

# Tesla: Charging into the \$500 club?

DIGITAL ENGAGEMENT TEAM

18 NOVEMBER 2020

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	441.61
Latest Dividend	N/A
Dividend Ex-Date	N/A
Indicated Dividend Yield	N/A
RSI	57.65
Analysts 12M Target Price	348.15

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

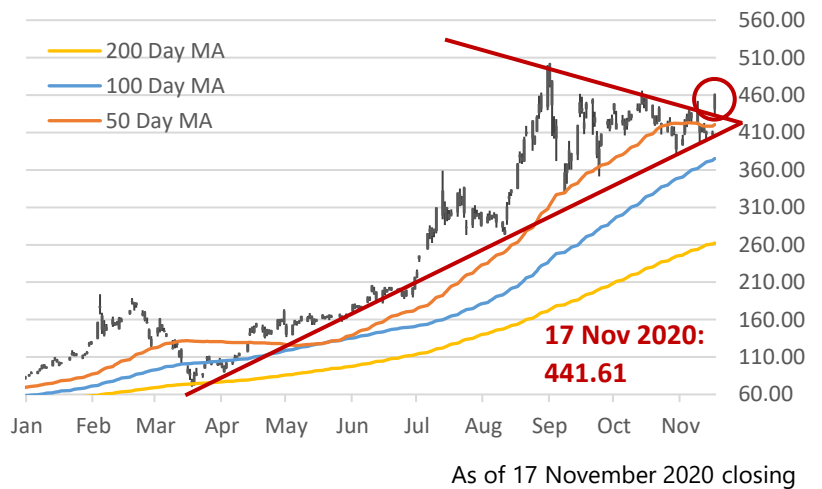
**8/10**  
As of 17 November 2020 closing

Refer to page 3 for indicator components

### KEY MARKET EVENTS

- 03 Nov** US Elections
- 05 Nov** FOMC Interest Rate Decision
- 07 Nov** Associated Press calls the US Election for Joe Biden
- 25 Nov** GDP (QoQ) (Q3)
- 26 Nov** FOMC Meeting Minutes

### Tesla Price Chart



### S&P 500 Index Price Chart



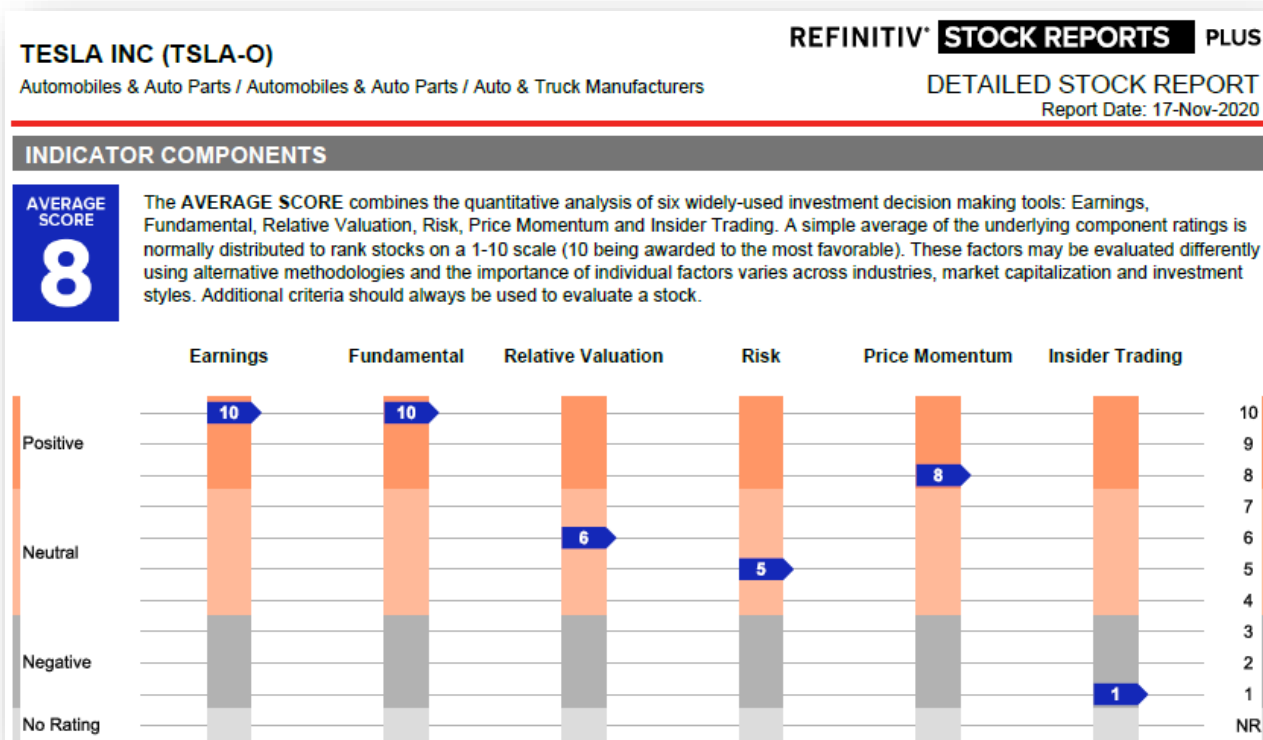
## Market Commentary

- Tesla to Join S&P 500 Next Month as Largest-Ever New Member (17 Nov, Bloomberg)
  - The announcement that Tesla will enter the S&P 500 on Dec. 21 follows months of speculation, and one temporary setback, after the stock failed to make the cut during the index's quarterly rebalancing in early September.
  - Tesla shares rose as much as 15% to \$467.50 in extended New York trading on the news.
- What a Biden White House could mean for Tesla (09 Nov, CNBC)
  - Biden's stated goals for clean energy and manufacturing could mean new government incentives for American manufacturers, especially electric vehicle makers.
  - Biden's "Build Back Better" plan includes initiatives to build out electric vehicle charging infrastructure in the U.S., and to create 1 million new jobs in the U.S. auto industry.
- Analyst recommendations: 10 Buys, 14 Holds, 13 Sells (extracted from Bloomberg)

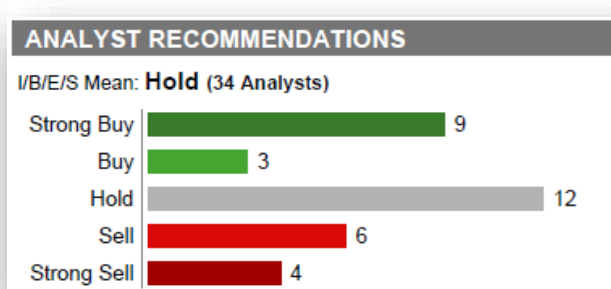
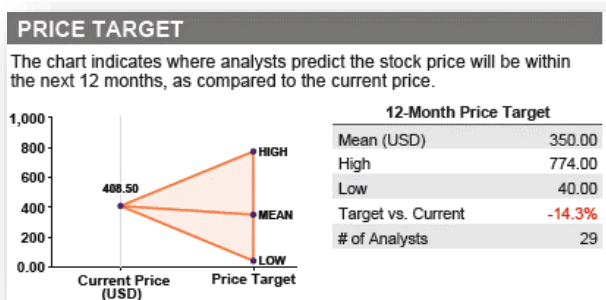
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"><li>• Tesla's current price is trading 12.12% below its 52-week high of \$502.49.</li></ul>	<ul style="list-style-type: none"><li>• 461.30 (14 Sep 20)</li><li>• 502.14 (01 Sep 20)</li></ul>	<ul style="list-style-type: none"><li>• 388.04 (30 Oct 20)</li><li>• 330.21 (08 Sep 20)</li></ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 17 November 2020

## US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (13/11/20)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
8	TSLA	408.50	-8.5%	26.0%	490.1%	387.2B	820.3	107.5	--	1.9%	353.9%	Hold	33	
9	GM	41.19	29.2%	49.5%	10.8%	59.0B	18.5	6.2	--	2.9%	9.0%	Buy	17	
6	NIO	44.56	106.1%	233.5%	2245%	48.2B	--	--	--	-85.7%	--	Buy	14	
6	RACE	206.69	12.2%	6.4%	26.1%	38.8B	63.4	45.5	0.6%	15.5%	12.7%	Hold	9	
8	F	8.54	10.1%	21.5%	-3.1%	33.4B	854.0	9.9	--	-0.1%	8.7%	Hold	17	
8	FCAU	14.57	19.0%	26.4%	-8.4%	22.6B	17.4	57.1	--	0.0%	--	Strong Buy	2	
NR	LI	31.20	60.6%	105.8%	--	20.5B	--	--	--	-169.9%	--	Buy	7	
NR	XPEV	41.99	113.8%	--	--	18.1B	--	--	--	-81.0%	--	Buy	6	
1	NKLA	21.18	-12.6%	-53.9%	106.6%	8.1B	229.9	--	--	-249476%	20.6%	Hold	5	
NR	KNDI	7.22	-3.1%	-18.2%	56.6%	527M	--	--	--	-6.2%	--	--	--	
3	SOLO	6.29	127.1%	139.2%	212.9%	489M	--	--	--	-4875%	--	Buy	3	
6.1	Average	75.63	41.3%	53.6%	348.6%	57.9B	333.9	45.2	0.6%	-23152%	81.0%	Buy	11.3	

PEER COMPANIES			
GM	General Motors Co	LI	Li Auto Inc
NIO	NIO Inc	XPEV	Xpeng Inc
RACE	Ferrari	NKLA	Nikola Corp
F	Ford Motor Co	KNDI	Kandi Technologies Group Inc
FCAU	Fiat Chrysler Automobiles	SOLO	Electrameccanica Vehicles

Source: REFINITIV STOCKREPORTS+, extracted 17 November 2020

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>61,120.58</b>	<b>66.39</b>	<b>114.39</b>	<b>10.10</b>	<b>8.47</b>	<b>2.80</b>	<b>2.49</b>
TSLA US	TESLA INC	418,602.44	441.61	699.68		26.04	14.94	N/A
2238 HK	GUANGZHOU AUTOMOBILE GROUP	16,864.61	8.05	17.18	9.34	0.86	0.90	2.47
FCAU US	FIAT CHRYSLER AUTOMOBILES NV	23,746.69	15.08	12.72	6.85	0.80	0.60	N/A
000800 CH	FAW JIEFANG GROUP CO LTD	9,057.74	12.87	25.27	19.89	2.42	1.46	N/A
NIO US	NIO INC - ADR	63,463.97	46.59	N/A		41.14		N/A
RNO FP	RENAULT SA	10,518.40	29.96	N/A		0.34	0.43	N/A
XPEV US	XPENG INC - ADR	31,526.10	42.91	N/A		N/A		N/A
LI US	LI AUTO INC - ADR	29,313.86	35.05	N/A		N/A		N/A
175 HK	GEELY AUTOMOBILE HOLDINGS LT	28,481.49	22.50	26.96	12.42	3.26	2.61	1.11
PAH3 GR	PORSCHE AUTOMOBIL HLDG-PRF	20,593.17	56.64	10.23	5.58	0.50	0.51	3.90
UG FP	PEUGEOT SA	20,157.90	18.98	8.67	6.53	0.88	0.98	N/A

Source: Bloomberg, extracted 18 November 2020, 1pm (SGT)

## **After The US Elections**

We see overall world economic growth weakening by 4.1% this year before recovering by 5.6% next year, with China's economy leading the rebound

**Eli Lee,**  
Head of Investment Strategy,  
Bank of Singapore

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Financial markets face further uncertainty. The US elections have now passed but vote counts in several states are being challenged in the courts. In addition, the US, UK and Eurozone are suffering new virus waves.

But once the US election results are clear, financial markets are likely to focus again on the favourable outlook for risk assets underpinned by the global recovery, upcoming vaccines, very dovish central banks, low government bond yields and a weaker US Dollar.

### **Pandemic remains a threat but may not derail global recovery**

The pandemic's resurgence across the US, UK and Eurozone is a significant near term threat but the impact of renewed restrictions on social and economic activity in 4Q2020 will be much less severe than those imposed during the first lockdown in 2Q2020. Thus, the global recovery is unlikely to be derailed by second virus waves as 2020 nears the end.

### **US post-election political scene supportive of risk assets**

The US political scene after the election results are confirmed, looks increasingly likely to support the outlook for risk assets.

The prospects of a Biden administration supported by a Democrat House of Representatives and opposed by a Republican majority in the Senate will result in 'gridlock' between the White House and Congress.

This may make it difficult to reverse the corporate tax rate cuts undertaken by the Trump administration to the benefit of risk assets. It may also reduce the threat of increased regulation under a Biden administration aimed at sectors like technology.

We would still expect a fresh fiscal package to be passed by 1Q2021 but a Biden administration faced with a Republican Senate may only be able to get Congress to approve a more limited new round of emergency aid worth US\$0.5 1.0 trillion.

**For the full Global Outlook, click [here](#)**

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