

## Daily Report

2023-12-18

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### Tesla

Is Tesla a good investment choice right now?

Based on my analysis, here are the key points on Tesla as an investment choice right now:

- Tesla stock price has been quite volatile recently. After a big rally in 2021, the stock is down about 65% from its peak in November 2021. This provides a more attractive valuation for long-term investors.
- Recent news headlines show a mix of bullish and bearish sentiment. Positives include strong demand and growth potential, but concerns remain about valuation and competition.
- Financial statements show very strong revenue growth over the past few years. However, profits are still quite low compared to the company's large market capitalization.
- Balance sheet appears solid, with good liquidity. But free cash flow has been negative as Tesla invests heavily for growth.
- Main risks are execution challenges, competition from new EV startups and traditional automakers, and potential for growth expectations to moderate.

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Overall, Tesla stock could provide strong returns from current levels if the company can sustain strong growth and improve profitability over the next 5-10 years. However, the risk-reward profile is more balanced now compared to 1-2 years ago. Investors should have a long-term horizon and reasonable expectations.

Additional research could examine Tesla's key growth drivers and competitive advantages in more detail. Also analyzing valuation metrics like P/E ratio over time could help determine if the stock is undervalued relative to history and peers.

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### Amazon

Is Amazon a good investment choice right now?

- Amazon's core e-commerce and cloud computing businesses continue to grow at a fast rate, albeit slower than previous years (Observation from financial statements)
- The company is investing heavily into new initiatives like healthcare, physical stores, and digital advertising which provide long-term revenue growth potential (Observation from news)
- Valuation remains very high even after the stock pullback in 2022. P/E ratio over 50x. (Observation

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from stock data and financial statements)

- Rising interest rates could negatively impact growth stocks like Amazon. (Observation from recent news)
- Regulatory scrutiny remains a risk factor that could limit some business practices. (Observation from news)
- Amazon likely still has many years of strong growth ahead, but the stock may continue to be volatile given the high valuation. Investors must be comfortable with the premium pricing.
- For further analysis, could look at Amazon's segment revenue breakdown, cash flow trends, and valuation relative to peers. Quarterly earnings calls also provide good insight from management.

Overall, Amazon remains a good long-term investment given the growth runways, but the stock could continue to see volatility given the high valuation. It's less attractive near-term at current prices over 50x earnings, but long-term investors should still benefit as the company keeps expanding.