



Tesla Daily Interview: Bull vs. Bear

CEO David Trainer joined Rob Maurer of Tesla Daily to discuss our recent report “[Tesla: The Most Dangerous Stock for Fiduciaries](#).”

[Watch the interview](#)

Topics covered in the interview include:

- Tesla’s (TSLA) valuation relative to other automakers
- Tesla’s reliance on regulatory credits to generate GAAP profit
- Incumbent automakers’ plans to enter electric vehicle (EV) market with large scale
- Tesla’s lack of competitive advantages
- The expectations baked into TSLA – the current stock price implies massive production, profitability, and market share gains

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Disclosure: David Trainer, Kyle Guske II, and Matt Shuler receive no compensation to write about any specific stock, style, or theme.

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Quotes from HBS & MIT Sloan professors on our research:

Get better research:

“...the NC dataset provides a novel opportunity to study the properties of non-operating items disclosed in 10-Ks, and to examine the extent to which the market impounds their implications.” – page 20

Pick better stocks:

“Trading strategies that exploit cross-sectional differences in firms’ transitory earnings produce abnormal returns of 7-to-10% per year.” – Abstract

Avoid losses from using other firms’ data:

“...many of the income-statement-relevant quantitative disclosures collected by NC do not appear to be easily identifiable in Compustat...” – page 14

Build better models:

“Core Earnings [calculated using New Constructs’ novel dataset] provides predictive power for various measures of one-year-ahead performance...that is incremental to their current-period counterparts.” – page 4

Exploit market inefficiencies:

“These results ... suggest that the adjustments made by analysts and Compustat to better capture core earnings are incomplete. Moreover, the non-core items identified by NC produce a measure of core earnings that is incremental to alternative measures of operating performance in predicting an array of future income measures.” – page 26

Fulfill fiduciary duties:

“An appropriate measure of accounting performance for purposes of forecasting future performance requires detailed analysis of all quantitative performance disclosures detailed in the annual report, including those reported only in the footnotes and in the MD&A.” – page 33-34



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