

## Tesla short interest at record high

Tesla is set to unveil its highly anticipated Model 3, but bearish sentiment around the company's shares remains near record high.

- More than 25% of all Tesla shares are out on loan, an all-time high for the company
- Tesla is the most shorted carmaker worldwide at almost twice the level of second place Fiat
- Plug Power continues to see heavy short interest despite its recent share price collapse

On the eve of Elon Musk's [long awaited](#) unveiling of his mass market Model 3 negative sentiment in Tesla shares has never been this high. Current short interest, as measured by the proportion of Tesla shares out on loan, has hovered around 25% of shares outstanding since the opening weeks of the year, a level not seen by the firm since its IPO in 2010.

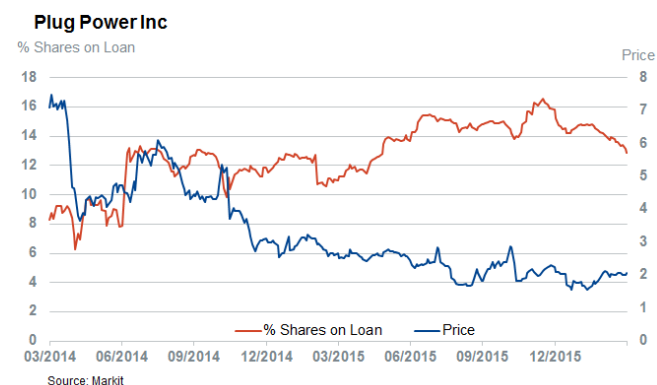


Ahead of today's highly anticipated unveiling appetite to sell the company's shares short remains despite the fact that Tesla shares have recovered most of the ground lost in early year volatility. While it will be several years before any Model 3 hit the road, doubts have been raised about Tesla's ability to profitably crack the mass market especially since the company has so far been [unable](#) to deliver an operation profit on its current line-up of higher end cars.

This recent surge in short interest has cemented Tesla's standing at the top of the most shorted automaker's list as investors remain to be sold on the company's ability to pivot from a niche provider of luxury vehicles

to a mass market player able to compete with established players. In fact, Tesla's short interest is nearly twice that of the second most shorted Harley-Davidson which has 14% of its shares currently shorted. Its gap to the most shorted conventional automaker, Italian firm Fiat is even higher as the latter has less than 14% of shares out on loan.

Bearish investor sentiment towards the (dwindling number of) shares with large exposures to electric vehicles, and their evolution is not solely concentrated towards Tesla. However as Plug Power, which is looking to develop and market hydrogen fuel cells, has continued to be a favourite short target. The firm now sees 13.4% of its shares out on loan despite the fact that its shares have fallen by over 80% from their highs two years ago.



This number would no doubt be higher were short sellers able to get their hands on more Plug Power shares as over 85% of the shares which can be sold short are already out on loan to short sellers.

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