



## Tesla Stock Crosses \$1,000: Here's a Better Stock at Great Value

### Description

**Tesla** ([NASDAQ:TSLA](#)) stock is riding a crazy rally, even crazy for Elon Musk. Some call it the cult trading culture, while others call it brand loyalty. Tesla stock surged more than 40% last month. If you are looking for any news or announcement that triggered this jump, a car rental business Hertz has expressed interest in buying 100,000 Tesla vehicles. This news doesn't have any significant impact. But these crazy movements of the stock make it an unstable element.

### Tesla stock rallies past \$1,000

Even though I follow Elon Musk's ventures and am optimistic about their future success, I won't suggest buying Tesla stock at the current price. Even Musk finds this rally strange. This unstable nature of traders toward Tesla stock keeps serious shareholders on their toes.

Tesla is light years ahead in terms of battery and technology of electric vehicles (EVs). It even managed to avoid supply chain issues when the entire automotive industry struggled with chip supply shortages. But a \$1,000 stock price doesn't support the fundamental valuation or the revenue growth.

This could probably be the next growth spurt the stock is seeing. Between November 2020 and January 2021, Tesla saw a growth spurt during which the stock surged 104%. And then came another pandemic wave and pulled the stock down 33%. I would like to stay optimistic, but there is a new coronavirus variant brewing in China. The eastern country is reverting to [lockdowns](#) again and so it's difficult to say whether this new variant can be contained before it becomes a wave.

### When is a good time to buy Tesla stock?

But it's good to be prepared for the worst. Only then will you be able to curb risks and boost growth. If there is another lockdown, Tesla stock could fall once again as automotive demand will take a hit. Being bullish on Tesla is one thing, but trading rules are the same for equity; buy the dip and sell the rally.

I would suggest buying Tesla stock when it falls because China is a major market for EVs. No doubt, Tesla is unbeatable in the EV space. Tesla is like the **Apple** ([NASDAQ:AAPL](#)) of the EV market, and the move to green transportation will fuel its growth in the coming decade. It could also attract environmental, social, and governance ([ESG](#)) investors

Even then, \$1,000+ price per share is not a good bargain. If you look at Apple's long-term stock returns, those who bought this stock in the September 2012 peak saw a 515% growth to date. But those who bought the stock in the July 2013 dip (seasonally low) saw 880% growth to date. A little patience brought a 350% difference.

Decisions taken in the heat of the moment could have long-term repercussions. Have patience with Tesla and wait for this unexpected rally to ease.

## What's the alternative?

If you have the money and you can't wait for Tesla's stock to cool, **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is a more stable alternative. What makes Magna stable is that it is not dependent on one automaker for revenue. It supplies components and third-party automotive manufacturing services to tech and automotive companies.

As per the latest update, Magna has contracted with 24 of the top 25 EV makers, and the one EV maker missing from its list is none other than Tesla. So even if one or two automakers' EVs fail to gain market share, Magna won't be affected significantly. While this diversification gives Magna stability, it also reduces its upside potential. Think of the two like Apple and **Taiwan Semiconductor Manufacturing Company**.

Magna stock surged 80% between November 2020 and June 2021 on the back of the EV wave. But it has [corrected](#) 20% from its high, creating a valuable opportunity to invest your funds in the EV momentum.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:TSLA (Tesla Inc.)
3. NYSE:MGA (Magna International Inc.)
4. TSX:MG (Magna International Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News

#### **PP NOTIFY USER**

1. arosenberg
2. pujatayal

#### **Category**

1. Investing

#### **Date**

2025/07/22

#### **Date Created**

2021/11/01

#### **Author**

pujatayal

default watermark

default watermark