

Tesla shares slip after company decides to stay public

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In this Aug. 24, 2018, file photo a Tesla vehicle Supercharging station in Seabrook, N.H. Shares of Tesla slipped on Monday, Aug. 27, the first day of trading after the electric vehicle maker said it won't consider going private after all. (AP Photo/Charles Krupa, File)

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In morning trading Monday, Tesla Inc. was [trading](#) at \$313.13, down \$9.69, or 3 percent, while the broader markets rallied.

Late Friday, founder Elon Musk said that after consulting with shareholders, the Palo Alto, California, company will stay public.

That followed a surprising tweet two weeks earlier when Musk said he had secured funding for a deal at \$420 a share, then a 23 percent premium.

Jefferies analyst Phillipe Houchois, who has a "Hold" rating on the stock, said in a note Monday that Tesla may still be in play and that the "erratic" moves may lead to more talks with other investors.

"In any scenario, we think Tesla needs new capital to fund midterm growth or risk a de-rating of its valuation multiples," the analyst wrote.

Citi analyst Itay Michaeli agreed, saying, "Now that a go-private transaction isn't happening, we think it'd be wise for Tesla to protect the downside and at least try to raise significant new equity capital sooner rather than later."

"The stock will probably take a hit on the no-transaction outcome, but ultimately what matters most is the potential legal/regulatory fallout from this and Tesla's execution in Q3-Q4," Michaeli wrote.



In this Aug. 24, 2018, file photo a Tesla Model S is plugged in at a vehicle Supercharging station in Seabrook, N.H. Shares of Tesla slipped on Monday, Aug. 27, the first day of trading after the electric vehicle maker said it won't consider going private after all. (AP Photo/Charles Krupa, File)

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