SpaceX Investors Are Losing a Colossal Amount of Money

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- SPCX
  -10.39%

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Elon Musk's SpaceX IPO was off to a gangbusters start.

Even at an unprecedented valuation of almost $2 trillion, shares shot into space like precious cargo atop a Falcon 9 rocket, soaring from an opening price of $151 to an all-time high days later of over $225 early Tuesday.

Everything seemed like it was going to plan. A strategically-timed AI startup acquisition early last week convinced even more retail investors to jump on board, buying into the now-trillionaire's promises of going to the Moon, both financially and literally.

But by mid-week, that initial enthusiasm was met with a brutal reality check. Shares have been trailing since late Tuesday, wiping out almost all of the gains of the average investor who bought shares after the IPO, as *CNBC* reported on Thursday.

And anyone who bought close to the stock's peak earlier in the week has seen their investments go up in smoke, in a bruising rejoinder to all of that pent-up hype.

Just after the market opened on Monday, shares are hovering around a glum $170, down more than five percent following an extended Juneteenth weekend break that could hint at further declines this week.

However, everything is timing. Shares are still up well over 30 percent since SpaceX's IPO.

Still, the bear case is as apparent as ever. Despite its enormous market cap, SpaceX has been losing billions of dollars a year. Its merger with Musk's AI startup xAI has raised its risk profile even further by weighing it down with debt and a steady drip of controversy.

As with anything involving Musk, the stakes seem larger than life: either his loyal fans will ultimately make it big, or they'll follow him into ruin.

More on SpaceX: *SpaceX Stock Continues Decline After Initial Spike*