

Tesla shares dive, giving back some gains from rally

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Tesla shares dived around 20 percent in early afternoon trading Wednesday, giving back some of the gains the electric-car maker racked

up since October.

Shares stood at \$723.92, down 18.3 percent around 1835 GMT, reversing a nearly unbroken trend over the last four months that accelerated this week when the stock jumped more than 36 percent in a two-day surge.

Tesla's rally has followed a period of solid performance that has seen it meet key benchmarks on production of its all-[electric cars](#) and the opening of a plant in China, a crucial market.

But Canaccord Genuity downgraded Tesla from "buy" to "hold," while maintaining a \$750 target for the stock.

"We see a balanced risk reward for investors to lock in profits," Canaccord said in a note.

"Just as we observed a clear buy signal coming into 2020, we see the risk of China's coronavirus as a clear headwind to the Shanghai facility, suggesting a more pragmatic position."

And J.J. Kinahan, chief market strategist at TD Ameritrade, warned of "incredible volatility."

"When I first started trading futures, an old guy said to me, "Be careful of chocolate covered hand-grenades," Kinahan said. "That's a little bit how I feel about Tesla at the moment."

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