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Tesla (\$TSLA) Stock Analysis – March 2025: Rating 61/80

Financials Analysis

Income Statement

Tesla's financial health shows a mixed picture. Profitability metrics such as gross profit and net income have been strong, with annual gross profit consistently above \$17 billion and net income showing growth over the years. However, quarterly trends indicate some fluctuations, with gross profit and net income showing variability. Liquidity appears adequate, with positive investment income and manageable interest expenses. Solvency is supported by consistent operating income and EBITDA figures, indicating the ability to cover debt obligations. Overall stability is moderate, with some variability in quarterly performance but a generally positive annual trend.

Balance Sheet

Tesla, Inc. (TSLA) demonstrates strong financial health based on its balance sheet data. The company has shown consistent growth in total assets, increasing from \$82.3 billion in 2022 to \$122.1 billion in 2024. This growth is supported by a significant increase in shareholder equity, which rose from \$44.7 billion in 2022 to \$72.9 billion in 2024, indicating strong profitability and retained earnings. Liquidity is robust, with current assets consistently exceeding current liabilities, and cash and short-term investments providing a solid buffer against short-term obligations. Solvency is also strong, as evidenced by the low levels of long-term debt relative to total assets and equity. Overall, Tesla's financial stability is reinforced by its ability to grow assets and equity while maintaining manageable liabilities.

Cash Flow Data

Tesla (TSLA) demonstrates strong profitability with consistent net income growth over the years, reaching \$7.09 billion in 2024. Operating cash flow is robust, showing an upward trend, with \$14.92 billion in 2024. Liquidity appears stable, supported by positive operating cash flows and manageable capital expenditures. Solvency is solid, as the company does not rely heavily on debt financing, and there are no dividend payouts, indicating reinvestment into the business. Overall, Tesla's financial stability is commendable, with consistent profitability and prudent financial management.



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Sentiment Analysis

News Sources 1

Tesla's stock forecast indicates a mixed sentiment among analysts. While the average price target suggests a 25% increase from the current price, the consensus rating of "Hold" implies that the stock is expected to perform similarly to the overall market. Additionally, there are varying opinions among analysts, with some predicting significant growth and others recommending selling the stock. This divergence in views reflects uncertainty in the market sentiment towards Tesla.

News Sources 2

Tesla's stock has recently experienced a significant price increase, attributed to broader market optimism and recovery trends, despite challenges such as weak sales in Europe. Over the past five years, Tesla has demonstrated remarkable growth, with a total return of 731.63%, driven by its innovative strategies in AI, Full Self-Driving technologies, and battery solutions. The company's expansion efforts and robust revenue growth have allowed it to outperform the US Auto industry, which returned 44.5% over the past year. However, legal challenges and regional sales issues present risks that investors should consider.

News Sources 3

The sentiment around Tesla (TSLA) in the analyzed news sources is mixed, with a slight lean towards neutral to somewhat bullish sentiment. Key points include:

1. **Production and Delivery Optimism:** Articles such as "Why Tesla Stock Popped Ahead of First-Quarter Deliveries" (Motley Fool) highlight investor optimism regarding upcoming production and delivery results, though risks remain.
2. **Bearish Options Activity:** "Tesla's Options Frenzy: What You Need to Know" (Benzinga) notes bearish sentiment among options traders, which could indicate caution among institutional investors.
3. **China Sales and Production:** "Tesla boosts Model Y output, offers interest-free loans to lift China sales" (South China Morning Post) reports positive developments in Tesla's China operations, which could support stock performance.
4. **Market Challenges:** Articles like "Why Tesla Stock Is Down Again Today" (Motley Fool) and "Should You Buy Tesla Stock Before April 2?" (Motley Fool) discuss challenges such as slowing international sales and political factors affecting sentiment.



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5. **Mixed Analyst Opinions:** "BLBD vs. TSLA: Which Stock Should Value Investors Buy Now?" (Zacks Commentary) provides a bullish perspective on Tesla's valuation compared to peers, while other sources highlight bearish price target revisions.

Overall, while there are positive developments in production and sales, bearish sentiment in options trading and challenges in international markets temper the outlook.

Human Analyst Ratings

The analyst recommendations for TSLA show a consistent pattern over the analyzed periods. The number of 'buy' and 'strong buy' recommendations is relatively high compared to 'sell' and 'strong sell', indicating a positive sentiment towards the stock. The 'hold' recommendations are also significant, suggesting some caution among analysts. The sentiment appears stable with slight fluctuations in 'strong buy' and 'strong sell' counts, which could reflect minor changes in market conditions or company performance.

Industry Analysis

The U.S. automobile industry is currently navigating a complex landscape marked by both opportunities and challenges. Key indicators show a mixed performance: while light vehicle sales have rebounded post-pandemic, reaching 15.4 million annualized units in early 2024, they remain below pre-pandemic levels due to affordability challenges and elevated financing costs. Production has normalized, with North American automotive production rising by 9.6% year-on-year in 2023, but labor cost increases from new UAW agreements and tariffs on imports are expected to pressure profitability.

Trends indicate a shift in consumer preferences towards light trucks and SUVs, which now dominate the market. However, high interest rates and tariffs are creating uncertainty, potentially dampening demand and increasing costs for manufacturers. The industry is also facing challenges in affordability, with elevated financing rates pushing up auto loan delinquencies, although falling vehicle prices and higher incentives are gradually improving affordability.

Strengths of the industry include its resilience in recovering from pandemic-related disruptions and the normalization of supply chains. The backlog of demand due to lagged sales during the pandemic provides a tailwind for future growth. Additionally, the industry's ability to adapt to changing consumer preferences and its focus on innovation in areas like electric vehicles and advanced safety features are positive signs.



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Challenges include the impact of tariffs, which could disrupt supply chains and increase costs, and the ongoing affordability issues exacerbated by high financing rates. The industry's reliance on global supply chains also poses risks in the face of geopolitical tensions.

Overall, the U.S. automobile industry is showing resilience and potential for growth, but it must navigate significant headwinds to maintain its trajectory.

Economic Report

Real GDP Analysis

The Real GDP data for the USA shows a consistent upward trend over the years, with notable fluctuations during periods of economic downturns such as the 2008 financial crisis and the 2020 pandemic. The data indicates strong recovery and growth in recent years, particularly from 2021 onwards, with quarterly values steadily increasing. This suggests a robust economic performance and resilience in the face of challenges.

Federal Funds (Interest) Rate Analysis

The Federal Funds Rate data shows a clear trend of fluctuations over the years, with notable periods of stability and sharp increases. For instance, the rate remained relatively low and stable from 2016 to early 2022, reflecting a period of accommodative monetary policy. However, starting in 2022, there was a significant increase in the rate, peaking at 5.33% in mid-2023, likely in response to inflationary pressures and economic conditions. The rate then began to decline slightly in late 2024 and early 2025, indicating potential easing of monetary policy or stabilization of economic factors. This data provides valuable insights into the Federal Reserve's monetary policy actions and their response to economic conditions.

CPI Analysis

The Consumer Price Index (CPI) for all Urban Consumers has shown a consistent upward trend over the years, indicating inflationary pressures in the economy. The index has risen from 241.353 in November 2016 to 319.082 in February 2025, reflecting a significant increase in the general price level. The monthly data also shows a steady increase, with occasional periods of slower growth or stability. This trend suggests that the cost of living has been rising, which could impact consumer purchasing power and economic policy decisions.

Unemployment Rate Analysis



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The unemployment rate in the USA has shown a general trend of recovery and stability over the years. After peaking at 14.8% in April 2020 due to the COVID-19 pandemic, the rate has steadily decreased, reaching levels around 3.5% to 4.1% in recent years. This indicates a strong recovery in the labor market. However, the slight increase in the unemployment rate from 3.7% in early 2024 to 4.1% in early 2025 suggests a need to monitor for potential economic slowdowns.

Treasury Yield Analysis

The 2-Year Treasury Constant Maturity Rate has shown significant fluctuations over the observed period. Starting from mid-2023, the yield was around 3.93% and gradually increased, peaking at 5.14% in October 2023. Following this peak, the rate began to decline, reaching approximately 3.97% by March 2025. This trend suggests a period of tightening monetary policy followed by easing, likely in response to economic conditions such as inflation and growth rates. The data indicates a dynamic interest rate environment, reflecting the Federal Reserve's adjustments to maintain economic stability.

Technical Analysis

SMA Analysis

The stock's 200-day Simple Moving Average (SMA) has been steadily increasing over the past months, indicating a positive long-term momentum. The SMA has risen from approximately 202 in November 2024 to over 287 by the end of March 2025. This consistent upward trend suggests strong bullish sentiment and potential for continued price appreciation. However, it is important to consider other factors such as market conditions and company fundamentals to confirm this trend.

EMA Analysis

The stock's 200-day EMA has been showing a slight downward trend over the past month, indicating a potential weakening in long-term momentum. The EMA values have decreased from approximately 300 to 293, suggesting that the stock may be experiencing a period of consolidation or correction. This trend could imply that the stock is losing upward momentum, and further analysis of shorter-term indicators and market conditions would be necessary to confirm the direction of future price movements.

STOCH Analysis



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The Stochastic (STOCH) indicator for TSLA shows a recent decline in momentum, with the SlowK value dropping from overbought levels above 80 to 40.08 on the latest date. The SlowD has also decreased, indicating a weakening trend. This suggests that the stock may be experiencing a pullback or consolidation phase. However, the SlowK is still above oversold levels, implying that the stock is not yet in a bearish zone. Traders should monitor for further movement in the STOCH values to assess whether the stock will rebound or continue its downward trajectory.

RSI Analysis

The RSI for the stock has been trending below 50 recently, indicating a lack of strong upward momentum. The current RSI value is 42.80, which is in the neutral to slightly bearish range. This suggests that the stock is not currently overbought or oversold, but the downward trend in RSI over the past month could indicate weakening momentum. Investors should monitor for any change