Alphabet Inc. (GOOGL)

Incrementally Positive, Undemanding Valuations



Bloomberg

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Alphabet Inc.

Company profile

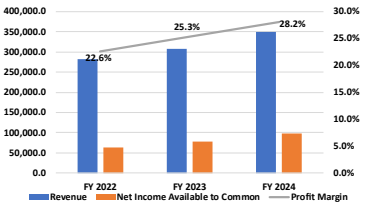
Alphabet Inc., offers digital services globally through Google Services, Google Cloud, and Other Bets. Its offerings include ads, YouTube, Android, cloud solutions, AI tools, and healthcare-related internet services.

Technical Data

Price	172.96
R1	187.50
R2	190.00
S1	170.00
S2	167.50

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Ascending triangle breakout. GOOGL has broken out of an ascending triangle after a sell-off triggered by Apple AI search engine rumours. Overall, it remains well-supported above the 30/60/120 EMAs and the USD167.5–170 zone, where buyers may accumulate. We expect an upside move toward USD187.5–190 resistance; where a drop below USD167.5 negates the bullish setup.

Trading Catalysts

Riding strong on AI wave. While this topic has always been a point of debate, we believe Alphabet's strong cash position and progress in generative AI; through features like AI Overviews, Gemini Live, Lens, and Circle to Search should have effectively neutralized competitive risks from LLM-based peers such as ChatGPT and Anthropic Claude.

To stay resilient despite macro headwinds. In our view, Alphabet is well-positioned than any of its Magnificent Seven peers to weather an economic slowdown, supported by its well-diversified revenue base and resilient ad pricing that remains robust even amid headwinds from the de minimis rule.

OpEx margins to expand. Despite a ~9% YoY OpEx increase driven by headcount growth and higher depreciation, Google expanded its operating margin by 2.3pts. In line with Google's guidance on offsetting higher OpEx through further improvements in technical infrastructure utilization, we expect this trend to persists.

Peer Comparison

Company	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Alphabet Inc	**GOOGL**	**171.9**	**2092.0**	**20.8**	**18.0**	**34.8**	**28.6**	**Positive bias**	**Up**
Meta Platforms, Inc	META	645.1	1621.9	25.1	24.2	39.8	37.9	Positive bias	Up
Microsoft Corporation	MSFT	458.7	3409.2	35.4	31.6	33.6	36.0	Positive bias	Up
Amazon.com, Inc	AMZN	205.7	2183.8	33.8	27.9	25.2	9.3	Positive bias	Up
Avg ex-Alphabet Inc			**2404.9**	**31.4**	**27.9**	**32.9**	**27.7**		

Source: Bloomberg, M+ Research

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