

Harding and Company – Tesla, Inc. Last Weeks Highs and Earnings Review

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NEW YORK, NEW YORK, UNITED STATES, August 6, 2018 /EINPresswire.com/ -- It was another busy earnings season for [Tesla](#) this past week and their shares closed 16% higher on Thursday as Wall Street appeared to seize on the Silicon Valley car maker's renewed promises of profitability and on Chief Executive Elon Musk's apologies.

The stock ended at \$349.54, its highest close since June 28, and notched its largest one-day percentage gain since December 2013. It was the best performer on the Nasdaq 100 on Thursday.

It ended flat on Friday, bringing weekly gains to 17%, its largest weekly gain since mid-May 2013.

Tesla, late Wednesday reported a loss of \$718 million, or \$4.22, in the second quarter, compared with a loss of \$336 million, or \$2.04 a share, in the year-ago period.

Adjusted for one-time items, Tesla lost \$520 million, or \$3.06 a share, compared with \$220 million, or \$1.33 a share, a year ago. Revenue rose to \$4 billion from \$2.77 billion a year ago.

Analysts polled, had expected adjusted losses of \$2.88 a share on sales of \$3.99 billion.

Helping to assuage recent concerns about Tesla, Musk sounded more subdued on the conference call following the results, apologizing directly to each of the two analysts who were cut off in the May conference call, and taking a few questions from reporters.

Tesla's first-quarter conference call in May is etched in Wall Street's memory as the one where Musk's own performance overshadowed discussions about the company, and words such as "boneheaded" entered the lexicon of the usually highly orchestrated post-results call.

At that May event, the CEO interrupted analysts as well as members of his executive team, pivoted to answer numerous questions from a man who runs a YouTube channel mostly dedicated to Tesla, and blamed the press for what he believed to be slanted coverage of autonomous-driving car crashes.

Musk struck a very different tone last week, seeking to assure shareholders that Tesla was on track with Model 3 production goals, that demand for the mass-market sedan was healthy and that the company does not need nor anticipates tapping capital markets in the near future.



Tesla, Inc. - Earnings on Point

Musk and other executives also reiterated that the company will be profitable and cash-flow positive in the second half of the year.

In a letter to shareholders before the call, Tesla said it aims to produce 6,000 Model 3 sedans a week by late August, and also kept intact its target of delivering 100,000 Model S and Model X vehicles this year. Shares ended the regular trading day up 0.9%.

The car maker said it expects to produce 50,000 to 55,000 Model 3 sedans in the third quarter and vowed to grow the car's gross margins to 15% in the third quarter and to 20% in the fourth quarter. Capital expenditures will stay below \$2.5 billion for the year, compared with \$3.4 billion in 2017.

Even by Tesla's standards, the quarterly report was a closely followed one, coming on the heels of a series of controversies surrounding Musk that have led some investors to question his leadership.

Tesla's Wednesday results brought earnings season to a close for major U.S. auto makers.

Tesla shares are up 12% this year, a contrast with gains of 5% for the S&P 500 index SPX, +0.46% and 2.5% for the Dow Jones Industrial Average DJIA, +0.54% in the same period. The stock is about 10% off a \$385 record high close, set on Sept. 18, 2017.

Tesla has managed to put a spanner in the works of the bulls who were desperately looking to short the stock before the earnings release. The spate of negative news was not enough to sour the results and the call given by Musk. As the bulls start to lose their voice and momentum, [Harding and Company](#) reiterates its call for Tesla Inc. to break \$450 soon.

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