

# Wall Street is UNDERESTIMATING the Resilience of Tesla's Customer Base

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"I DON'T THINK THEY'RE GONNA MAKE IT."



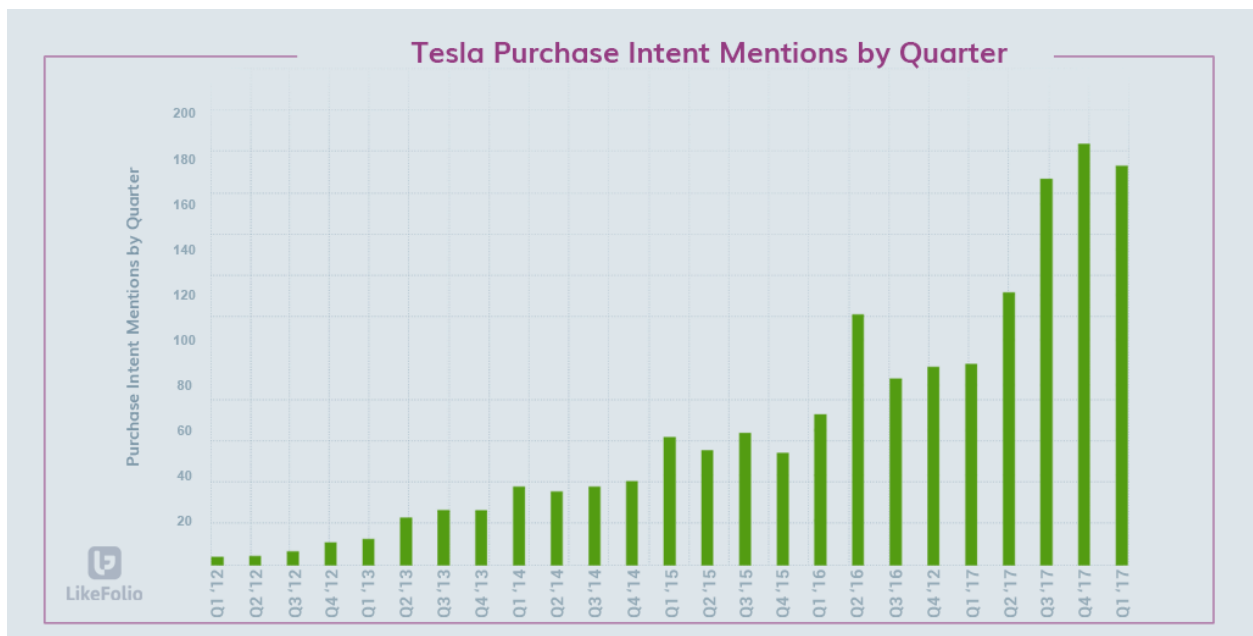
Holes have started to appear in Tesla's sunny outlook. Consumer Reports said [Tesla Model 3 was fun, but had flaws](#) and some features were disappointing. Real trouble arose in late March when a [Bloomberg Model 3 tracker](#) indicated [Tesla would not hit the pace goal for Q1](#): 2,500 Model 3 units/week.

Musk attempted to control the narrative with an April Fools Bankruptcy joke. In the meantime, production increased to 2,000 units per week (but still [fell short of 2,500 unit per week goal](#) set to be reached by end of Q1). This was enough to bump the stock back up a little. But on April 3, [TSLA missed Q1 production pace goals](#).

Musk explained this away by stating that "excessive automation" was to blame. As a side note, that sounds like one of those perfect answers to the old "what's your biggest weakness?" resume questions.

# PRODUCTION IS CLEARLY A PROBLEM – BUT IS CONSUMER DEMAND WANING?

In a word, no.

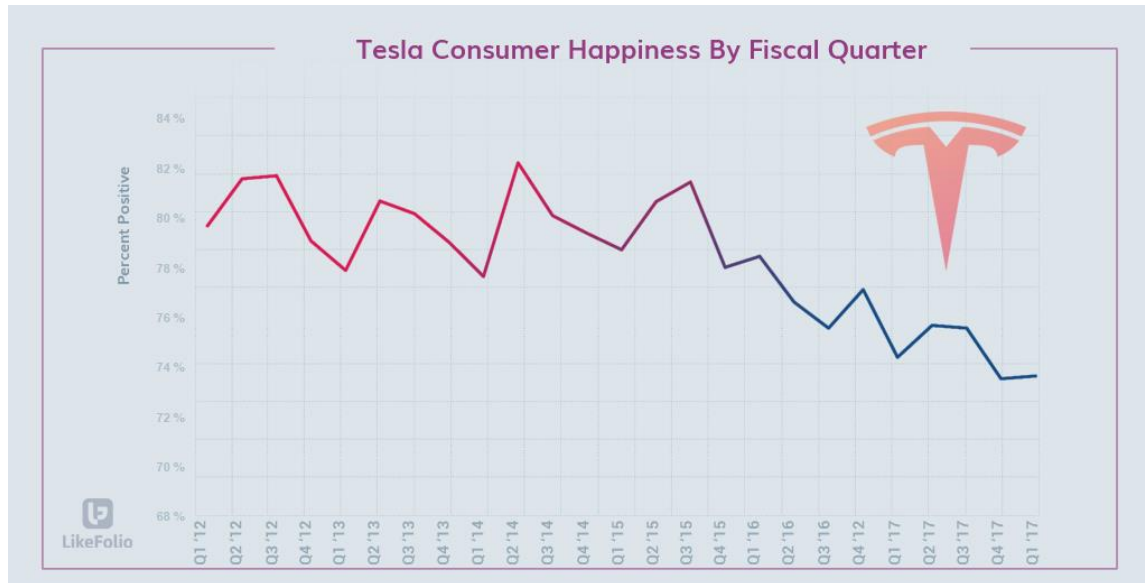


That chart of Tesla purchase intent mentions tells a fantastic story. That's the number of people talking (on social media) about buying, leasing or pre-ordering a Tesla vehicle.

We are seeing significant and undeniable growth in consumer demand for Tesla vehicles.

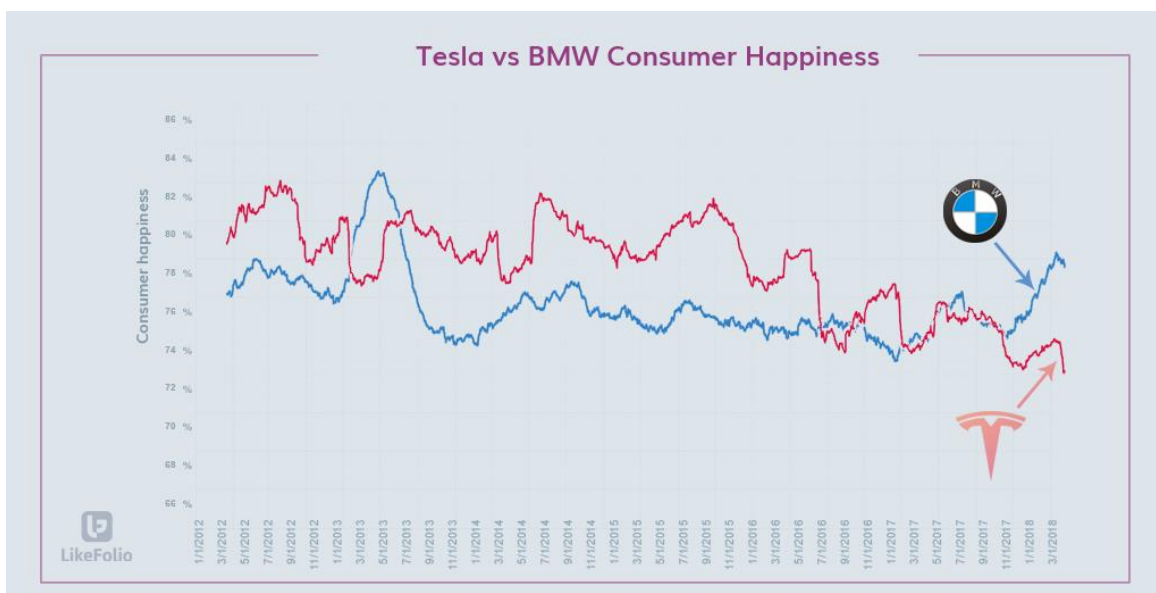
# ARE CONSUMERS HAPPY WITH TESLA VEHICLES?

Yes, but....



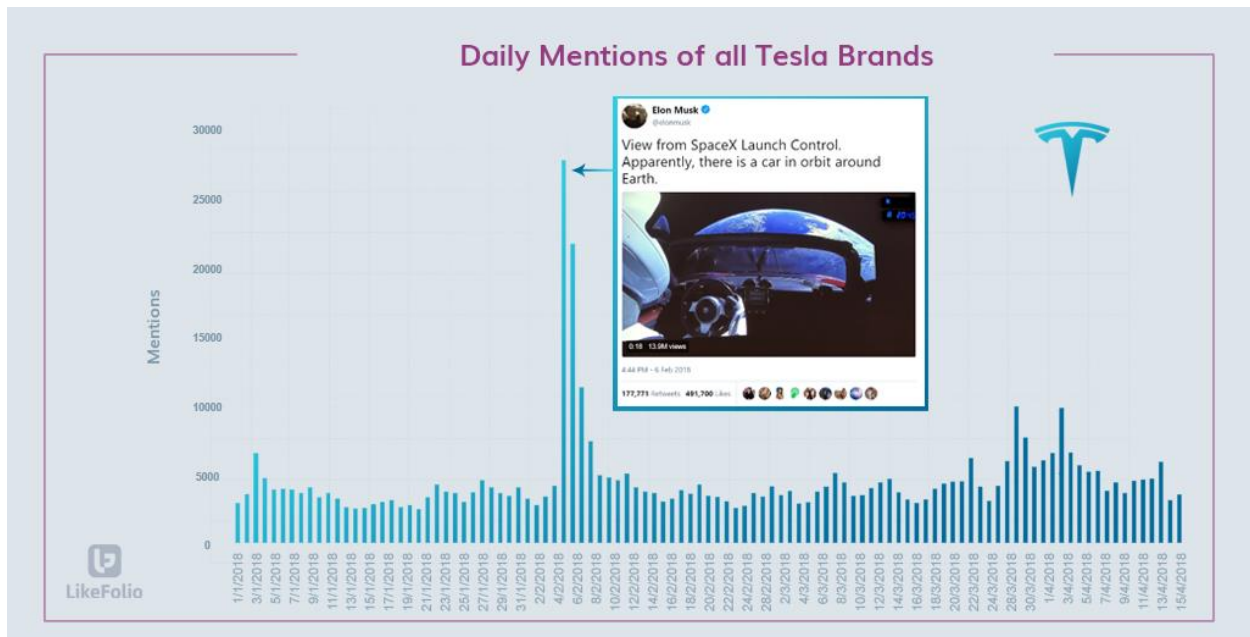
Happiness has begun to drop, and recently hit new lows, as the company has pushed back delivery dates and delivered product that is not quite living up to the expectations of the consumer.

In fact, we've seen BMW overtake Tesla in terms of consumer happiness... not a great signal...



# IS ANYONE A BETTER SHOWMAN THAN ELON MUSK?

Look, the guy sent a Tesla into space for a photo-op with the Earth. That's pretty cool... and it definitely worked in terms of garnering attention for the car-maker...



You can't beat free publicity, and Musk knows how to get it. That will continue to bode well for Tesla in the future.

# SUMMARY: TESLA'S CUSTOMER BASE IS FINE – FOR NOW.



What's not clear is Tesla's ability to *deliver the product* to that growing base, a major concern of Wall Street's.



Tesla customers are happy, in general... but the delivery delays and some functionality issues are beginning to take their toll as competitors like BMW and Mercedes catch up.



Purchase intent mentions are growing exponentially by the year, signaling that demand for Tesla vehicles is through the roof... or should I say to the moon?



Elon Musk and his team are incredibly skilled at capturing consumer's imagination and attention, a skill that will surely prove profitable for them... as soon as they can figure out how to make the cars fast enough.

# PLAYING TESLA FROM HERE

DISCLOSURE: As of publication date, TSLA is a holding in the [LikeFolio Tactical Model](#).

## WHY TO BUY:

The stock is clearly a buy under \$300 if you believe Elon Musk and team will figure out production issues in 2018. The Bloomberg Model 3 tracker is a good view into that progress, as is specific LikeFolio “delivery metrics” data, which specifically tracks indications that a new Tesla was actually delivered to a consumer.

Short interest in this name is very high and positive production news could lead to a significant squeeze higher.

## WHY TO HOLD:

As long as consumer demand continues to grow, there is time for the company to figure out production. We are keeping a VERY close eye on Tesla Purchase Intent mentions. If we get confirmed signs that purchase intent mentions are beginning to drop, we will alert members immediately and exit our position in the tactical model.

## OPPORTUNITY SEEKERS:

### BULLISH OPPORTUNITIES

When Tesla goes through a negative headline hype cycle like we saw in late March and early April of 2018, it's usually a very big opportunity.

That's when we look at the underlying consumer data (LikeFolio Purchase Intent Volume & Consumer Happiness) to see how the demand side of the equation is holding up.

If those metrics are strong, then we can be confident that the negativity is overblown. That's a perfect time to sell put options under the market. For example, in the day's following Elon's “bankwupt” joke, TSLA stock fell quickly to \$250/share. At that point, the \$150 put options expiring 45 days later were being bought at \$3 each! That was one of the easiest trades we've seen in a while.

### BEARISH OPPORTUNITIES

IF we see consumer happiness continue to decline and a significant stall or drop in purchase intent mentions, it will be all systems go for a bearish position on TSLA. Companies can survive production problems, but not when demand is drying up.



# ABOUT LIKEFOLIO

LikeFolio constantly monitors Tesla metrics looking for these opportunities. Our **members receiving [LikeFolio Opportunity Alerts](#) will be the first to know when this powerful social data signals a significant move is coming in either direction.**

LikeFolio analyzes social media data from Twitter to spot shifts and trends in consumer spending behavior on Main Street before it becomes news on Wall Street.

LikeFolio [applies its proprietary Brand Map to the full firehose of Twitter data](#) to capture and analyze tweets by consumers about the brands and products owned by publicly traded companies. Each tweet is scored on [four primary metrics](#); brand mention, positive sentiment, negative sentiment , and purchase intent.

## MEDIA AND PARTNERSHIP INQUIRIES

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