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## Devina Mehra on Trump-Musk spat, China's chip market manipulation

### Synopsis

Devina Mehra highlights the escalating conflict between Elon Musk and Donald Trump, noting potential risks from Musk's government involvement. She points out China's dominance in strategic resources as a challenge for the EV industry. Due to volatility and news dependence, Tesla is considered a high-risk stock and is not held in global funds.



[Devina Mehra](#), Founder & CMD, [First Global](#), says [Elon Musk](#)'s recent call for Trump's impeachment, despite past support, signals escalating tensions. Concerns arise about Musk's government involvement and data access. The EV industry faces chip supply risks, particularly China's dominance in strategic resources globally. Due to volatility and news dependence, Tesla is considered a high-risk stock and is not held in global funds.

**I guess the big headline has been the spat or breakup between Elon Musk and [Donald Trump](#) and what a costly one it turned out to be. Having said that, what do you suspect could be the ramifications because Musk has even called for Trump's impeachment?**

**Devina Mehra:** I just posted on that and yes, this was a plot twist that was very predictable. So, any couple's counsellor would have told them that this was not going to last. Even if in today's America they have gone to their church pastor also, they would have been told that. So what has happened is very predictable. Two

people like them were not going to make it. Till two days ago, Elon Musk found only good things about Trump and now he is calling for impeachment and saying such ingratitude after all the money I spent on your campaign, you have forgotten about it! So, yes, it is going to get uglier.

Remember Elon Musk was not born in the US. He is an immigrant and he still holds on to his South African citizenship and a Canadian citizenship as well. There are many things that could happen. Let us see how it pans out. But I do not think this is bad news as such for markets because I do not think whatever Musk was doing within the government was something which was very desirable. It was just getting access to a lot of government data and also slashing a lot of things without understanding what they were really doing. So, I do not think that him leaving the government is a negative thing for the US.

**But like you have said, this is meant to become more sour in the days to come. What impact could this have on some sectors that are heavily reliant because we have also seen a 14% crash coming in on Tesla's stock and with everything that is going on around, and the rare earth deal with China. Trump has very clearly said he is not going to entertain questions on that. Now, he is someone who is not going to turn down talking about a topic unless it is sorted in his head. So, where do you believe this narrative is headed and how could this shape the [global EV space](#)?**

**Devina Mehra:** Let us see how it goes. That is a risk area for a lot of the EVs in the world for a number of things. We saw in India recently that the only supplier effectively is China or China controlled entities because China has very strategically controlled a lot of areas and not just in Asia and Africa. I read in some books that they have been there right from South America to the Arctic circle.

So, wherever they think there is strategic raw material or other strategic goods, they have been there. It is a risk area for the EV industry. Tesla as such, we have not held in our global funds for a while now because it is too volatile and too unpredictable a stock, and too dependent on news. We have steered clear off it as it is a high-risk stock in our category.