

Rivian Stock Gains. The Election Could Help No Matter Who Wins.

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Updated Nov 04, 2024, 12:58 pm EST / Original Nov 04, 2024, 10:59 am EST



A Rivian R1S sport-utility vehicle. (COURTESY RIVIAN)

Slowing demand and more competition are making things harder for [Rivian](#) Automotive. Wall Street has noticed.

Over the weekend, Mizuho analyst [Vijay Rakesh](#) cut his target for the electric-vehicle company's stock price to \$12 from \$15. He kept his Hold rating on the stock, saying Rivian faces production problems in addition to the challenges that EV makers in general are dealing with.

Rivian stock was able to shake off the downbeat call. Shares rose 1.1% on Monday, closing at \$10.29. The [S&P 500](#) dropped 0.3% and the [Dow Jones Industrial Average](#) fell 0.6%. Coming into Monday trading, Rivian shares were down about 57% this year.

Part of the reason for the gain is an upgrade. **Battle Road Research** analyst [Ben Rose](#) raised his rating from Sell to Hold. He doesn't have a price target for shares. An upgrade to Hold isn't a bullish call, but it helps a little.

“While we remain skeptical of Rivian's near-term prospects, we acknowledge the potential political tailwinds for the company ahead of tomorrow's election,” wrote Rose. “We believe EV and clean energy stocks like Rivian are poised to rise should Vice President [Harris] win the election, while both Harris and former President Trump support tariffs on overseas auto makers to shield Rivian from competition.”

Rakesh wasn't focused on the [election](#).

“We continue to see broader challenges for the EV landscape globally but also supply constraints impacting Rivian production,” he wrote.

One issue is pricing, given that U.S. consumers are under financial strain from inflation and high interest rates. A Rivian R1S SUV starts at about \$77,000, higher than the roughly \$48,000 average price Americans pay for a new car.

As for production, the company recently cut its guidance from 57,000 vehicles to about [48,000 vehicles](#). A shortage of electric motors was partly to blame.

Rivian produced 36,749 vehicles in the first three quarters of 2024, down about 7% year over year. Sales results have been a little better. Rivian sold 37,396 vehicles in the first three quarters, up about 3% from the 36,150 vehicles sold in the first three quarters of 2023.

Wall Street projects about 51,000 vehicles will be sold in 2024. Its call for 2025 is 57,000.

Rivian's production plan for 2025 is for about 71,000 vehicles, according to Rakesh. Generating enough demand to absorb that output could be a problem given an increasingly saturated market for electric trucks.

In the third quarter, [Tesla](#) sold almost 17,000 [Cybertrucks](#) in the U.S. [Ford Motor](#) and [General Motors](#) sold about 7,000 F-150 Lightnings and 2,000 Chevy Silverado EVs, respectively. GM also sold about 4,000 Hummer EVs. Rivian sold about 4,000 R1T pickup trucks.

Rivian's SUV, the R1S, is the better seller. It sold about 7,000 of the cars in the third quarter. There are a lot of electric SUVs for sale, too. GM sold about 8,000 EV Chevy Blazers in the third quarter, up from 19 in the third quarter of 2023.

Slowing sales and more competition led Ford to [pause production](#) of its F-150 Lightning for about seven weeks heading into the end of 2024.

Overall, 48% of analysts covering Rivian stock rate shares Buy. The [average](#) Buy-rating ratio for stocks in the S&P 500 is about 55%. The average analyst [price target](#) for Rivian shares is about \$16.40. At the start of the year, the average was about \$26 a share.

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