

AUTOS

Tesla Stock Turns Higher Because Sales and Deliveries May Blow Away Estimates

By [Al Root](#) April 30, 2021 12:52 pm ET



Wall Street expects Tesla to deliver about 800,000 cars this year.

Justin Sullivan/Getty Images

May.

Tesla (ticker: TSLA) stock started out the week at about \$729 and closed Monday at \$738.20, ahead of the company's first-quarter [earnings report](#) that afternoon. Earnings were higher than Wall Street expected, but questions about the [quality](#) of the reported earnings—the degree to which trading in Bitcoin and sales of regulatory credits for producing zero-emission cars lifted the number—sent the stock lower. [Lingering](#)

A wave of pessimism that has hurt [Tesla](#) stock in recent days may be starting to recede.

Stock in the [electric-vehicle](#) pioneer was on its way to a fourth consecutive daily decline when the shares turned around in midday trading Friday. Two factors—both related to 2021 performance—may be making investors more upbeat heading into

[concern](#) over a recent crash of a Tesla vehicle in Texas dragged on the price too.

The stock opened Friday at about \$668, \$71 lower than Monday's close, and down 1.4% from Thursday's final level. By late morning, though, shares were up about \$30 from the daily low, hitting roughly \$697, for a gain of 2.9% on the day. The [S&P 500](#) and [Dow Jones Industrial Average](#), for comparison, were down about 0.6% and 0.7%, respectively.

The stock-price bounce might just be a relief rally marking the end of the post-earnings selling spree. But two bits of news, both communicated via [Twitter](#) (TWTR), appear to be at work as well.



A screenshot of a tweet from Pierre Ferragu (@p_ferragu) on Twitter. The tweet text reads: "\$TSLA breaking: ST-micro SiC revenues this year will be \$550m, vs. \$450-500m expected only a few months ago. They are sole supplier to Tesla and Tesla is >>80% of their SiC. Tells you how confident Tesla is about this year. \$550m SiC could well be 1m inverters!!". The tweet is timestamped "6:59 PM · Apr 29, 2021" and shows 693 likes and 19 replies. There is a share icon and the text "Share this Tweet".

Pierre Ferragu
@p_ferragu

[\\$TSLA](#) breaking: ST-micro SiC revenues this year will be \$550m, vs. \$450-500m expected only a few months ago. They are sole supplier to Tesla and Tesla is >>80% of their SiC. Tells you how confident Tesla is about this year. \$550m SiC could well be 1m inverters!!

6:59 PM · Apr 29, 2021

693 19 Share this Tweet

New Street Research analyst [Pierre Ferragu](#) tweeted out Thursday that [STMicroelectronics](#) (STM) believes its revenues from sales of silicon carbide will hit \$550 million in 2021. The company said as much on its April 29 earnings conference call.

It matters because according to Ferragu, STMicro is Tesla's sole supplier of silicon carbide. He says Tesla accounts for 80% of the company's silicon-carbide sales, and that sales of \$550 million imply Tesla would produce as many as 1 million vehicles.

Wall Street is looking for 800,000 Tesla deliveries in 2021. A million vehicles would be an enormous surprise.

[Gary Black](#), an influential market watcher, also tweeted out something he uncovered in Tesla's [recent 10-Q quarterly filing](#) with the Securities and Exchange Commission.

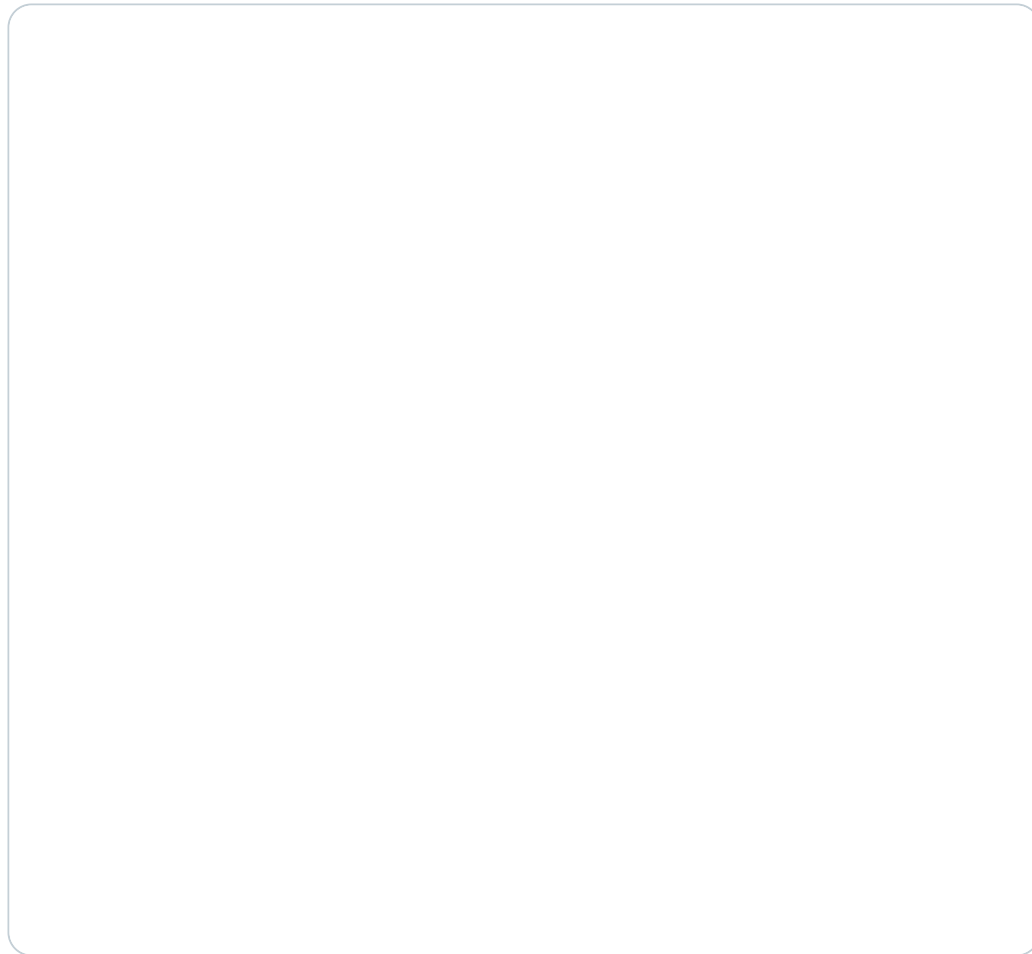


Gary Black
@garyblack00



Retweeting. This didn't get much attention yesterday, but I think it's important.

From [\\$TSLA](#) 10-Q: 2018 CEO Award showed as “Probable” CEO Milestone of \$55B Revenue, and recognized \$116M of CEO SBC expense even with 1Q Revs of just \$10.4B.



8:16 PM · Apr 29, 2021



♡ 380 💬 19 ↗ Share this Tweet

In the filing, Black noted, Tesla’s board of directors said it is “probable” that Tesla’s annualized sales will hit \$55 billion, a milestone that would trigger the grant of stock

options to CEO Elon Musk.

Wall Street analysts believe Tesla's 2021 sales will be less than \$50 billion, so a figure of \$55 billion would be a second enormous surprise for investors.

Black is a former Wall Street analyst and money manager who has amassed almost 74,000 followers tweeting about stocks, including Tesla. Ferragu, for his part, rates Tesla share at Buy and has a \$900 price target for the stock.

Write to Al Root at allen.root@dowjones.com

BARRON'S

RETAIL | EARNINGS REPORT

Earnings Lift Restaurant Brands; Its CEO Says It's a Post-Pandemic Growth Story

By [Teresa Rivas](#) April 30, 2021 12:46 pm ET

Restaurant Brands International stock moved higher Friday despite the company's mixed first quarter. Its CEO expressed confidence that the fast-food operator is back in growth mode.

Shares of Restaurant Brands (ticker: QSR) were up 0.8%, to \$68.32 in midday trading. The stock has gained nearly 15% year to date and is up more than 45% in the past 12 months.

Restaurant...

[Subscribe](#)

or [Sign In](#)

to continue reading

