



Why Tesla Stock Dived Over 8% Today

Description

What happened?

Shares of **Tesla** ([NASDAQ:TSLA](#)) tanked sharply today after the American [electric carmaker](#) released its third-quarter (Q3) 2022 quarterly car delivery numbers over the weekend. At the time of writing, TSLA stock was trading with about 8.4% losses for the day at \$242.93 per share, extending its year-to-date losses to 31%. By comparison, the **S&P 500** and **NASDAQ Composite** benchmarks have seen about 23% and 32% value erosion in 2022 so far.

So what?

In the third quarter of 2022, Tesla [delivered](#) 343,830 vehicles to its customers, up 42% YoY (year over year) and 35% from the previous quarter. These deliveries included 18,672 of its highly profitable Model S and X premium cars and 325,158 of its Model 3 and Y. Similarly, the company produced 365,923 vehicles last quarter, reflecting a solid 54% YoY and 42% sequential increase. With this, the Elon Musk-led company posted its highest quarterly car deliveries and production numbers ever. Given these record car deliveries and production numbers, you would expect TSLA stock to skyrocket and not tank the way it did today.

The key negative factor driving Tesla's share prices sharply lower Monday was that its Q3 2022 vehicle delivery figures missed Street analysts' apparently highly optimistic estimates, as widely reported in the mainstream media.

Now what?

In its latest vehicle deliveries and production report, Tesla clearly noted, “it is becoming increasingly challenging to secure vehicle transportation capacity and at a reasonable cost during these peak logistics weeks.” This justifies why the world’s largest automaker by [market cap](#) delivered fewer cars in Q3 than it produced, missing estimates by a narrow margin.

It’s important to note that these COVID-19 pandemic-driven supply chain disruptions have been affecting businesses worldwide since 2020. Nonetheless, Tesla’s record Q3 deliveries clearly reflect that it’s continuing to manage the ongoing global supply chain crisis far better than most other large carmakers. And I don’t think it should wary TSLA investors at all. But as they say, the market is not always rational.

Another important factor that Tesla investors are seemingly not paying attention to today is that the contribution of its highly profitable Model S and X in the Q3 2022 deliveries rose to 5.4% from just 3.8% a year ago. And this higher contribution of its more profitable cars in its total deliveries should help the electric car maker expand its margin for the quarter on a YoY basis. Given that, today’s sharp dip in TSLA stock today could be an opportunity for long-term investors to buy at a bargain.

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