

Tesla Stock Dives. The Buyers Strike Is a Real Problem for Musk.



Tesla stock was dropping early Tuesday after falling in the previous session as investors considered tariffs, weak Chinese sales data, and the impact of a “buyers strike” on the electric-vehicle maker.

Tesla stock was down 7.3% in early trading at \$263.82, while the S&P 500 and Dow Jones Industrial Average were down about 1.4% and 1.3%, respectively.

Shares were up roughly \$12, or 5%, since the Nov. 5 presidential election. On Dec. 17, they traded above \$480.

There was some good news for investors, though. Preliminary U.S. data show a February rebound for Tesla. It sold about 42,000 cars in the month, up about 14% from the 37,000 sold in February 2024, according to Ward’s Automotive.

February data wasn't uniformly positive. Early numbers from the China Passenger Car Association—they showed Tesla's February wholesale number, which includes exports and retail sales, dropped 49%—helped push shares down.

It's a steep drop, likely affected by Tesla's Model Y changeover. The company recently started selling an updated version of its best-selling vehicle. Updating models often means losing production as plants go off line so tooling can be updated.

The Chinese February drop follows January sales data that showed Tesla underperforming in the U.S., Europe, and China. Sales fell year over year in all three regions.

In a Monday report, Morgan Stanley analyst Adam Jonas characterized weak sales numbers as a "buyers' strike," with CEO Elon Musk's increasingly political activity turning off core Tesla buyers—politically left-leaning people looking to go green.

The data have left investors looking for any new positives. Few have emerged.

Jonas isn't all that bothered by the sales decline. He doesn't view Tesla as just a car company. He sees it as an AI play. Tesla uses AI computing to train its cars to drive and train humanoid robots it hopes to start selling as soon as 2025.

"While the journey may be volatile and nonlinear, we believe 2025 will be a year where investors will continue to appreciate and value these existing and nascent industries of embodied AI where we believe Tesla has established a material competitive advantage," he wrote.

Jonas rates shares Buy and has a \$430 price target for the stock. Only \$86 of that price target is represented by the car business.

Overall, 47% of analysts covering the stock rate shares Buy. The average Buy-rating ratio for stocks in the S&P 500 is about 55%. The average analyst price target for Tesla stock is about \$379.

Tesla stock tried to rally on Monday, at the start of a new month. Shares were in the green early, but the market just didn't cooperate. The stock lost 2.8% while the

Nasdaq Composite plunged 2.6% as investors weighed the impact of President Donald Trump's trade policies on the U.S. economy.

Tariffs of 25% on Canadian and Mexican imports went into effect on Tuesday. That has the potential to raise costs for all auto makers. Tesla assembles its cars for the North American market in the U.S., but parts come from elsewhere.

Tariffs are another thing for Tesla investors to worry about.

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Police in Massachusetts say seven Tesla charging stations were intentionally set on fire and the incident is being investigated as suspicious.



"At this point it does appear that it was a set fire," said Littleton Fire Chief Steele McCurdy.

The fire happened Monday around 1 a.m. at The Point Shopping Center on Constitution Ave. in Littleton. The charging stations are located close to several businesses, including the Tavern in the Square restaurant and a Market Basket grocery store.

Suspicious fire at Tesla charging station

The Littleton Police Department said the charging stations were engulfed in flames and heavy, dark smoke when officers arrived.

Power was eventually shut down to the area, but while crews were waiting for the electric department to arrive, another charging station caught fire.

"The electricity is one of our bigger issues that we're dealing with in making sure that not only the public, but the firefighters are safe," Chief McCurdy said. "So, we kept our distance from the charged electrical equipment."

Police said seven charging stations sustained heavy damage. No one was hurt.

"Littleton Police and Fire Departments and the Massachusetts State Police Fire and Explosion Investigation Unit attached to the State Fire Marshal's Office are investigating and have determined that

the fire appears to have been intentionally set," Littleton police said.

Tes

la charging stations catch fire in Littleton.LITTLETON FIRE DEPARTMENT

Anyone with information is asked to call the Arson Watch Reward Program Hotline at 1-800-682-9229.

Although investigators won't say what evidence was left behind, they do say it suggests arson. "It's suspicious based on the evidence that was found on scene," Chief McCurdy said.

Recent Tesla vandalism reports

Tesla products have been the targets of vandalism in recent weeks in several states. Tesla CEO Elon Musk endorsed President Donald Trump and is now the head of the president's Department of Government Efficiency (DOGE).

"It's not going to make any difference to Elon Musk. You're only harming society. You're only harming the people who actually use these charging stations," said Tesla driver Zaheer Kalvert.

"Someone could have got hurt right? Someone could have got burned, someone could have died. That's what is the real problem."

A Massachusetts man told WBZ-TV he has been threatened because he drives a gold Cybertruck made by Tesla. Someone put a profane sticker on the vehicle, and when he posted a photo of it on social media the man told police he started getting threats online.

Over the weekend in Maryland, graffiti was found at a Tesla dealership a day after nearly 300 protesters gathered outside the business to protest Musk and his push to slash government spending. Police said the graffiti said "No Musk" with a sign that resembles a swastika.

In Northern Colorado last month, police arrested a suspect who had been wanted for allegedly placing incendiary devices at a Tesla

dealership. That investigation began in January when the dealership was vandalized and devices were found on scene.