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Ford, Tesla Collaboration Supercharges Stocks. Investors Like It.

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[Tesla TSLA +5.62%](#) has [agreed](#) to let owners of [Ford Motor F +6.68%](#) electric vehicles use Tesla's extensive network of [superchargers](#) in the U.S. beginning in 2024. Investors love the idea. There are good reasons for that.

The charging collaboration was announced by Ford (ticker: F) CEO [Jim Farley](#) and Tesla (TSLA) CEO [Elon Musk](#) Thursday evening on Twitter Spaces. The pair talked about the deal and EVs for about 30 minutes and took a few questions, too. Ford drivers using Tesla chargers "will not be cost-prohibitive," said Musk at one point, adding that only an adapter is needed for Ford to plug into Tesla charging stalls. Farley said he was open to other areas collaboration between the companies, including EV-related software.

In midday trading Friday, Ford stock was up almost 7.3% to \$12.21. Tesla stock had gained 6.5%, to \$196.50. The [S&P 500SPX +1.36%](#) and [Dow Jones Industrial AverageDJIA +1.03%](#) were up about 1.2% and 0.9%, respectively; the [Nasdaq CompositeCOMP +2.24%](#) was up 2.1%.

The U.S. auto industry is famously competitive. It is common for Ford and [General Motors](#) (GM) to refer to each other as the "other" car company in Detroit, and not by name. That isn't the case with Tesla and Ford. Musk said he had respect for Ford, and Farley praised Tesla's leadership in EVs, adding "it's super hard what Tesla has done." "The announcement conjures up the proverb: The enemy of my enemy is my friend," says Battle Road Research analyst [Ben Rose](#). "Tesla and Ford see common enemies in both GM and Hyundai-Kia in North America...GM will be facing a lot of questions regarding fast charger access as it begins to ship new models." A Ford/Tesla detente isn't why the stocks are up though. In the case of Ford, more-reliable chargers make it easier for people to buy Ford EVs. U.S. charging infrastructure lags behind other countries.

The U.S. has about 37,000 of the fastest chargers, according to BNEF, the new energy research arm of Bloomberg. Tesla owns about one-third of those.

That works out to about 55 EVs on U.S. roads per fast charger. That number compares with less than 40 in Europe and about 13 in China. Including slower chargers, the kind U.S. drivers might see at a commuter train station, China has about five EVs per charger.

Tesla, for its part, gets a lot of free advertising. Ford EV owners will be staring at the Tesla logo for potentially hours over the course of a year. They will also be downloading the Tesla app and getting used to Tesla systems. That isn't a bad deal for Tesla.

Importantly, Tesla also gets more money from its charging network. It's a "win/win," says Gerber Kawasaki Wealth and Investment Management CEO [Ross Gerber](#). "Tesla's supercharging network becomes a real business."

The win for Ford is charging access. The auto maker, of course, offers [BlueOval Charge Network](#)—84,000 chargers run by partners, including access to over 10,000 fast-chargers similar to Tesla's superchargers. Ford has also said its dealers will add roughly 1,800 public-facing fast-chargers by early 2024. And Tesla, of course, will have to make sure it doesn't get to the point where Tesla drivers are waiting for Ford drivers.

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