



RIO Smart Money has a unique investment strategy which has certainly proven to be profitable, as the recorded statistics reflect. As I write, this investment is in profit for the quarter, but more importantly since inception, the account has registered gains of over 29%.

The account has done well continually trading NIO stock, but currently holds no open positions in this equity as we reevaluate its short-term potential. For three months our analysts have been researching BYD and Li Auto. Following weeks of pre-trading trails, I have added BYD to Smart Money's stock selection, the account will begin to actively trade this stock with trades placed as and when opportunity is perceived.

During October 2023, NIO had reported the delivery of 16,074 vehicles, but this lagged behind competitors Xpeng ([XPEV](#)) and Li Auto ([LI](#)). In recent months the company have been actively seeking partnerships with European dealers, this ahead of their mid-market "Firefly" EV launch. Looking forward, NIO's potential entry into the US market in 2025 hinges on the success of its innovative battery-swap technology. The direction of this expansion will likely be influenced by the newly appointed Professor Wen's contributions to NIO's technological advancements.

NIO stock closed at \$7.39 in the latest trading session, marking a +1.08% move from the prior day. This company market cap stands at \$12.33B, and it has a negative P/E ratio of -4.1, indicating that the company has not been profitable over the last twelve months. Our analysts have drawn attention to that fact that the company's revenue growth has been slowing down.

NIO has around \$4 billion in cash, roughly matching its debt levels. But the company is burning through cash, a concern that most likely influenced the decision to reduce its workforce. To be precise NIO plans to reduce its workforce by 10%. This decision aligns with efforts to minimize losses per car produced. Additionally, the company made headlines this year with the launch of a new smartphone and self-driving features. Despite recent challenges, NIO remains a prominent player in the automobiles industry, and its future performance will be closely watched by investors and analysts alike.

### **The Chinese Auto Market**

BEIJING/SHANGHAI (Reuters) - China's car sales are expected to jump by more than 20% in November, the China Passenger Car Association (CPCA) said on Wednesday, citing increased confidence among carmakers striving to deliver annual sales goals in the world's top auto market.

However, the demand for electric vehicles has weakened in China as new buyers favour more economical plug-in hybrids, helping carmakers such as Li Auto and BYD gain market share.

BYD has offered limited-time discounts for November on some of its best-selling models as the company strives to meet its annual sales target of 3 million units. BYD had sold year-to-date 2.38 million new energy vehicles of both pure electric and plug-in hybrids. Their US rival Tesla, in comparison, has seen lower sales, with October deliveries of China-made EVs down 2.6% from a month earlier and just 0.6% higher year-on-year.

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