

# Is Auto maker Tesla to be considered the next big Apple?

*Ford, Ferrari, GM left in the dust as Tesla transcends Automobile sector into tech realm*

PHOENIX, ARIZONA, ESTADOS UNIDOS, February 3, 2020 /EINPresswire.com/ -- 7Stocks ( [www.7Stocks.com](http://www.7Stocks.com)), a leading news and industry coverage platform for stock investors, reports on the recent surge in Tesla (NASDAQ: TSLA) market cap.

Only 4 short months ago, Tesla TSLA was the only one of five auto-makers including Ferrari N.V. Race, Toyota, Ford and GM to suffer share losses as staggering as 26.5% year-to-date.

However, since December 2019, Tesla has rocketed to record highs with a valuation of over \$100 billion for the first time ever. It beat out Volkswagen as the second most valuable auto company, and worth more than General Motors and Ford Motor combined. It still trails Toyota Motor by about \$98 billion.

That said, the automobile industry seems to be stalling out in recent years and Wall Street isn't jumping up and down about its prospects, valuing the industry with fuzzy growth potential in anticipation of a worsening economy.

So why is Tesla different? If we are to believe that auto stocks will either be stagnant or fizzle for the foreseeable future, what makes this darling so attractive to analysts over its peers?

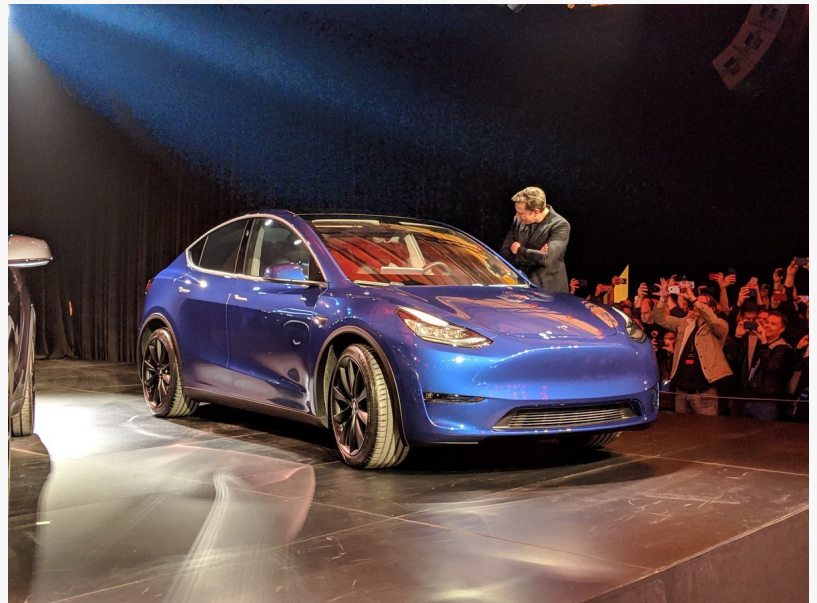
Maybe we're looking at the wrong peers. Check this out:

The investing community began to refer to Tesla as a technology company in 2013, when its stock price shot up by 382.5% within a single year. It seemed every analyst on the street was then comparing Tesla with companies from the technology sector, such as Apple and Facebook, to name a few.

Tesla is also a disruptor, which is an inherent trait to the tech sector. Similar to other tech companies, Tesla has a mission to revolutionize the otherwise stuffy automotive industry by

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Tesla Car

selling direct to consumer. The manner in which it introduces its products to the general public cultivates a frenzied loyalty found in companies like Apple and Amazon.

Despite being second to Toyota Motor, no auto company on the planet has the combined size and growth that Tesla does. In the three months between October 2019 and January 2020 shares doubled due to overall Q numbers, followed by a seismic rise in market cap to nearly \$100 billion in the wake of Tesla's Gigafactory in China opening. The Shanghai factory is Tesla's first full-scale production plant outside of its Fremont, CA operation and it has plans to build a plant near Berlin, Germany in the near term.



According to a report from online media outlet Teslarati, Tesla CEO and co-founder Elon Musk had this to say at the Shanghai opening: "Ultimately, Model Y will have more demand than probably all of the other Tesla cars combined. Model Y will also have advanced manufacturing technologies that we will reveal in the future."

And it's all about the future. A future Elon Musk seems to be shaping first-hand. Incidentally, Bank of America was forced to drastically alter its forecast on Tesla to \$350 after its meteoric rally ran BoA's original target of \$240 off the road.

The new target is still a far cry from yesterday's closing price of \$640.81.

Analysts at "BofA has had a rude awakening," stated John Murphy, Managing Director at BoA, to investors on Wednesday. "While we admit TSLA is a trailblazer in the electric vehicle market. We believe investor optimism about TSLA's addressable market for electric vehicles, volume growth trajectory, and, most importantly, sustainable profits/cash flow inflection is overblown."

This, just before Tesla posted Q4 earnings of \$7.38 billion in revenue with an EPS of \$2.14. So whether you decide, for now, that Tesla is a tech stock or an auto stock investors are recognizing more and more, the differentiators here have Tesla positioned as more of an Apple than a (Nissan) Cherry, with much thanks to the appeal of enigmatic founder, Elon Musk.

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