



Is Now the Right Time to Buy SpaceX Stock?

Description

The recent initial public offering (IPO) of Space Exploration Technologies, known as SpaceX, saw its stock price increase by 19% on the first day of trading. Investors who purchased shares at the IPO price of \$135 are likely pleased, as the stock has since risen by 58%.

Now, retail investors are considering whether to invest, wait for the excitement to decrease, or avoid the stock entirely. Their decision depends on individual investment goals. The stock's early price is somewhat unjustified by the current business fundamentals, yet many investors are optimistic about SpaceX's future, which has made it a momentum stock.

SpaceX enjoys a strong market position, with 80% of U.S. commercial space launches last year, as reported by recent research from The Motley Fool. Its promising segments include Starlink, a satellite internet service, and xAI, focusing on artificial intelligence. The company has also expanded through a \$60 billion acquisition of Cursor to enhance its AI capabilities.

Investors seem to be ignoring traditional valuation metrics, anticipating future growth as they did with Tesla. However, Tesla's stock has experienced considerable fluctuations, which could also occur with SpaceX shares.

Looking ahead, it is expected that SpaceX will experience similar volatility. This may offer investors the opportunity to buy in at lower prices once initial excitement fades. Elon Musk has predicted SpaceX could generate \$1 trillion in revenue by 2030, although achieving this target may take time. Long-term investors might need to be patient before making their next move.

Vocabulary List:

1. **investors** //ɪn'vestərz// (noun): people who put money into something to earn
2. **acquisition** //,æk.wə'zɪʃən// (noun): buying another company or its assets
3. **momentum** //mɒs'mentəm// (noun): a quick rise in interest or value
4. **valuation** //,væl.ju'eɪʃən// (noun): a calculation of how much something is worth
5. **volatility** //,vɒlə'tɪlɪti// (noun): large or fast changes in price or value
6. **fundamentals** //,fʌndə'mentəlz// (noun): basic facts about how a business operates

Comprehension Questions



Multiple Choice

1. What was the percentage increase in SpaceX's stock price on the first day of trading?
Option: 19%
Option: 25%
Option: 58%
Option: 10%
2. At what price did investors purchase shares during SpaceX's IPO?
Option: \$100
Option: \$135
Option: \$150
Option: \$200
3. What percentage of U.S. commercial space launches did SpaceX conduct last year?
Option: 50%
Option: 80%
Option: 90%
Option: 75%
4. What is one of the promising segments of SpaceX's business?
Option: Electric cars
Option: Satellite internet service
Option: Mobile phones
Option: Blockchain technology
5. How much did SpaceX acquire Cursor for?
Option: \$20 billion
Option: \$60 billion
Option: \$100 billion
Option: \$40 billion
6. By what year does Elon Musk predict SpaceX could generate \$1 trillion in revenue?
Option: 2025
Option: 2028
Option: 2030
Option: 2035



True-False

7. SpaceX's stock has risen by 58% since its IPO.
8. The initial public offering of SpaceX was met with skepticism from investors.
9. Retail investors are considering investing in SpaceX.
10. SpaceX only focuses on satellite internet services.
11. Investors are ignoring traditional valuation metrics for SpaceX.
12. Elon Musk has a conservative revenue prediction for SpaceX by 2030.

Gap-Fill

13. SpaceX's stock price increased by _____ on the first day of trading.
14. Investors purchased shares at the IPO price of \$ _____ .
15. SpaceX achieved _____ % of U.S. commercial space launches.
16. One promising segment of SpaceX's business is _____ .
17. SpaceX made a _____ billion acquisition of Cursor.
18. Elon Musk predicts SpaceX may generate \$1 trillion in revenue by _____ .

Answer

Multiple Choice: 1. 19% 2. \$135 3. 80% 4. Satellite internet service 5. \$60 billion 6. 2030

True-False: 7. True 8. False 9. True 10. False 11. True 12. False

Gap-Fill: 13. 19% 14. 135 15. 80 16. Starlink 17. 60 18. 2030

CATEGORY

1. Business - LEVEL5

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1. buy



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