A Model X sports-utility vehicle sits outside a Tesla store in Littleton, Colo., June 18, 2023. Shares of Tesla stock rallied Monday, April 29, 2024, after the electric vehicle maker's CEO, Elon Musk, paid a surprise visit to Beijing over the weekend and reportedly won tentative approval for its driving software.

Credit: AP Photo/David Zalubowski, File
Shares of Tesla stock rallied Monday after the electric vehicle maker's CEO, Elon Musk, paid a surprise visit to Beijing over the weekend and reportedly won tentative approval for its driving software.

Musk met with a senior government official in the Chinese capital Sunday, just as the nation's carmakers are showing off their latest electric vehicle models at the Beijing auto show.

According to The Wall Street Journal, which cited anonymous sources familiar with the matter, Chinese officials told Tesla that Beijing has tentatively approved the automaker's plan to launch its "Full Self-Driving," or FSD, software feature in the country.

Although it's called FSD, the software still requires human supervision. On Friday the U.S. government's auto safety agency said it is investigating whether last year's recall of Tesla's Autopilot driving system did enough to make sure drivers pay attention to the road. Tesla has reported 20 more crashes involving Autopilot since the recall, according to the National Highway Traffic Safety Administration.

In afternoon trading, shares in Tesla Inc., which is based in Austin, Texas, surged to end Monday up more than 15%—its biggest one-day jump since February 2020. For the year to date, shares are still down 22%.

Tesla has been contending with its stock slide and slowing production. Last week, the company said its first-quarter net income plunged by more than half, but it touted a newer, cheaper car and a fully autonomous robotaxi as catalysts for future growth.

Wedbush analyst Dan Ives called the news about the Chinese approval a "home run" for Tesla and maintained his "Outperform" rating on the stock.
"We note Tesla has stored all data collected by its Chinese fleet in Shanghai since 2021 as required by regulators in Beijing," Ives wrote in a note to investors. "If Musk is able to obtain approval from Beijing to transfer data collected in China abroad this would be pivotal around the acceleration of training its algorithms for its autonomous technology globally."

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