Analyst Says Next Few Quarters Are Key For Tesla

The Associated Press

DETROIT (AP) — Now that Tesla Motors Inc. has delivered its first Model S electric luxury car, the next few quarters are key to seeing whether the company can build a sustainable business, a Barclays analyst wrote Monday in a note to investors.

THE OPINION: Analyst Amir Rozwadowski said the Model S is a competitive vehicle, and he expects a positive reception from consumers. The company has made progress getting its factory started in Fremont, Calif., increasing production of its internally manufactured parts. Company management, he wrote, is comfortable with its ability to build 5,000 cars per quarter in 2013.

"We recognize that over the next few quarters, data points need to emerge providing visibility in the company's ability to achieve its profitability metrics," Rozwadowski wrote. Barclays rates Tesla stock at 1-Overweight, meaning the stock is expected to outperform the automotive sector in the next 12 months. The firm's one-year price target for Tesla is $38.

THE STOCK: Shares of Tesla fell with the broader market at midday Monday, down 44 cents, or 1.3 percent, to $33.34. They have traded between $21.50 and $39.95 in the past year. Tesla, the brainchild of PayPal billionaire and SpaceX founder Elon Musk, began trading in public markets at $17 in June of 2010.

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