Tech

Tesla shares sink 8%, giving up some gains from post-election pop

Points

Tesla shares dropped more than 8% on Wednesday, their biggest decline since before Trump's election victory.

The stock is still up 75% in the six weeks since the election and climbed to a record on Dec. 11, surpassing its prior high reached in 2021.

"Most investors we speak to have been stunned by the magnitude of the rally," analysts at Barclays wrote in a note on Wednesday.

Tesla

shares sank more than 8% on Wednesday, notching their steepest drop since before Donald Trump's election victory last month, which sparked a sharp rally in the stock.

Tesla closed at \$440.13, and is still up 75% since Election Day on Nov. 5. Last week, the stock climbed to a record, surpassing its prior high reached in 2021. Ahead of Wednesday's drop, it had continued going up, closing at a high of \$479.86 on Tuesday.

“Most investors we speak to have been stunned by the magnitude of the rally, and are increasingly confused on how to handle the stock given how widely disconnected it appears to be from fundamentals,” analysts at Barclays wrote in a report on Wednesday. They have the equivalent of a hold rating on the stock and a \$270 price target.

The pullback coincided with a steep drop in the broader market, including a 3.6% plunge in the Nasdaq, the second-worst day of the year for the tech-heavy index.

Tesla is coming off a 38% rally in November, its best monthly performance since January 2023 and its 10th best on record. CEO Elon Musk was a major Trump backer, pouring in \$277 million primarily into his campaign effort, according to Federal Election Commission filings.

Now Musk, the world’s richest person, is set to lead the Trump administration’s “Department of Government Efficiency,” which is expected to function as an advisory office, alongside onetime Republican presidential candidate Vivek Ramaswamy.

His new role could give Musk, who also runs SpaceX and owns social media company X, influence over federal agencies’ budgets, staffing and the ability to push for the elimination of inconvenient regulations. Musk said during a Tesla earnings call in October that he intended to use his sway with Trump to establish a “federal approval process for autonomous vehicles.”

While Tesla still doesn’t produce robotaxis or operate driverless ride-hailing services, its major domestic competitor Waymo on Wednesday said it conducted over 4 million paid robotaxi trips in 2024 as it scaled its commercial operations in the U.S.

“Tesla is the only Elon Musk company that is publicly traded and it has often served as a proxy for an investment in Musk himself,” the Barclays analysts wrote. “This value has understandably increased, but this further exacerbates the already-high key man risk in Tesla stock, in our view.”

On Wednesday, a Quinnipiac poll found 53% of voters in the U.S. do not approve of Musk “playing a prominent role in the Trump administration.” The split was massive across party

and gender lines — only 31% of women surveyed said they approved of Musk taking a big role in the next administration, and only 5% of Democrats approved.

Musk has also complained in recent days that the SEC has issued a “settlement demand” tied to his sale of Tesla shares in 2022 as he was pursuing the purchase of Twitter, now known as X.

A spokesperson for the SEC declined to discuss the matter, telling CNBC that the agency conducts probes “on a confidential basis to preserve the integrity of its investigative process.”

Tesla is due to report its fourth-quarter and year-end vehicle deliveries in January. Without a major new vehicle added to its lineup since Cybertruck deliveries began in November 2023, Tesla has been working to drive sales of its EVs with an array of incentives, like 0% financing.

Feb 27, 2025

Tesla’s market value crashes under \$1 trillion, first time since election amid Q1 jitters, is this just the beginning of a bigger drop?

Tesla stock today has dropped below the \$1 trillion mark for the first time since the November 2024 election, sending investors into a panic and questioning the performance of the company in the future, as per a report. The EV giant, who briefly topped the list of world's most valuable automaker post-November's election, is now facing stiff challenges as it is about to report vehicle sales for the first quarter.

Production shutdown and market concerns

One of the key reasons for Tesla's woes is its decision to close all four of its factories temporarily for retooling, as per the report. The closure, which occurs just before the release of a new iteration of the Model Y, will result in a few weeks of lost production in Q1, according to Fortune.

Halter Ferguson Financial's equity strategist Matt Smith noted that the market may not be entirely factoring in the disruptions associated with thi ..

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February 13, 2025

Tesla shares have plunged while Musk takes on Washington. Is that the reason?

While Elon Musk has vaulted into a powerful role overhauling government agencies and upending Washington, the world's richest person has suffered a \$106 billion drop in wealth due to steep decline in shares of his Tesla electric car company.

Tesla's stock price has plummeted 30% from its all-time high in December, including a 21% selloff since Inauguration Day. The losses have sent Musk's net worth tumbling from a peak of \$486 billion on Dec. 17 to its current level of about \$380 billion, according to Bloomberg.

The stock woes have divided current and former Tesla shareholders. Critics of Musk fault his new role and polarizing reputation, blaming recent reports showing lackluster sales in some regions on his foray into politics. They say Musk must step away from the Trump administration for the company to thrive.

Supporters, on the other hand, say Musk's role in the White House has little to do with the selloff, noting that Tesla shares remain higher than where they stood on Election Day. Instead, some say, the company is suffering growing pains as it weathers stiff competition in electric vehicles and pursues new ventures like self-driving taxis.

"I don't have a problem if Elon wants to save a bunch of money for America. I say, 'Where's the good part in this for Tesla?'" Ross Gerber, a prominent Tesla investor, told ABC News, referring to cost-cutting efforts undertaken by Musk's Department of Government Efficiency.

Tesla representatives did not respond to ABC News' request for comment.

Despite disagreement over the effect of Musk's government role, both current and former Tesla shareholders who spoke to ABC News broadly acknowledged the company's recent business hiccups.

Tesla sold fewer cars in 2024 than it did the year prior, marking the company's first year-over-year sales decline in more than a decade, earnings released in January showed.

As rivals have challenged Tesla's dominance over the electric vehicle market, the company has promised a future revenue stream from autonomous taxis, also known as robotaxis.

Musk announced in late January that the company would roll out its robotaxi test program in Austin, Texas, in June. But within days, China-based competitor BYD unveiled advances in self-driving technology, which the company said was set to be included in models costing as little as \$9,600.

Gary Black, managing partner of The Future Fund, which manages \$100 million in assets, including Tesla shares, said the recent selloff of Tesla is primarily the result of investor jitters about whether the company can dominate self-driving technology the way it did electric vehicles.

"Over time, you will see Teslas and other cars self-drive. But Tesla is not going to be the only one," Black told ABC News' Elizabeth Schulze.

The stock also faced downward pressure this week when a Musk-led group of investors offered to buy OpenAI for \$97.4 billion, making possible a scenario in which Musk would sell some of his Tesla shares to finance the deal, Black said.

Black said that, in his opinion, the downturn has nothing to do with Musk's government role.

"It's always good to know the president of the United States -- to be able to pick up your phone and say, you know, 'I need this favor, that favor,'" Black said.

A jump in Tesla shares after Trump's victory suggests many investors viewed the relationship that way. The stock price soared about 85% over a six-week period following Election Day.

But some investors lay the blame for the downturn squarely at Musk's feet.

Nell Minow, Vice Chair of ValueEdge Advisors and a longtime critic of Musk, said Musk has been "absent" from the company.

"I think that he is a huge drag on the stock right now," Minow told Schulze. "No question, he's a problem."

"Elon Musk is to the Tesla brand what the Green Giant is to corn," Minow said. "He has made himself the brand and that is always very risky."

Minow, who said she donated nearly all of her Tesla shares to charity last year, also criticized the Tesla board for what she said was a failure to hold Musk to account, or update shareholders and the public about a leadership plan while Musk runs DOGE.

"We don't know what the board is thinking. They have not spoken out in any way," Minow said. "They have not made a filing with the SEC about what the impact of this side hustle is, and the employees and the shareholders need some kind of certainty."

New York City Comptroller Brad Lander echoed concerns about the board's ability to rein in Musk. Lander, who oversees \$1.25 billion in Tesla stock through the city's five pension systems, said the lack of oversight was a "long-standing problem."

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Tesla shares have plunged while Musk takes on Washington. Is that the reason?

Tesla's share price has fallen 30% since an all-time high in December.

By Max Zahn, Olivia Rubin, and Elizabeth Schulze

February 13, 2025, 5:30 PM

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Tesla shareholders raise concerns as stock slidesTesla's stock rebounded Wednesday but has been falling for months, with investors worried about Elon Musk's focus on Washington, D.C.

Christian Marquardt/Getty Images

While Elon Musk has vaulted into a powerful role overhauling government agencies and upending Washington, the world's richest person has suffered a \$106 billion drop in wealth due to steep decline in shares of his Tesla electric car company.

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MORE: Official DOGE website updated, promising 'savings' updates by Valentine's Day

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Tesla CEO Elon Musk speaks during the official opening of the new Tesla electric car manufacturing plant on March 22, 2022 near Gruenheide, Germany.

Christian Marquardt/Getty Images

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MORE: Elon Musk grilled about DOGE transparency, conflicts in Oval Office
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Elon Musk speaks next to President Donald Trump in the Oval Office of the White House in Washington, Feb. 11, 2025.

Kevin Lamarque/Reuters

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New York City Comptroller Brad Lander echoed concerns about the board's ability to rein in Musk. Lander, who oversees \$1.25 billion in Tesla stock through the city's five pension systems, said the lack of oversight was a "long-standing problem."

MORE: As Musk works to slash federal spending, his own firms have received billions in government contracts

"Independent governance is designed to provide a voice for shareholders at the table," Lander, who is running for New York City mayor and has publicly sparred with Musk, said in a statement to ABC News. "When companies are controlled by a set of directors with either family or aligned interests, they lose this."

For his part, Musk has looked to hype up Tesla's prospects, saying on an earnings call last month that he believes there is an opportunity for it to be "the most valuable company in the world."

During the call, AllianceBernstein Research analyst Daniel Roska questioned Musk on how Tesla plans to meet its ambitious projections given its high valuation.

Musk emphasized Tesla's focus on real-world AI, claiming the company is making significant strides.

July 03, 2024

Tesla Approaches Highest Share Price of 2024 as Analysts Raise Price Targets

Tesla shares surged again Wednesday as analysts raised price targets for the stock after second-quarter deliveries beat expectations.

Tesla shares are approaching their highest point of the year, and have risen almost 25% this week alone.

Wedbush analysts raised their price target for Tesla and called it "the most undervalued AI play" on the market ahead of its planned debut of an autonomous "robotaxi" next month.

Tesla (TSLA) shares are approaching their highest price of the year as a rally for electric vehicle (EV) stocks extended into Wednesday, with several analysts raising price targets for the company after its second-quarter deliveries surpassed expectations.

Bank of America and Wedbush Securities analysts raised their price targets to \$260 and \$300, respectively, up from previous marks of \$220 and \$275. J.P. Morgan analysts, however, were less optimistic about the deliveries numbers, maintaining an "underweight" rating and price target of just \$115.

Q2 Deliveries a Positive Sign, Wedbush and BofA Say

Demand for electric vehicles appears to be stabilizing across the globe after dipping earlier in 2024, Wedbush analysts wrote in a Tuesday note, adding that Tesla's deliveries figures marked a "major turning point" after a "very choppy start" to the year.

Bank of America analysts wrote Tuesday that "the increasing number of more affordable offerings this year and going forward should drive EV volumes higher."

Deliveries data from some of Tesla's competitors including Rivian (RIVN) in the U.S. and a number of Chinese rivals this week also surpassed expectations, suggesting the EV market is recovering.

Tesla 'Most Undervalued AI Play in Market'

Wedbush analysts also said they continue to believe that Tesla is more of an artificial intelligence (AI) and robotics firm than a traditional car company, thanks to its projects like fully automated driving software, robotaxis, and AI-powered robots.

"The key for Tesla's stock is the Street recognizing that Tesla is the most undervalued AI play in the market in our view with a historical Robotaxi Day ahead for Musk and Tesla on August

8th that will lay the yellow brick road to FSD and an autonomous future," Wedbush analysts wrote.

Tesla shares closed up 6.5% Wednesday at \$246.39 after briefly touching \$248.35, their highest point since January 2, when they hit \$251.25.

The stock was the third-biggest gainer on the S&P 500 after leading the index both Monday and Tuesday.

Jan 25 2024

Tech

Tesla shares close down 12% after automaker warns of slowdown

Tesla shares fell on Thursday after the company reported earnings that missed expectations and warned of a slowdown in 2024.

The electric carmaker said vehicle volume growth this year "may be notably lower" than the rate observed last year.

Adding pressure on Tesla's stock, various brokers reduced their price target for the company.

Tesla

shares closed down 12% Thursday, their biggest drop in over a year, a day after the company reported earnings that missed expectations and warned of a slowdown in 2024.

For most of the day, the stock was headed for its steepest decline since 2020, but narrowly averted that distinction at the close.

Tesla reported revenue and earnings on Wednesday that missed market expectations. Tesla's automotive revenue, a closely watched metric, totaled \$21.6 billion in the fourth quarter of 2023, rising just 1% year-on-year.

But the biggest concern was Tesla's outlook. The electric carmaker said vehicle volume growth in 2024 "may be notably lower" than the rate observed last year, as the company works toward launching its "next-generation vehicle" in Texas. The company cautioned investors that it's "currently between two major growth waves."

Investors betting against the stock are having a lucrative day. Short sellers made more than \$2 billion on Tesla since Wednesday's close, according to the financial analytics firm Ortex Media. The stock is now down 27% for the year after more than doubling in 2023.

Tesla delivered 1.8 million cars last year. The company has been cutting prices around the world in key markets across Europe and China, as it faces rising competition from Chinese players like BYD

and traditional automakers. The price cuts have weighed on Tesla's margin.

Adding pressure on Tesla's stock, various brokers reduced their price target for the company, with Barclays cutting its price target from \$250 to \$225.

"Not as bad as feared, but a cloudy path ahead reinforces some downside risk for now," Barclays analysts wrote in a note on Thursday.

RBC analysts lowered their price target from \$300 to \$297. Canaccord Genuity said in a note on Wednesday that it has also taken down its price target to \$234 from \$267.

December 17, 2024

Tesla shares dip 45% in 3 months: What's behind the decline?

Tesla's market value has fallen 45% since reaching a record high of \$1.5 trillion on December 17, 2024. The stock surge followed Musk's financial backing of Donald Trump's election victory.

Tesla's stock has taken a considerable hit, dropping 45% in just three months. Even with this sharp decline, many investors are still debating whether Elon Musk's electric vehicle (EV) company is overvalued or if it remains a strong long-term bet, reported Reuters.

WHY ARE TESLA SHARES FALLING?

Tesla's market value has fallen 45% since reaching a record high of \$1.5 trillion on December 17, 2024. The stock surge followed Musk's financial backing of Donald Trump's election victory. However, sales and profits have since declined, and concerns over Musk's political activities have unsettled investors.

advertisement

Several factors have contributed to Tesla's stock decline, including falling vehicle sales and profits, and concerns over Musk's political involvement, including his advisory role to Trump, which has distracted Musk from running Tesla.

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Despite this, Tesla's market value is still around \$845 billion, far more than many traditional automakers combined.

INCREASE IN COMPETITION

Moreover, Tesla's core EV segment is struggling. The Cybertruck, its only new model since the 2020 Model Y, sold just 38,965 units last year far below Musk's 250,000-unit projection, mentioned the report.

Tesla is now encountering headwinds from Trump, the president Musk backed. Trump has proposed ending EV subsidies that have contributed billions to Tesla's revenue. Musk, however, claims that this change would be more damaging to Tesla's competitors.

Further, BYD, the Chinese automaker, unlike Tesla, has a thriving hybrid vehicle business, pushing its 2024 sales to 4.2 million units more than double Tesla's. However, its market capitalisation remains less than one-sixth of Tesla's.

That said, will Tesla's AI-driven cars redefine the future as Musk envisions, or is the company's valuation more hype than substance? Only time will tell.

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Why is the Tesla share price falling?

Discover why Tesla's share price is falling in 2025, from increased EV competition and production issues to economic headwinds and valuation concerns.

Why is the Tesla share price falling?

Tesla's stock has tumbled significantly in recent months, becoming one of the S&P 500's worst performers as competition intensifies and production challenges mount.

The extent of Tesla's share price decline

Year-to-date Tesla's stock has experienced a significant 30% decline, positioning it as the second worst-performing stock in the S&P 500 index. This downturn can be attributed to a confluence of factors, including heightened competition, production challenges, external economic pressures and bad press regarding Elon Musk.

The magnitude of the decline has sent shockwaves through the investment community, particularly affecting growth-oriented portfolios that had heavily weighted Tesla in recent years. Many long-term Tesla bulls are now reassessing their positions as the narrative shifts.

The share price drop represents a stark contrast to Tesla's meteoric rise during the 2020-2022 period, when the company benefited from accelerating electric vehicle (EV) adoption

and widespread investor enthusiasm. This reversal of fortune highlights the volatile nature of high-growth stocks, especially those trading at premium valuations.

Intensifying competition in the electric vehicle market

The global electric vehicle (EV) market has become increasingly competitive, with numerous automakers introducing new models to capture market share. Traditional automotive giants and emerging startups alike are investing heavily in EV technology, offering consumers a broader range of choices.

This surge in competition has put pressure on Tesla's market dominance, leading to concerns about its ability to maintain its growth trajectory. Analysts have noted that Tesla faces "slower growth and rising risk" due to these competitive dynamics.

Chinese manufacturers like BYD, now the world's largest EV manufacturer, and NIO have rapidly expanded their presence in global markets, offering compelling alternatives at competitive price points, despite in some countries being hampered by large tariffs. Their success has been particularly pronounced in Asia and Europe, eroding Tesla's international growth prospects.

Legacy automakers have also accelerated their electric vehicle strategies, with companies like Volkswagen, Ford, and General Motors committing massive resources to EV development. These established players bring significant manufacturing expertise and dealer networks that present formidable challenges to Tesla's expansion plans.

The luxury electric segment, once dominated by Tesla's Model S, now faces competition from premium offerings by Porsche, Audi and Mercedes-Benz. These vehicles appeal to high-end consumers who previously had limited electric options, directly targeting Tesla's most profitable market segments.

Production and supply chain challenges

Tesla has encountered production bottlenecks and supply chain disruptions that have hindered its ability to meet delivery targets. These challenges have not only affected production timelines but have also increased operational costs, impacting profit margins.

The company's ambitious expansion plans, including the development of new gigafactories, have been met with logistical hurdles, further exacerbating production issues. Such operational inefficiencies have raised investor concerns regarding Tesla's capacity to scale effectively.

Economic and policy headwinds

External economic factors, such as fluctuating raw material prices and trade policies, have also played a role in Tesla's stock performance. For instance, President Trump's recent tariffs have created uncertainty in various industries, including automotive manufacturing.

Companies like Tesla are grappling with the potential implications of these tariffs on their supply chains and profitability. Market analysts have observed that such policy decisions have "created significant uncertainty among companies, particularly around their impact on earnings and sales."

Government incentives for electric vehicles, which helped fuel Tesla's early growth, have begun to phase out in key markets or have been extended to benefit a broader range of manufacturers. This changing regulatory landscape has removed some of Tesla's historical advantages in the marketplace.

Valuation concerns amid market dynamics

Tesla's stock has historically been characterised by high valuation multiples, reflecting investor optimism about its future prospects. However, the recent decline has prompted a re-evaluation of these valuations.

Despite the stock's downturn, it remains "not cheap," with a forward price-to-earnings ratio (P/E) still in the triple digits. This disparity between valuation and performance has led to increased scrutiny from investors and analysts alike.

The company's market capitalisation had previously reached levels that implied extraordinary future growth and diversification beyond automotive manufacturing. As enthusiasm for Tesla's non-automotive ventures like energy storage and robotics has tempered, investors are reassessing these lofty expectations.

Wall Street analysts have become increasingly polarised on Tesla's outlook, with price targets showing a remarkably wide-spread. This divergence of expert opinion reflects the fundamental uncertainty surrounding Tesla's future growth trajectory and appropriate valuation metrics.

Institutional investors, who typically provide stability during market volatility, have been reducing their Tesla positions according to recent SEC filings. This shift in institutional sentiment suggests a more cautious approach to the company's prospects among professional money managers.

Tesla analyst ratings

According to LSEG Data & Analytics, analysts rate the Tesla share as between a 'buy' and a 'hold' with 7 'strong buy', 18 'buy', 17 'hold', 9 'sell' and 3 'strong sell' (as of 06/03/2025).

Tesla LSEG Data & Analytics chartSource: LSEG Data & Analytics

Tesla has a TipRanks Smart Score of '3 Underperform' with 13 'buy', 12 'hold' and 10 'sell' recommendations, making it a 'hold' (as of 06/03/2025).

Tesla TipRanks Smart ScoreSource: TipRanks

Investor sentiment and broader market trends

The decline in Tesla's stock is also reflective of a broader market rotation. The so-called "Magnificent Seven" stocks, which include major tech companies like Tesla, have experienced a downturn as investors shift focus to other sectors and relatively "cheaper" Asian and European stocks.

Tesla amid Magnificent Seven stock year-to-date performance

Tesla amid Magnificent Seven stock year-to-date performanceSource: Google Finance

As noted in recent analyses, "stocks from regions targeted by President Trump, such as Canada, Colombia, Mexico, Europe, and China, are outperforming the S&P 500," indicating a shift in investor preferences.

This rotation is influenced by various factors, including geopolitical developments and advancements in artificial intelligence, which are reshaping investment strategies.

Elon Musk's impact on the Tesla share price

Elon Musk's increasing political involvement and controversial actions have negatively impacted Tesla's brand image, leading to declining sales in key markets and a significant drop in its share price.

In Europe, Tesla's sales have plummeted, with Germany experiencing a 76% decrease in February compared to the previous year, despite a 31% rise in overall EV sales during the same period.

Similarly, Tesla's sales in China fell by 49%, while its competitor BYD saw a 90.4% increase.

Analysts attribute these challenges to Musk's political affiliations, which have alienated environmentally conscious consumers and led to boycotts, particularly in Europe, and even the burning of a Tesla charging station in the US state of Massachusetts.

This shift in consumer sentiment underscores the importance of leadership perception in influencing a company's market performance.

Technical analysis of Tesla's stock performance

From a technical analysis perspective, the Tesla share price seems to be bouncing off its April 2024-to-2025 uptrend line at \$261.84, but nonetheless remains on track for its fifth straight week of declines.

Further potential support can be seen along the 200-week simple moving average (SMA) at \$247.95.

Tesla weekly candlestick chart

Tesla weekly candlestick chart
Source: TradingView.com

A weekly chart close below the 200-week SMA at \$247.95 could lead to the October 2024 low at \$212.11 being revisited.

While the 2024-to-2025 uptrend line underpins, though, a bounce back towards the July 2023 peak at \$299.29 and the psychological \$300 mark may unfold.

How to trade Tesla shares

Research Tesla thoroughly before making any trading decisions. Understand the company's fundamentals, competitive position, and the factors driving its stock performance. Consider both the bull and bear cases, and how they might be affected by upcoming earnings reports or product announcements.

Choose whether you want to trade Tesla shares using a CFD trading account, which allows you to speculate on price movements without owning the underlying asset.

Open an account with us to access Tesla shares on our trading platform. Our platform provides real-time price data, customisable charts, and a range of technical indicators to inform your trading decisions.

Search for Tesla (TSLA) in our platform and analyse its current price action, volatility, and trading volume. Set up price alerts to notify you of significant movements or when Tesla reaches your target entry points.

Place your trade based on your analysis and risk management strategy. Remember to use appropriate position sizing and consider implementing stop-loss orders to protect against adverse price movements in this volatile stock.

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Jul 24 2025

Tesla's stock plunges 8% after another weak quarter for auto sales

Tesla shares fell on Thursday after the company reported second-quarter automotive sales that dipped from a year earlier.

Musk said Tesla could have "a few rough quarters" ahead as a result of the expiration of federal electric vehicle tax credits.

Tesla is facing stiffer competition globally from electric vehicle players, especially low-cost competitors from China.

Tesla

shares fell 8% Thursday after the company reported a second straight quarter of declining auto sales, and CEO Elon Musk told analysts that there could be a "few rough quarters" ahead due to the expiration of federal electric vehicle tax credits.

Musk's EV maker reported a 16% decline in automotive revenue from a year earlier to \$16.7 billion. Total revenue fell 12% to \$22.5 billion from \$25.5 billion a year earlier, missing the average analyst estimate of \$22.74 billion, according to LSEG.

Tesla has been facing rising competition in key markets like China and Europe, especially from lower cost Chinese EV players. In early July, Tesla reported a 14% year-over-year slide in vehicle deliveries to 384,000 for the second quarter.

And in Europe, Tesla's new car registrations declined last month, according to data released Thursday from the European Automobile Manufacturers Association.

Tesla shares have been hammered this year, with the stock down 24% in 2025, by far the worst performer among tech's megacaps.

On Wednesday's earnings call, Musk and CFO Vaibhav Taneja said that the "big beautiful bill" recently passed by Congress would affect Tesla's business. The bill ends a federal \$7,500 EV tax credit at the end of September.

Along with the struggles in Tesla's core auto business, Musk's own political activity has been in focus.

The world's richest person led President Donald Trump's Department of Government Efficiency (DOGE), slashing the size of the federal government and regulatory agencies that oversee his companies. He also endorsed Germany's extreme anti-immigrant AfD party.

In recent months, Musk and Trump have clashed over the president's spending bill, and Musk recently said he's forming his own political party.

Tesla investors have been eagerly waiting for the company to release a cheaper EV model to refresh the aging lineup and perhaps reinvigorate sales. Tesla management said it started limited production of the more affordable model in June and expects to ramp it up in the second half of the year.

Still, the outlook for the rest of the year remains murky as Tesla didn't provide any official guidance, a departure from earlier this year, when the company said growth would return in 2025.

"Management initially guided for deliveries growth in 2025," Seth Goldstein, an analyst at Morningstar, said in a note on Wednesday. "We interpret no guidance as a signal that management is no longer forecasting volume growth. This aligns with our expectation for deliveries to decline in 2025."

March 11, 2025

Tesla stock price drop on March 11, 2025: Why TSLA shares fell, Elon Musk's response, and future outlook

Tesla's stock (TSLA) has experienced a significant decline, with its price dropping sharply on March 11, 2025. Investors are closely monitoring Tesla's situation as the electric vehicle (EV) leader faces challenges such as falling sales, market volatility, and changing investor attitudes. Despite this, CEO Elon Musk remains hopeful, asserting, "It will be fine." So, what exactly triggered this downturn, and what should investors anticipate moving forward?

What led to the sharp drop in Tesla stock?

On March 10, 2025, Tesla's stock price fell by 15.4% in just one trading day, closing at \$222.15. Several critical factors contributed to this notable decline:

Weak sales performance: Deliveries in Germany plummeted by 59%, marking the lowest figures since 2021. Additionally, sales in China, another vital market, decreased by 11.5% year-over-year.

Leadership concerns: Musk's growing involvement with the U.S. Department of Government Efficiency (DOGE) has raised questions about his commitment to Tesla.

Analyst downgrades: UBS analyst Joseph Spak lowered Tesla's 2025 vehicle delivery forecast to 1.7 million, heightening investor anxiety.

How much has Elon Musk's net worth decreased?

The decline in Tesla's stock has had a direct effect on Elon Musk's wealth.

Reports indicate that Musk's net worth has dropped by around \$132 billion in 2025 alone.

Despite these losses, Musk continues to hold the title of the world's richest person, with an estimated net worth of \$300 billion.

Did Tesla stock bounce back after the selloff?

In the wake of the steep decline, Tesla's stock displayed signs of a potential recovery:

Premarket trading on March 11 showed a 2.9% increase, suggesting a return of some investor confidence.

Certain analysts remain optimistic about Tesla's long-term prospects, citing advancements in AI and self-driving technology.

What key levels should investors monitor for Tesla stock?

Technical analysis indicates that traders should pay attention to the following levels:

Support levels: \$215 and \$165 may provide strong downside protection.

Resistance levels: Tesla will need to surpass \$265 and \$300.

How has the broader tech sector affected Tesla's stock?

The challenges faced by Tesla are indicative of a larger decline in the tech sector:

In 2025, eight prominent tech billionaires, including Musk, have seen their combined wealth decrease by \$266 billion.

Market fluctuations have been exacerbated by President Donald Trump's economic policies, contributing to the uncertainty within the tech industry.

How has Elon Musk reacted to the drop in Tesla's stock?

Elon Musk has addressed the stock's decline with his characteristic composure. He recently referenced Monty Python, stating, "Always look on the bright side of life," in an effort to reassure investors.

The decrease in Tesla's stock is a reflection of wider market trends, a slowdown in EV sales, and investor worries about distractions in leadership. Although the stock is facing challenges at the moment, its long-term prospects are closely linked to its capacity for innovation and performance in the competitive EV market.

September 12, 2025

Tesla's Rising Stock Is Moving Toward Break-Even for 2025. Here's Why.

Tesla's stock is on the rise.

Shares of the electric vehicle maker, up about 19% this month through Friday's close, are on a roll. Though it's been bumpy, Tesla (TSLA) stock has climbed off year-to-date lows around \$222, seen in March, and is approaching break-even. (The stock, which finished last year near \$404, ended the week just below \$396, down roughly 2% year-to-date.)

The recovery is notable for a stock that, as of the end of the first half of the year, was the laggard of the Magnificent 7. It was (and still is) one of only two companies in the big-tech grouping in the red, Apple (AAPL) being the other, tailing all three major U.S. indexes. (The Roundhill ETF that tracks the Magnificent 7 group, known as "MAGS," is up almost 16% this year.)

The stock has likely been boosted by factors that have lifted stocks broadly. Investors widely expect the Federal Reserve to cut rates next week, a move generally seen as beneficial to big tech companies. Strong second-quarter earnings growth has offered a measure of optimism to investors attempting to gauge the strength of the economy. (Though there's plenty of concern on that score, too.)

But Tesla-specific factors also seem to be lifting the shares. Despite wariness about the health of the company's EV business, some investors appear willing to pay up for the possibility of a big opportunity in robotics, as well as for signs of progress in autonomous driving at both Tesla and more widely. A costly public feud between CEO Elon Musk and President Donald Trump, while not extending valuable EV credits, has apparently cooled.

And Tesla's board has offered CEO Elon Musk a pay package that could remove a "Will he stick around?" overhang from the company's outlook—albeit at a high price. (Further enthusiasm for the stock may be attributed to what some see as potential for a "short squeeze" in which investors who traded against the shares have to buy it as it rises to cover short bets.)

Wall Street analysts don't appear ready to climb aboard en masse. Visible Alpha tracks about as many combined bearish and neutral ratings as bull calls, while its mean price target around \$327 is substantially below current levels. Investors are, nevertheless, driving ahead.