





Watch This Key Level

Elon Musk's erratic behavior and the price of Tesla stock and bonds have been a constant source of news headlines in recent months. The incessant gyrations have been extremely confusing to investors who are caught between excitement about the company and the sector's potential prospects and the risks that come from the stock's lofty valuation, increasing competition, and the CEO's mental state. In this brief piece, I will show key technical levels in Tesla stock that should help traders put the noise into perspective a bit more. For the past year and a half, Tesla stock has been trading in a range between its \$240 - \$250 support zone and its \$380 - \$390 resistance zone. After failing to break above the \$380 - \$390 resistance zone in June and July, the stock plunged to the \$240 - \$250 support zone, where it now sits above. After such a sharp decline, there is a high probability of a technical bounce off this support. If the stock eventually closes below this support zone in a convincing manner, it would be a concerning sign that would likely signal even further declines ahead.

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TSLA (Weekly) 266.16

Open 296.94 High 298.19 Low 252.25 Last 266.16 Volume 37.9M Chg -35.50 (-11.77%)

