Long Ideas | Services | China

Alibaba: The Most Clearly Undervalued Company On The Market (3 Types Of Valuation)

Nov. 12, 2020 5:39 PM ET | 52 comments | 28 Likes | About: Alibaba Group Holding Limited (BABA), BABAF

Oleh Kombaiev
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Summary

- In technical terms, the observed correction of Alibaba's price is, in principle, natural.
- The current growth dynamics of the company justify its current price.
- In terms of comparable valuation, Alibaba is undervalued against the market.
- DCF-based BABA stock price target suggests 100% upside potential.

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NVO	68.22	0.77%
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CHD	87.50	0.10%
GILD	59.98	-0.20%
AAPL	119.21	-0.23%
GOOGL	1,742.82	-0.25%
DG	212.78	-0.37%
BABA	264.31	-0.50%
FB	275.08	-0.51%
AMZN	3,110.28	-0.86%
VRNT	53.29	-1.86%
ACN	238.15	-1.90%
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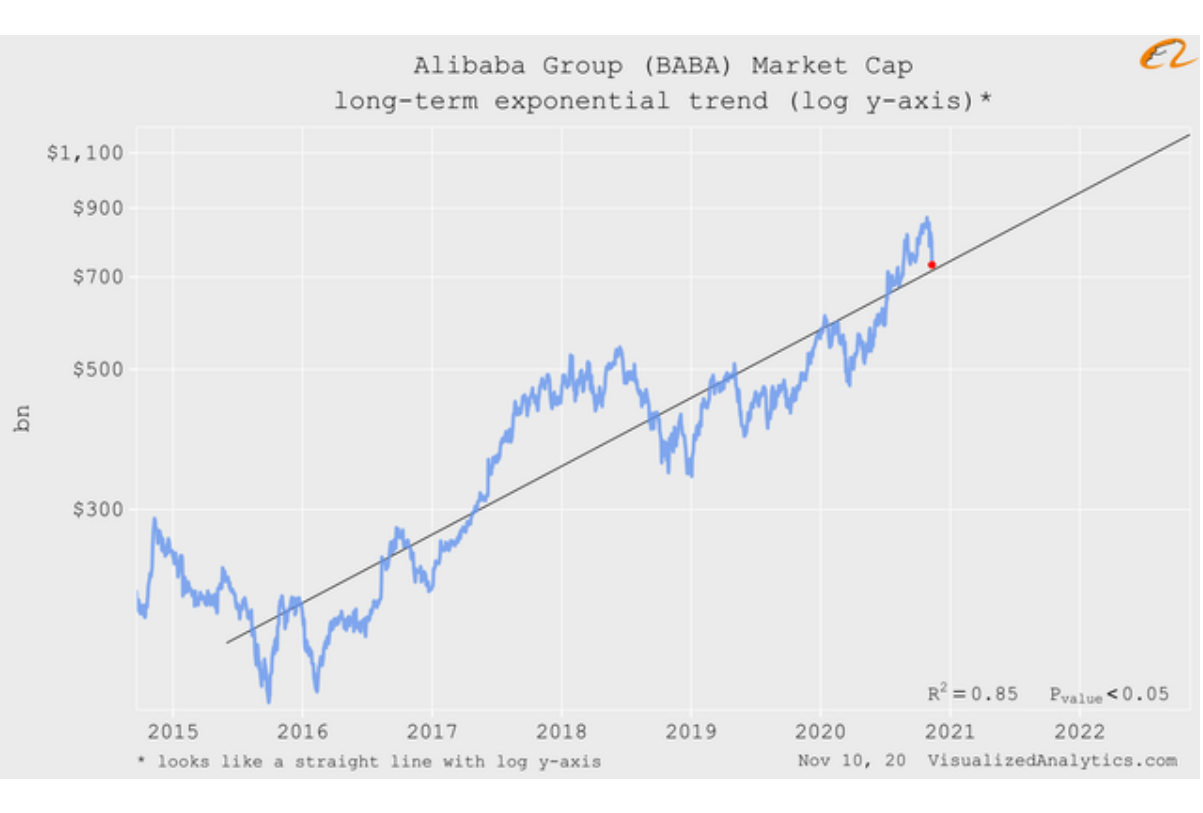
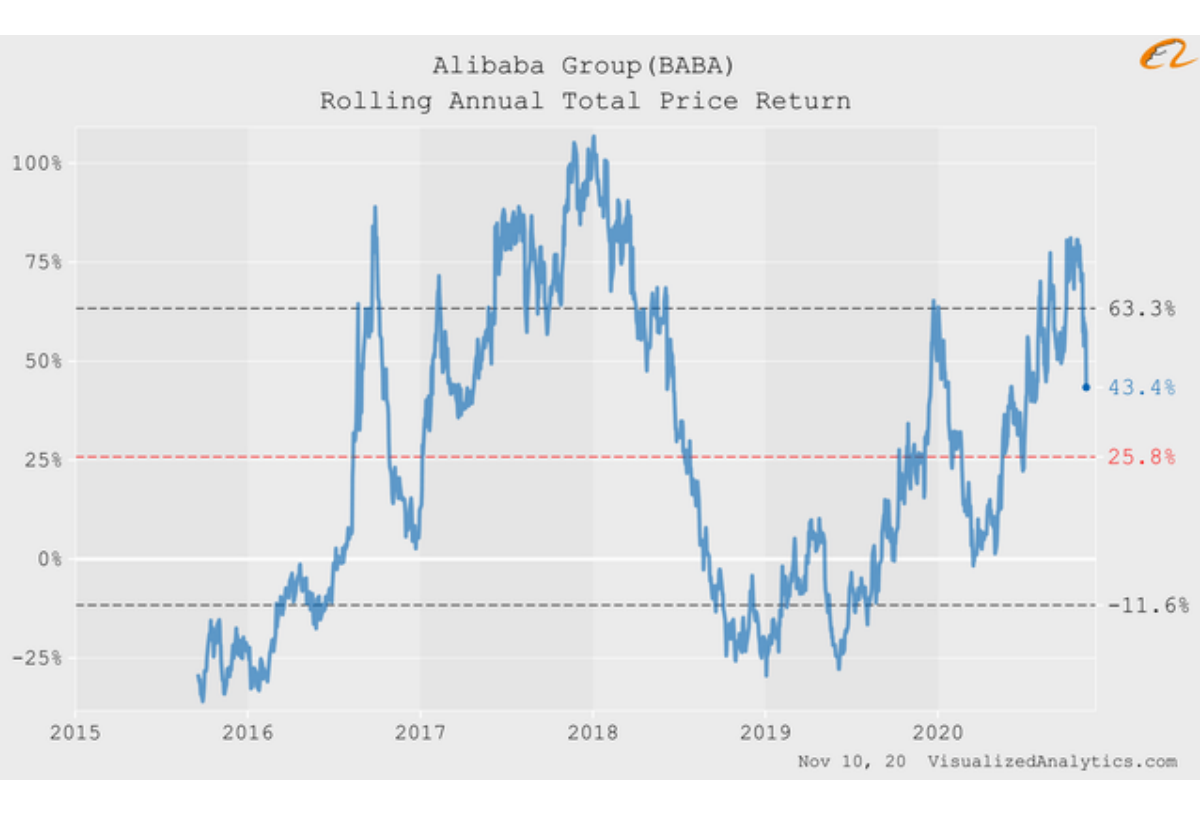
#1 Price vs. Growth

Let's start with some purely technical parameters.

Starting from mid-2015, Alibaba's (BABA) stock price has been following, with varied success, its long-term exponential trend that acts as a smart average. Now, the company's current share price is *synchronized with this trend, but until recently it has significantly outperformed it:*

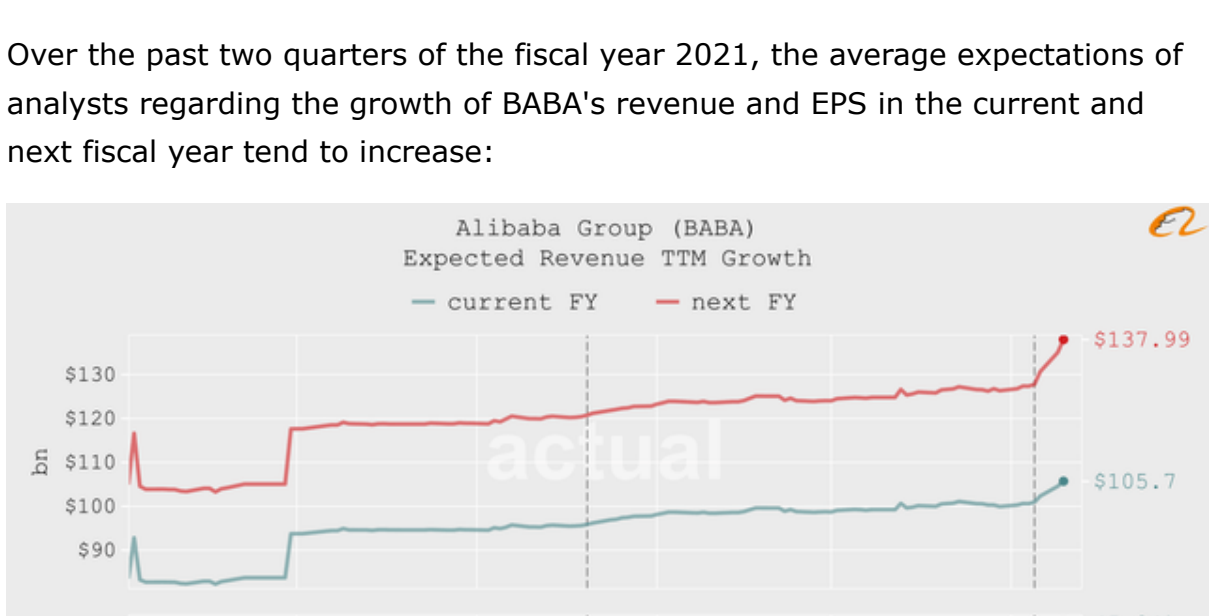


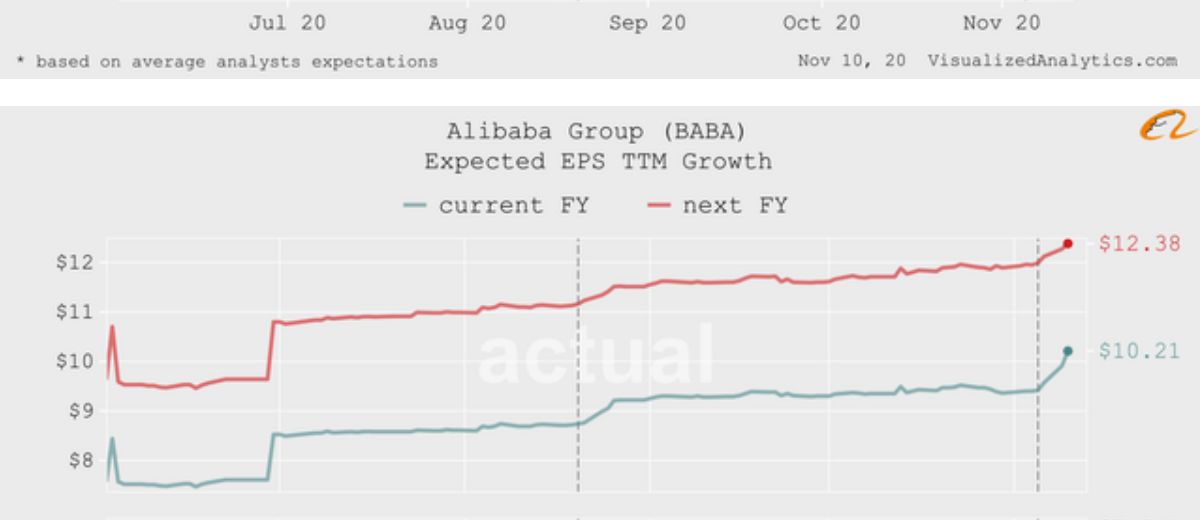
At the same time, looking at the rolling annual total price return, we can say that in the last few months, the rise in the price of Alibaba's stock has been excessive. And therefore, *the observed correction is, in principle, natural.*



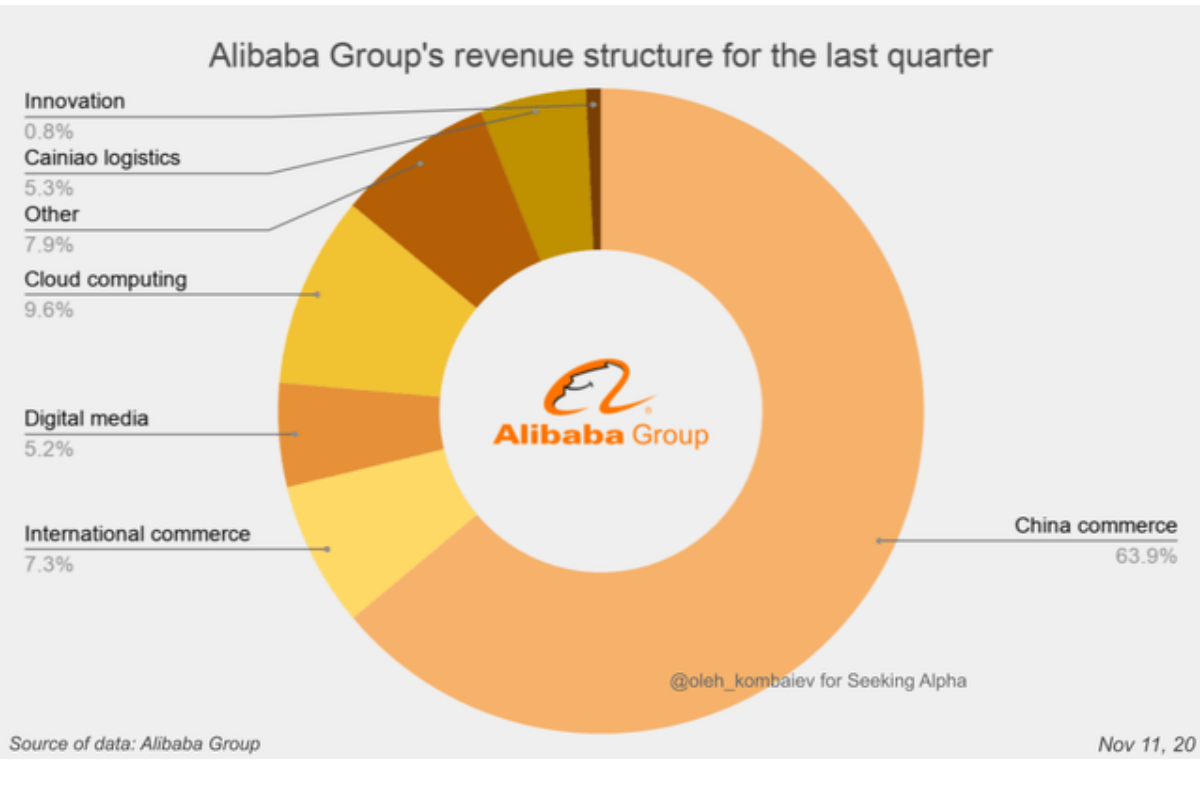
Moving onto more fundamental parameters.

Over the past two quarters of the fiscal year 2021, the average expectations of analysts regarding the growth of BABA's revenue and EPS in the current and next fiscal year tend to increase:

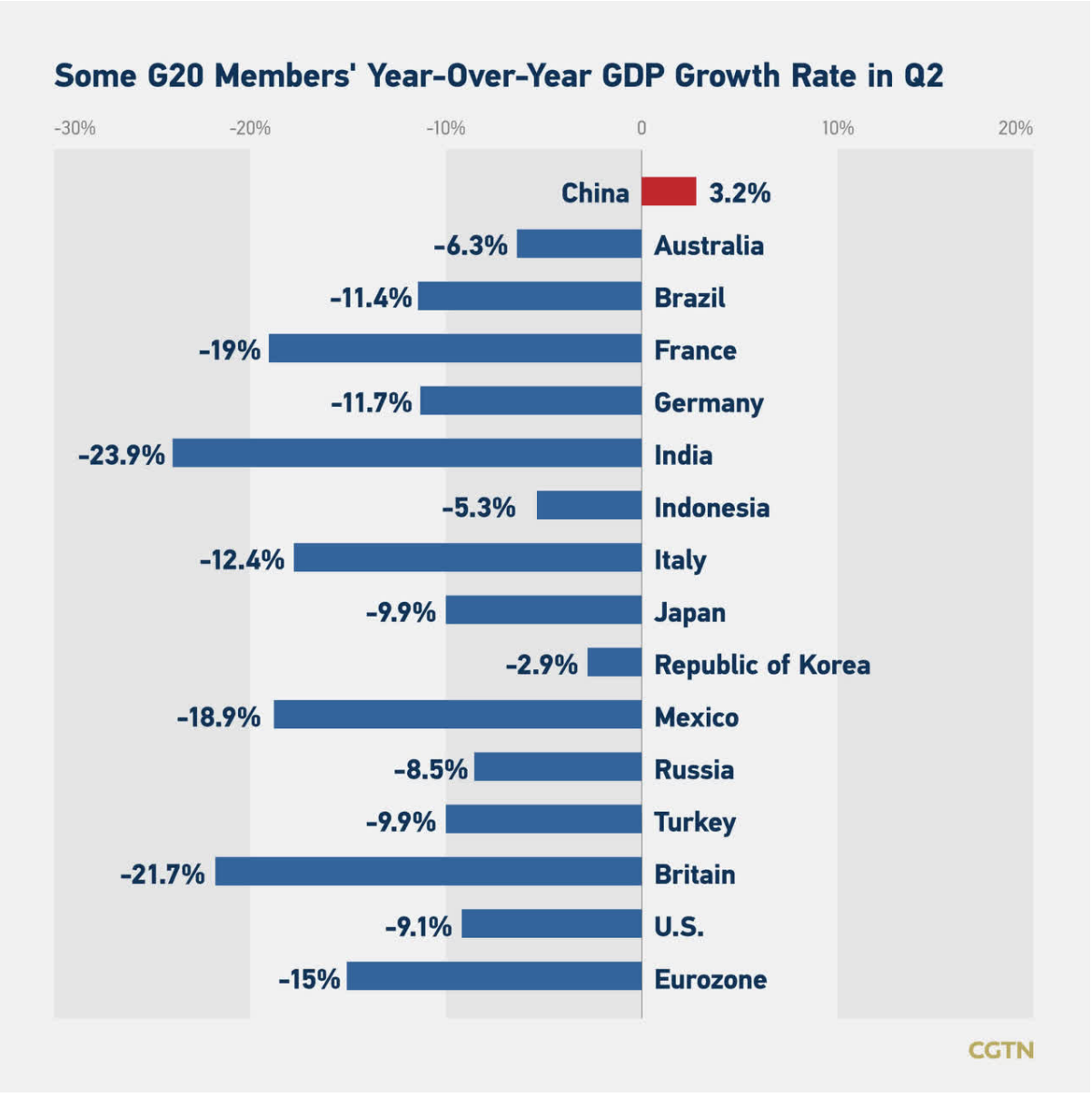




And here, it is pertinent to recall that more than 90% of the revenue Alibaba receives is in the domestic market:

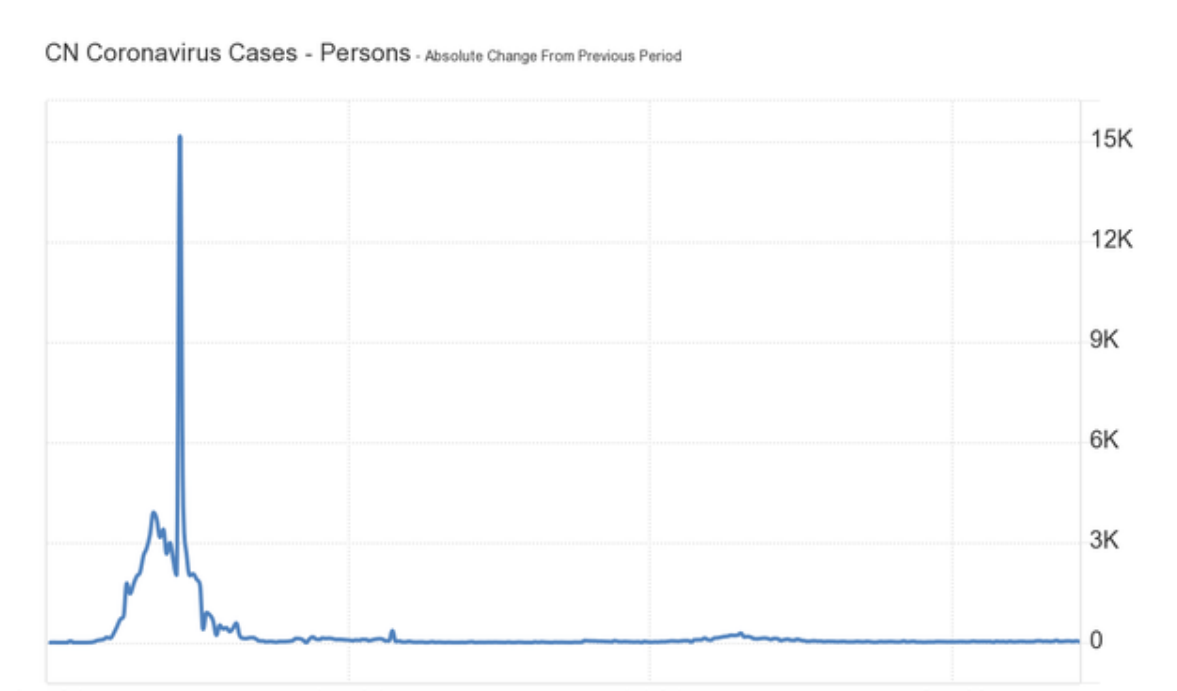


In turn, China is the only large country in the world whose economy is growing during the coronavirus epidemic:



Source: *OECD*

And there is virtually no coronavirus problem in China:

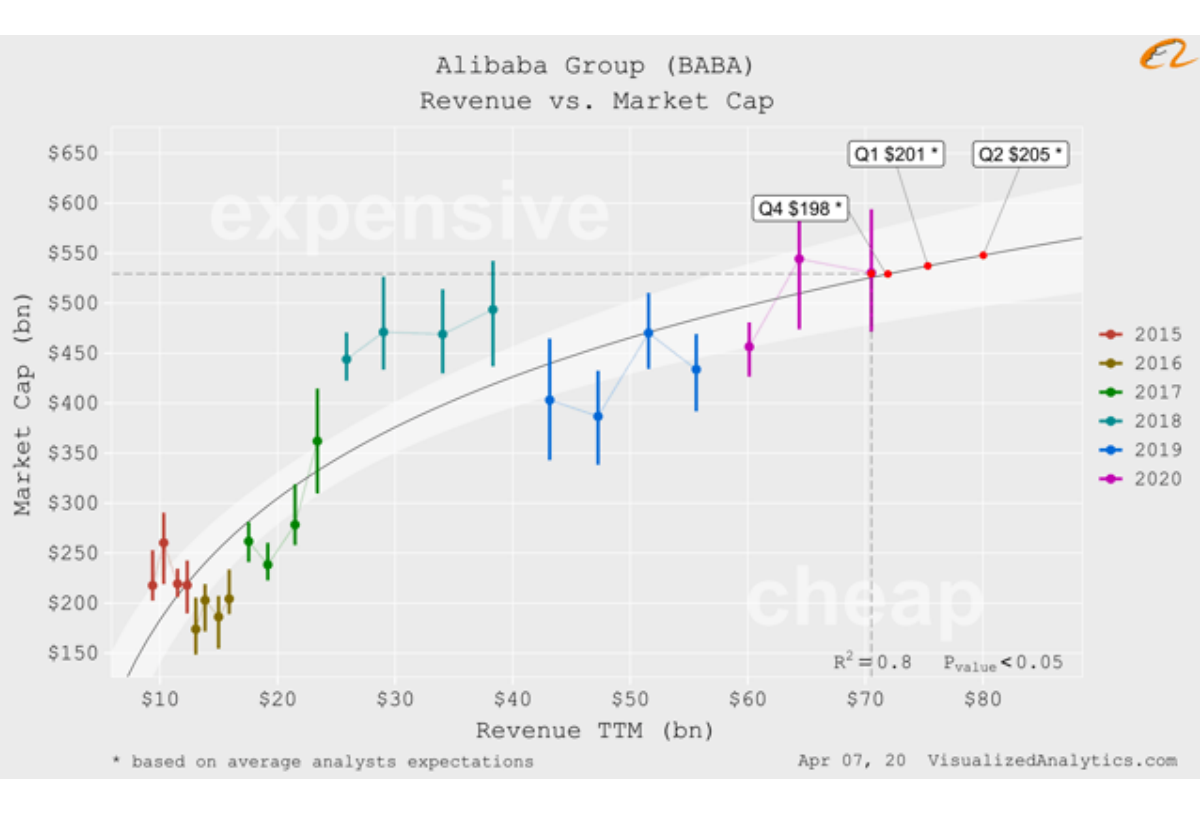


Source: tradingeconomics.com | World Health Organization

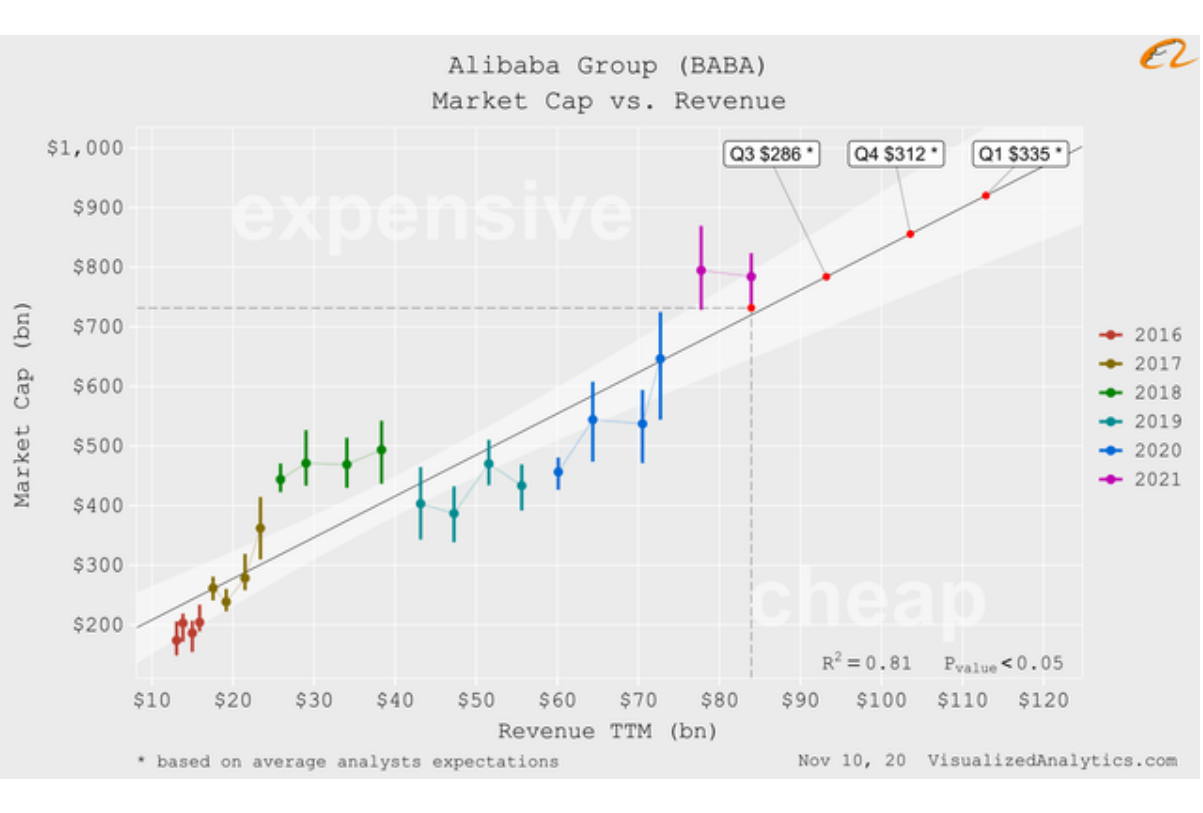
In short, the company's *external business environment looks optimistic*.

Moving onto Alibaba's valuation. In the case of BABA, I select two key dependencies that allow us to judge how balanced the current capitalization of the company is.

The first one is the relationship between Alibaba's capitalization and the revenue TTM absolute size. And here, I must note a qualitative leap for the better. This is how this relationship looked seven months ago:



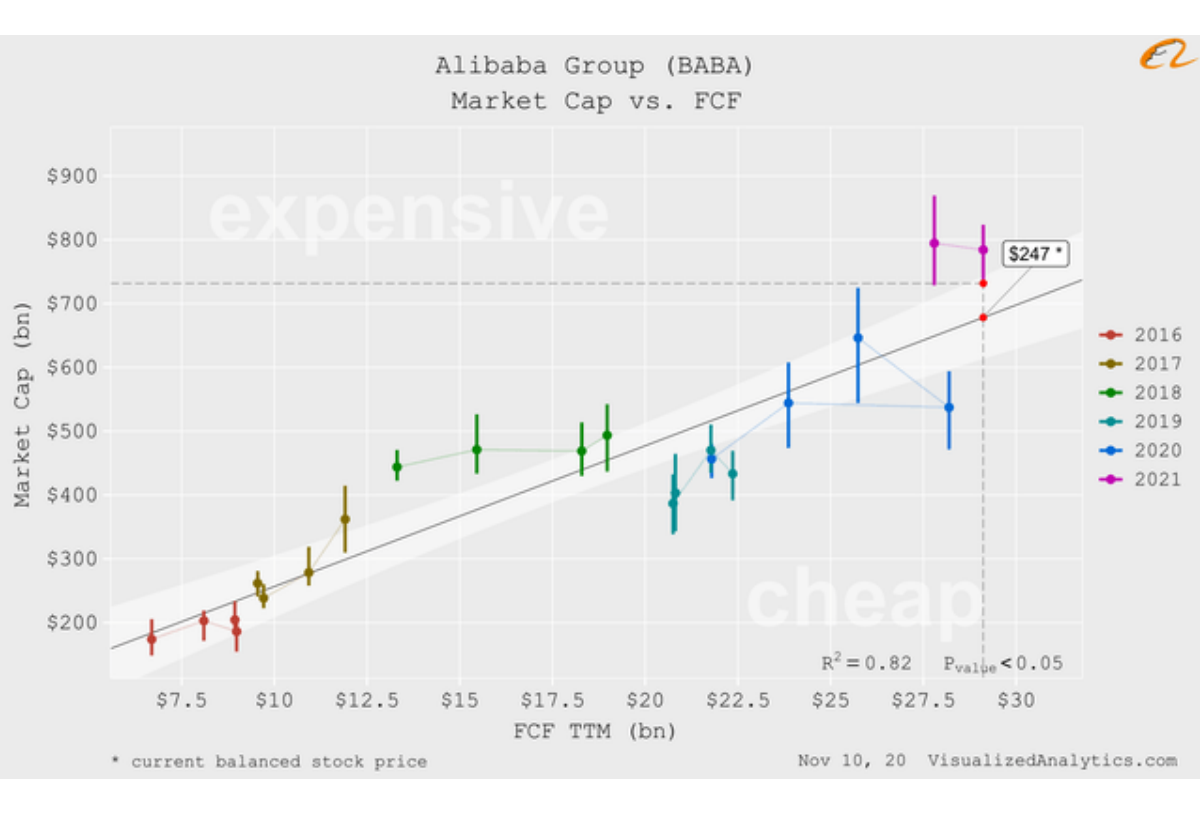
And, this is how this dependence looks now:



As you can see, now, this relationship is linear. *Formally, this reflects investor confidence in the stability of the company's future growth rates.*

By the way, this relationship identifies Alibaba's current capitalization as balanced. But, according to analysts' average expectations, in Q1 '22 FY, BABA's revenue TTM will be around $13 billion, and in my model, this means that the company's rational capitalization will come close to $900 billion.

The second one is the relationship between Alibaba's capitalization and the FCF TTM absolute size. In this case, the company's current price is balanced too:

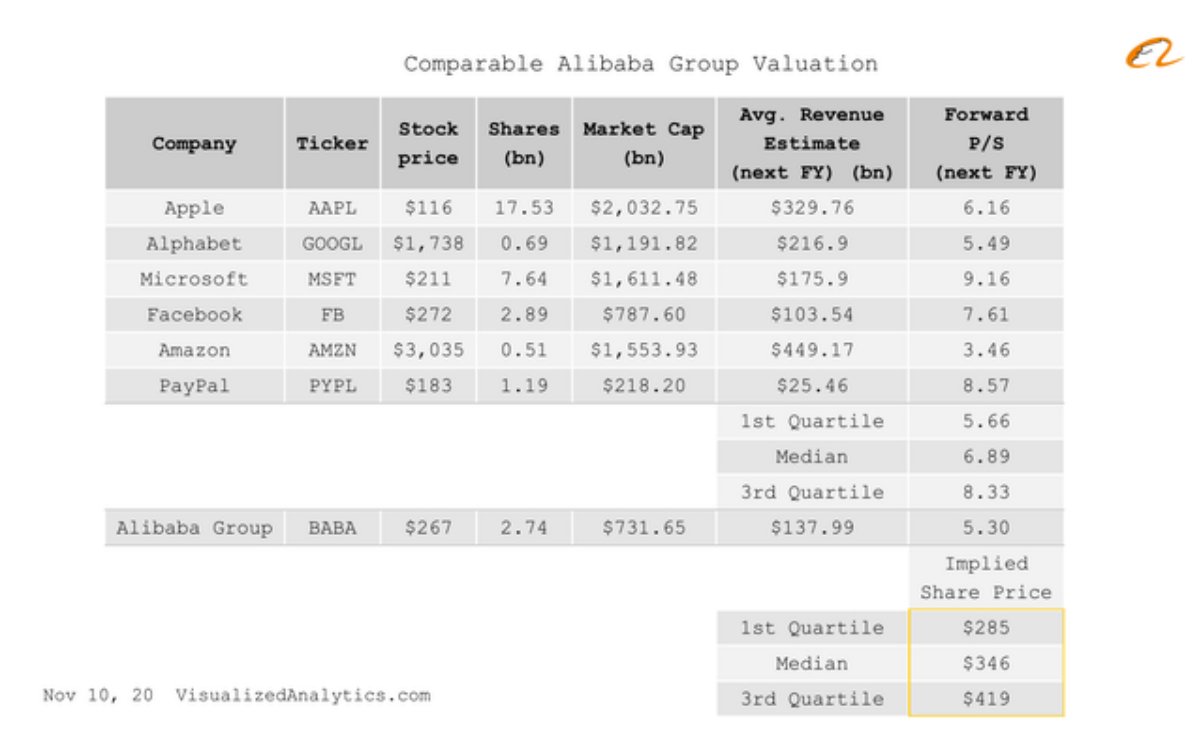


In the context of the above, I believe that the current growth dynamics of the company justify its current price.

#2 Comparable Valuation

I single out two multiples, which makes it possible to compare Alibaba with the market. Both multiples are forward and both are adjusted for the growth rate of the basic indicators (I used a four-year CAGR).

Judging by the Forward P/S (next FY) multiple, Alibaba is undervalued now:


Comparable Alibaba Group Valuation

Company	Ticker	Stock price	Shares (bn)	Market Cap (bn)	Avg. Revenue Estimate (next FY) (bn)	Forward P/S (next FY)
Apple	AAPL	$116	17.53	$2,032.75	$329.76	6.16
Alphabet	GOOGL	$1,738	0.69	$1,191.82	$216.9	5.49
Microsoft	MSFT	$211	7.64	$1,611.48	$175.9	9.16
Facebook	FB	$272	2.89	$787.60	$103.54	7.61
Amazon	AMZN	$3,035	0.51	$1,553.93	$449.17	3.46
PayPal	PYPL	$183	1.19	$218.20	$25.46	8.57
					1st Quartile	5.66
					Median	6.89
					3rd Quartile	8.33
Alibaba Group	BABA	$267	2.74	$731.65	$137.99	5.30
						Implied Share Price
					1st Quartile	$285
					Median	$346
					3rd Quartile	$419

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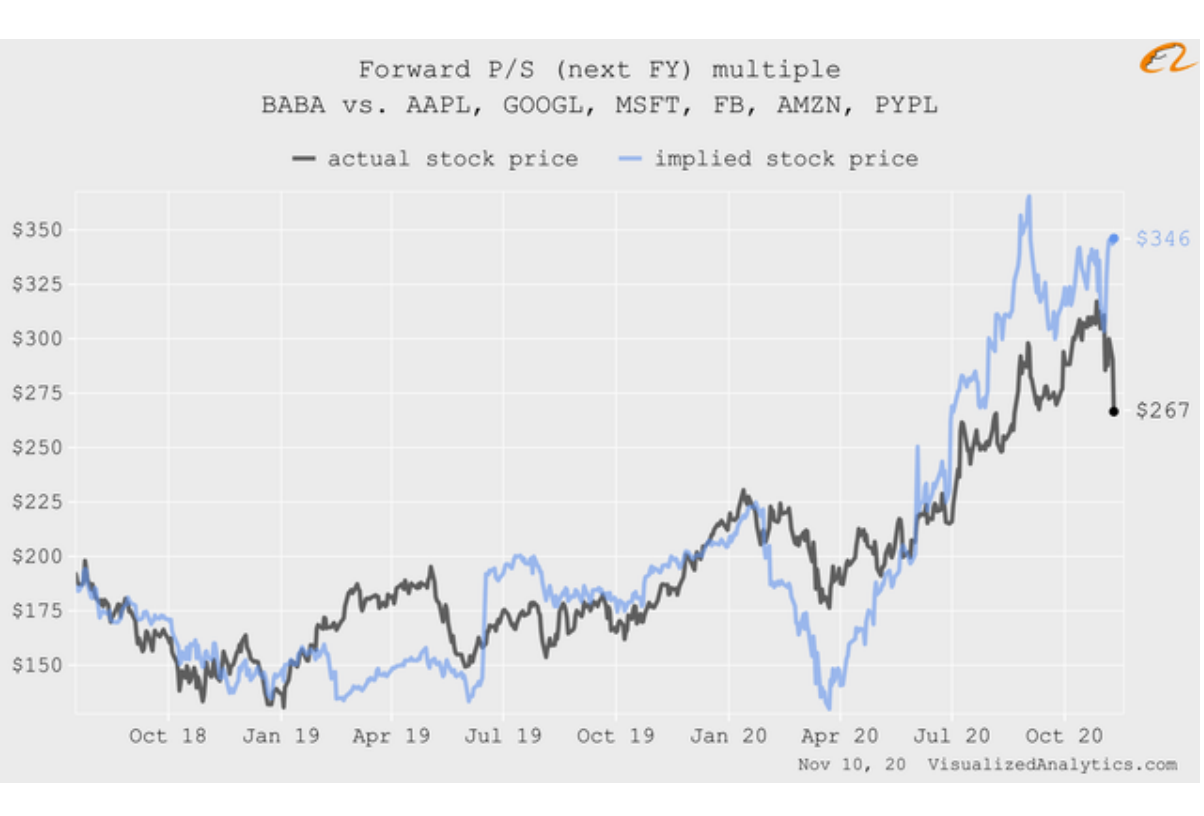
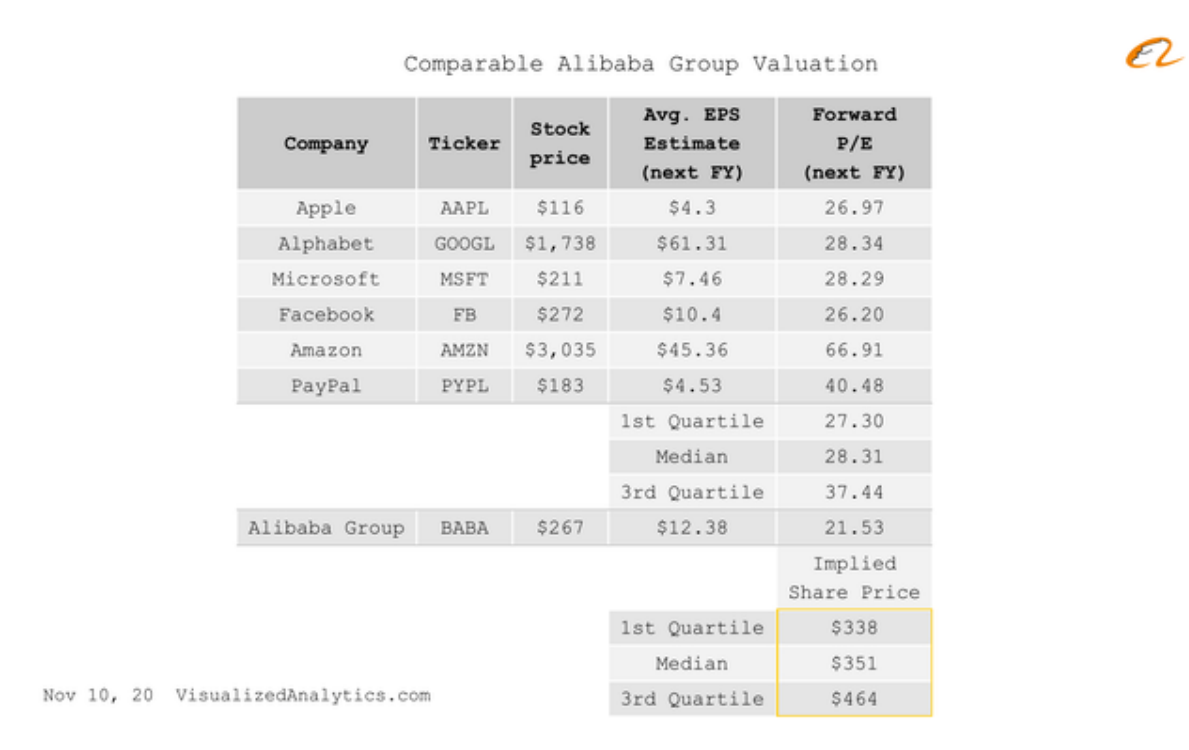


A comparative valuation of BABA through the Forward P/E (next FY) multiple also indicates that the company is undervalued:


Comparable Alibaba Group Valuation

Company	Ticker	Stock price	Avg. EPS Estimate (next FY)	Forward P/E (next FY)
Apple	AAPL	$116	$4.3	26.97
Alphabet	GOOGL	$1,738	$61.31	28.34
Microsoft	MSFT	$211	$7.46	28.29
Facebook	FB	$272	$10.4	26.20
Amazon	AMZN	$3,035	$45.36	66.91
PayPal	PYPL	$183	$4.53	40.48
			1st Quartile	27.30
			Median	28.31
			3rd Quartile	37.44
Alibaba Group	BABA	$267	$12.38	21.53
				Implied Share Price
			1st Quartile	$338
			Median	$351
			3rd Quartile	$464

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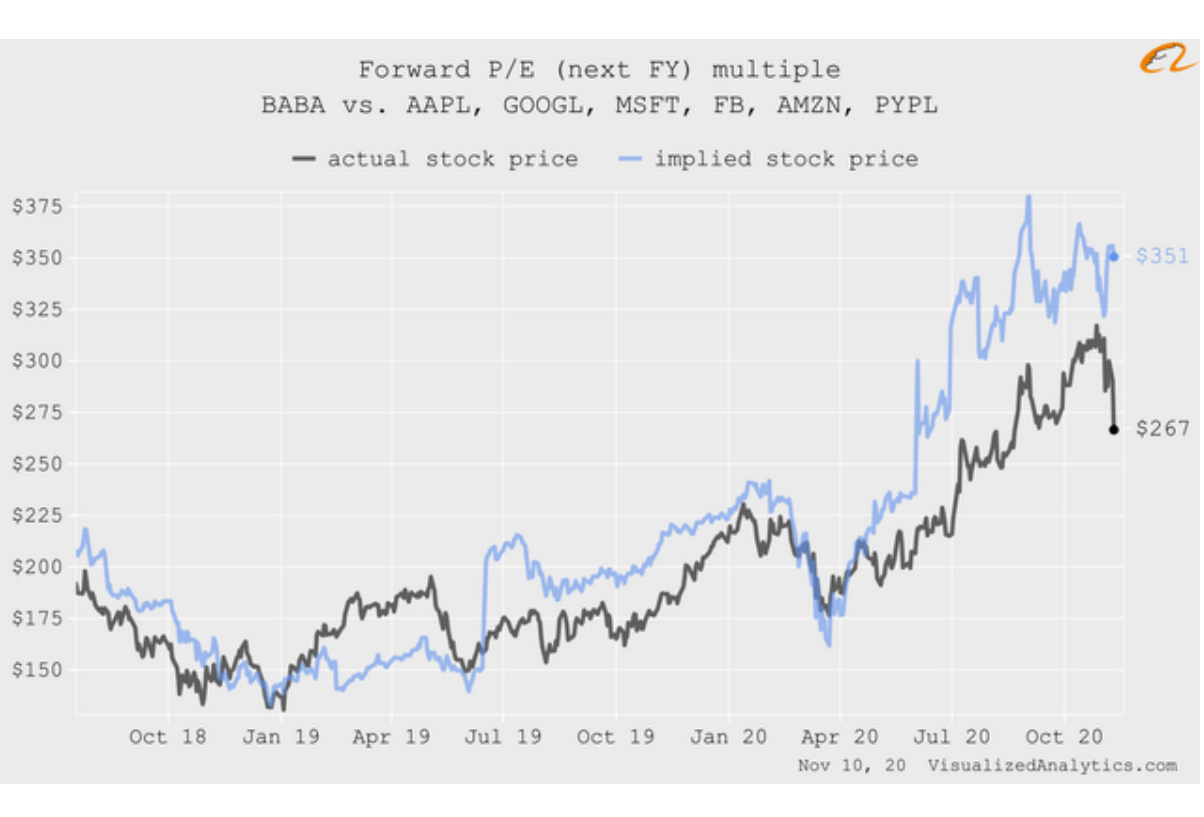
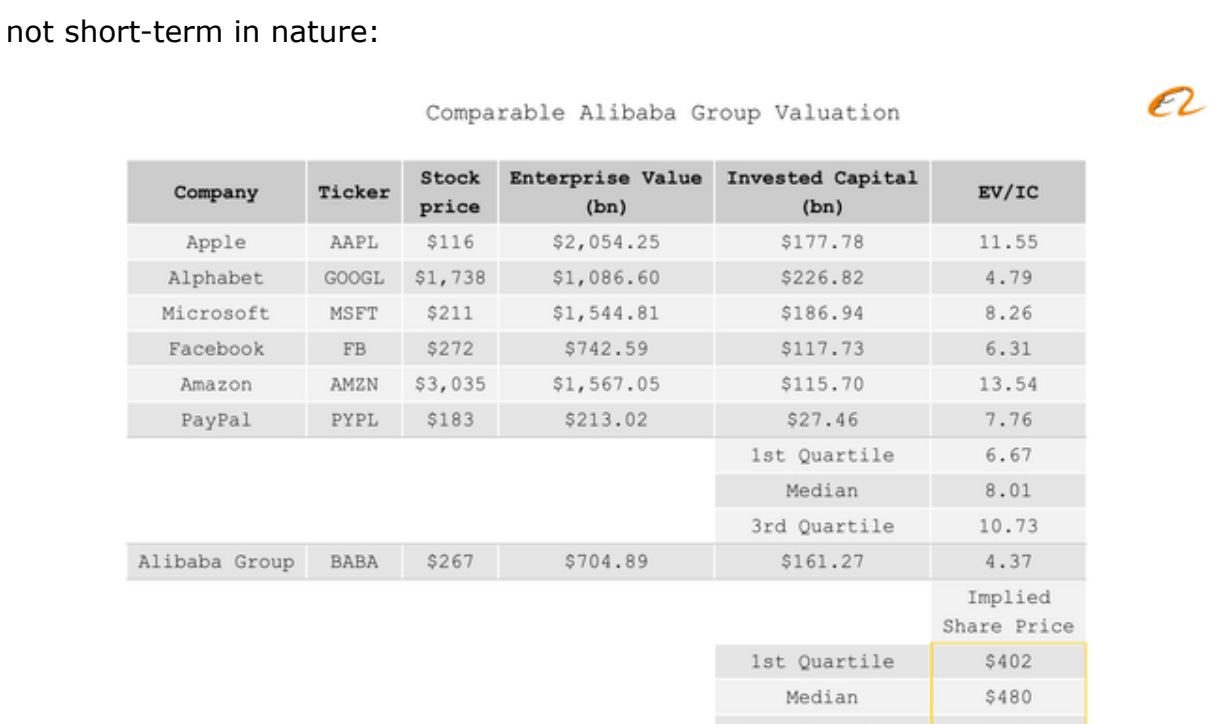


I will give one more version of valuation, which also deserves attention, but is not short-term in nature:


Comparable Alibaba Group Valuation

Company	Ticker	Stock price	Enterprise Value (bn)	Invested Capital (bn)	EV/IC
Apple	AAPL	$116	$2,054.25	$177.78	11.55
Alphabet	GOOGL	$1,738	$1,086.60	$226.82	4.79
Microsoft	MSFT	$211	$1,544.81	$186.94	8.26
Facebook	FB	$272	$742.59	$117.73	6.31
Amazon	AMZN	$3,035	$1,567.05	$115.70	13.54
PayPal	PYPL	$183	$213.02	$27.46	7.76
				1st Quartile	6.67
				Median	8.01
				3rd Quartile	10.73
Alibaba Group	BABA	$267	$704.89	$161.27	4.37
					Implied Share Price
				1st Quartile	$402
				Median	$480
				3rd Quartile	$640

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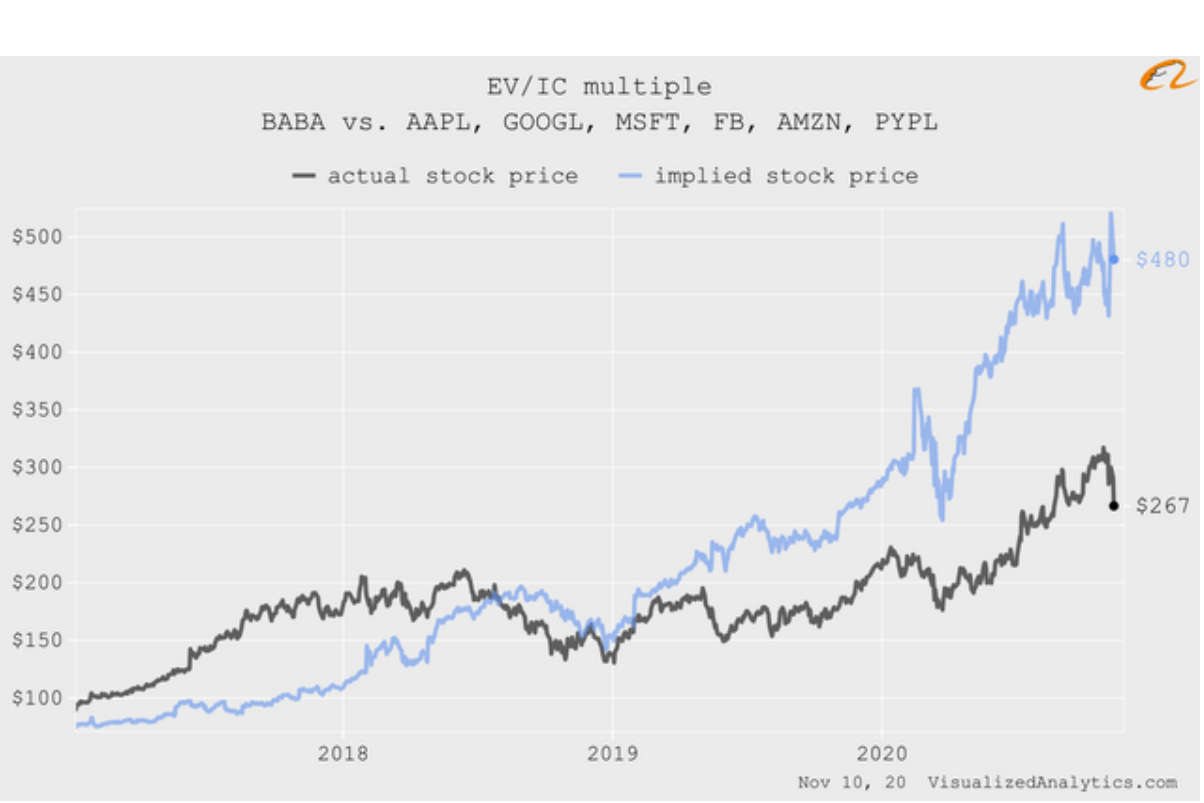
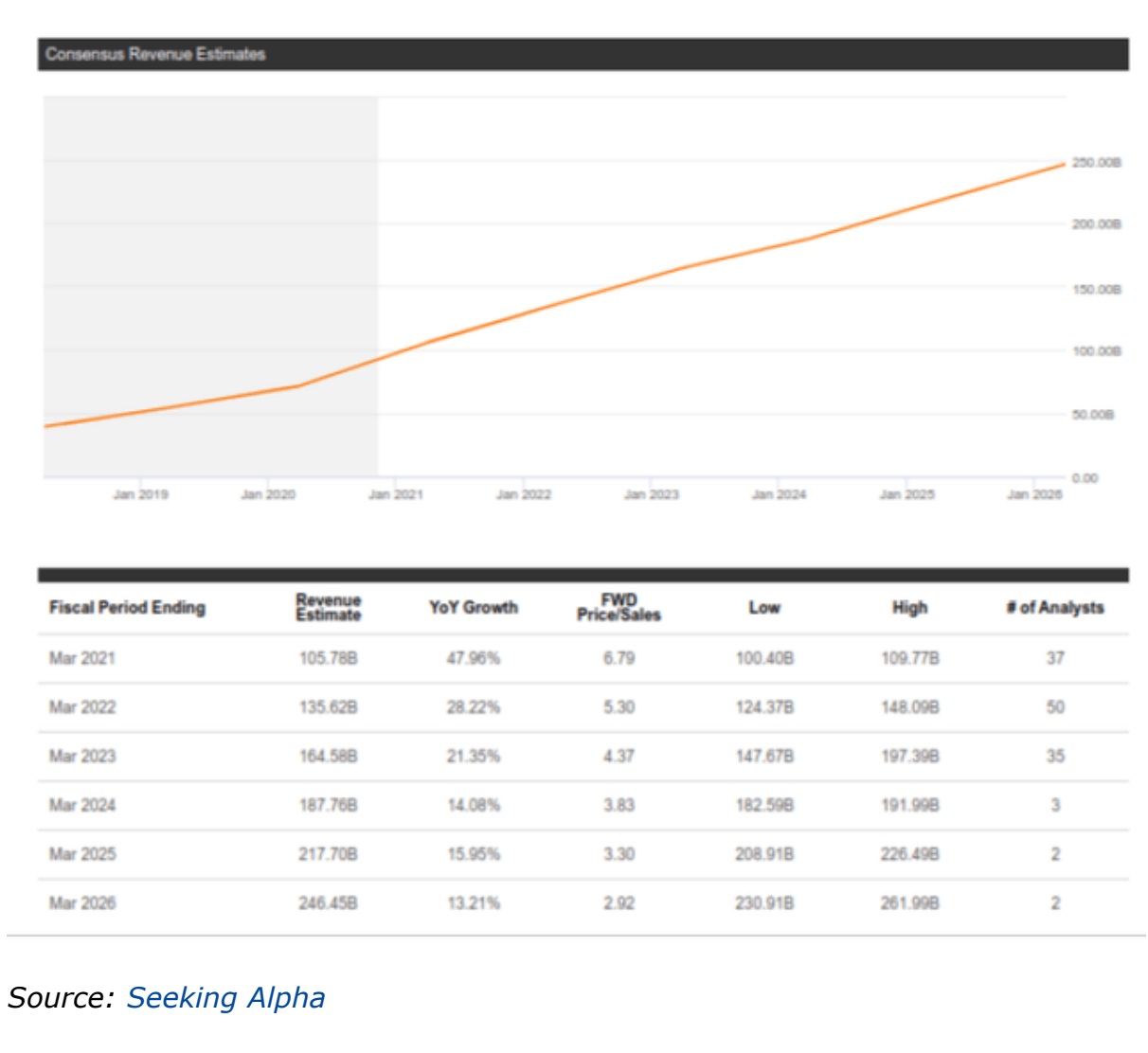


In terms of comparable valuation, I believe Alibaba is undervalued against the market right now.

#3 DCF Valuation

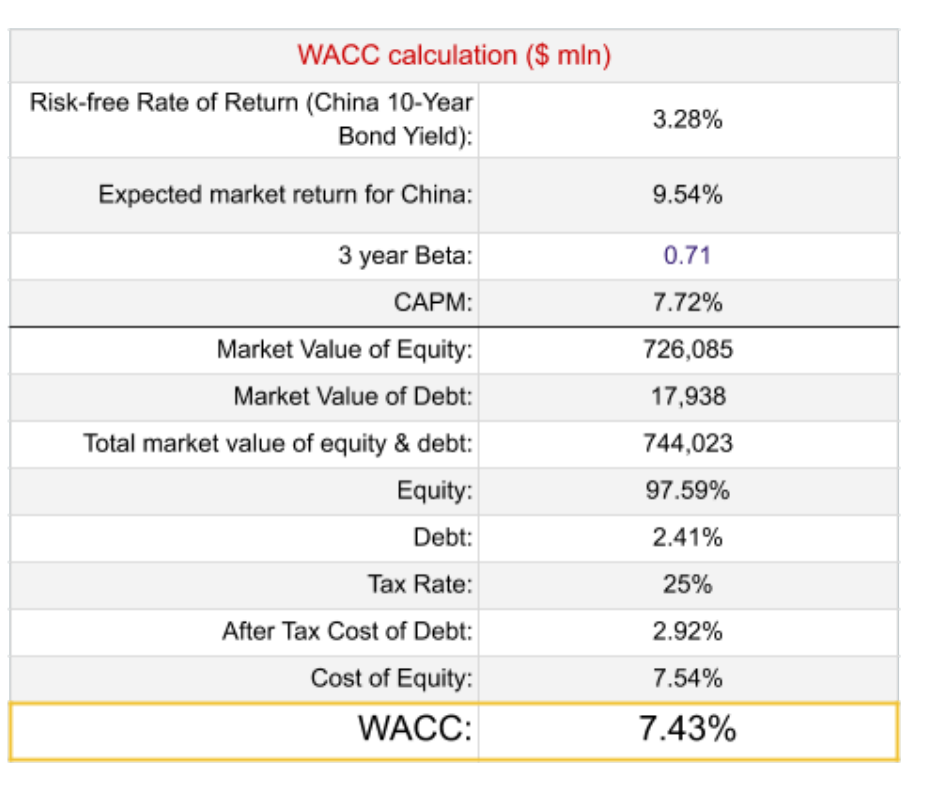
To forecast the company's revenue for the next decade, I used a polynomial model that most closely matches the current average estimates of analysts. I believe that such approach is the least subjective.



Fiscal Period Ending	Revenue Estimate	YoY Growth	FWD Price/Sales	Low	High	# of Analysts
Mar 2021	105.78B	47.96%	6.79	100.40B	109.77B	37
Mar 2022	135.62B	28.22%	5.30	124.37B	148.09B	50
Mar 2023	164.58B	21.35%	4.37	147.67B	197.39B	35
Mar 2024	187.76B	14.08%	3.83	182.59B	191.99B	3
Mar 2025	217.70B	15.95%	3.30	208.91B	226.49B	2
Mar 2026	246.45B	13.21%	2.92	230.91B	261.99B	2

Source: *Seeking Alpha*

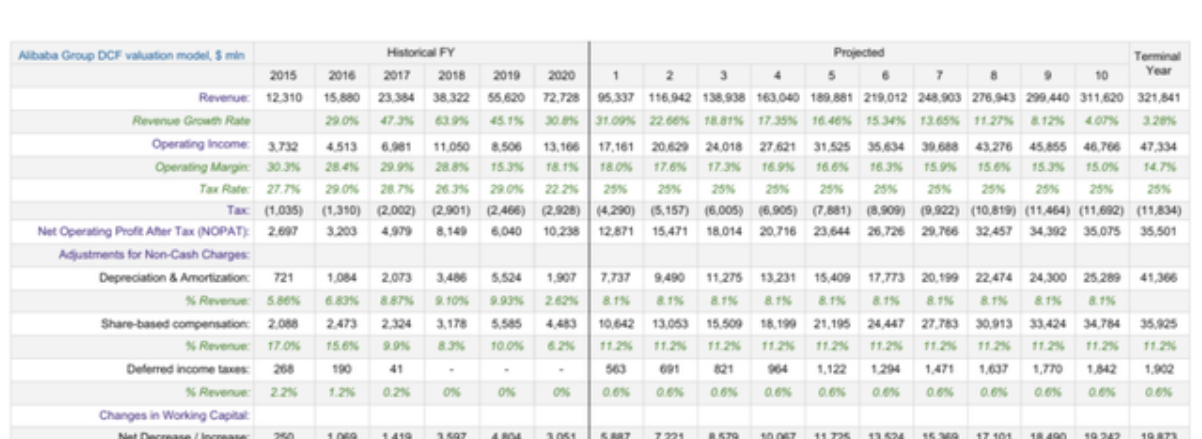
To calculate the weighted average cost of capital, I used the current yield of China 10-Year Bond as a risk-free rate for the Chinese market (3.28%), equity risk premium (6.26%), and 3-year rolling beta coefficient (0.71). To calculate the cost of debt, I used the interest expense for 2019 and 2020 FY divided by the debt value for the same years.

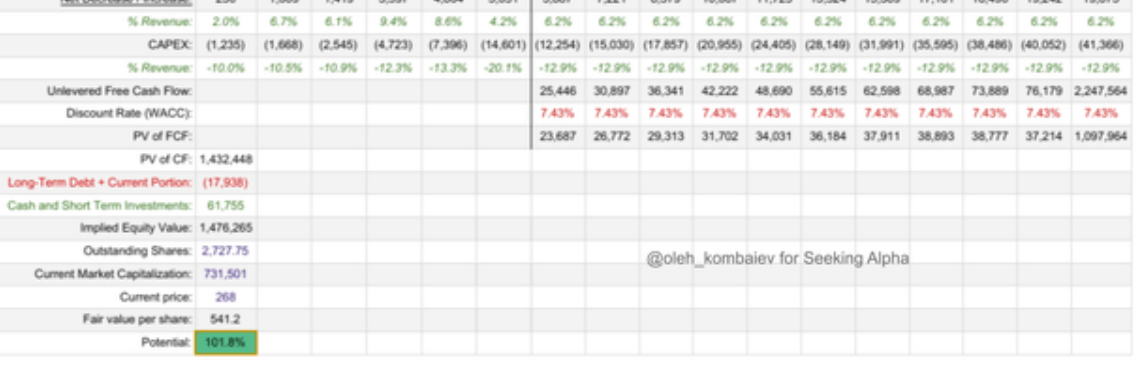

WACC calculation ($ mln)	
Risk-free Rate of Return (China 10-Year Bond Yield):	3.28%
Expected market return for China:	9.54%
3 year Beta:	0.71
CAPM:	7.72%
Market Value of Equity:	726,085
Market Value of Debt:	17,938
Total market value of equity & debt:	744,023
Equity:	97.59%
Debt:	2.41%
Tax Rate:	25%
After Tax Cost of Debt:	2.92%
Cost of Equity:	7.54%
WACC:	7.43%

When building the model, I used the following key assumptions:

- In the next decade, Alibaba's operating margin will decline from the current 18% to 15% in a terminal year.
- The relative size of CAPEX will be on average over the past six years.
- The average tax rate will amount to 25%.

Here's the model itself:


Alibaba Group DCF valuation model, $ mln	Historical FY						Projected										Terminal Year
	2015	2016	2017	2018	2019	2020	1	2	3	4	5	6	7	8	9	10	
Revenue:	12,310	15,880	23,384	38,322	55,620	72,728	95,337	116,942	138,938	163,040	189,881	219,012	248,903	276,943	299,440	311,620	321,841
Revenue Growth Rate:		29.0%	47.3%	63.9%	45.1%	30.8%	31.09%	22.66%	18.81%	17.35%	16.46%	15.34%	13.65%	11.27%	8.12%	4.07%	3.28%
Operating Income:	3,732	4,513	6,981	11,050	8,506	13,166	17,161	20,629	24,018	27,621	31,525	35,634	39,688	43,276	45,855	46,766	47,334
Operating Margin:	30.3%	28.4%	29.9%	28.8%	15.3%	18.1%	18.0%	17.6%	17.3%	16.9%	16.6%	16.3%	15.9%	15.6%	15.3%	15.0%	14.7%
Tax Rate:	27.7%	29.0%	28.7%	26.3%	29.0%	22.2%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Tax:	(1,035)	(1,310)	(2,002)	(2,901)	(2,466)	(2,928)	(4,290)	(5,157)	(6,005)	(6,905)	(7,881)	(8,909)	(9,922)	(10,819)	(11,464)	(11,692)	(11,834)
Net Operating Profit After Tax (NOPAT):	2,697	3,203	4,979	8,149	6,040	10,238	12,871	15,471	18,014	20,716	23,644	26,726	29,766	32,457	34,392	35,075	35,501
Adjustments for Non-Cash Charges:																	
Depreciation & Amortization:	721	1,084	2,073	3,486	5,524	1,907	7,737	9,490	11,275	13,231	15,409	17,773	20,199	22,474	24,300	25,289	41,366
% Revenue:	5.86%	6.83%	8.87%	9.10%	9.93%	2.62%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	
Share-based compensation:	2,088	2,473	2,324	3,178	5,585	4,483	10,642	13,053	15,509	18,199	21,195	24,447	27,783	30,913	33,424	34,784	35,925
% Revenue:	17.0%	15.6%	9.9%	8.3%	10.0%	6.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Deferred income taxes:	268	190	41	-	-	-	563	691	821	964	1,122	1,294	1,471	1,637	1,770	1,842	1,902
% Revenue:	2.2%	1.2%	0.2%	0%	0%	0%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Changes in Working Capital:																	



% Revenue:	2.0%	6.7%	6.1%	9.4%	8.6%	4.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
CAPEX:	(1,235)	(1,668)	(2,545)	(4,723)	(7,396)	(14,601)	(12,254)	(15,030)	(17,857)	(20,955)	(24,405)	(28,149)	(31,991)	(35,595)	(38,486)	(40,052)	(41,366)
% Revenue:	-10.0%	-10.5%	-10.9%	-12.3%	-13.3%	-20.1%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%	-12.9%
Unlevered Free Cash Flow:							25,446	30,897	36,341	42,222	48,690	55,615	62,598	68,987	73,889	76,179	2,247,564
Discount Rate (WACC):							7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%
PV of FCF:							23,687	26,772	29,313	31,702	34,031	36,184	37,911	38,893	38,777	37,214	1,097,964
PV of CF:	1,432,448																
Long-Term Debt + Current Portion:	(17,938)																
Cash and Short Term Investments:	61,755																
Implied Equity Value:	1,476,265																
Outstanding Shares:	2,727.75																
Current Market Capitalization:	731,501																
Current price:	268																
Fair value per share:	541.2																
Potential:	101.8%																

@oleh_kombaiev for Seeking Alpha

The DCF-based target price of Alibaba's shares is $541, offering 101% upside.

Bottom Line

1. In fact, China's economy is now the only one capable of showing growth. At the same time, the online shopping industry in China is booming due to fear of the pandemic. These are two powerful and undisputed growth drivers for Alibaba.
2. Chinese stock exchanges reacted mostly positively to the likely election of Biden as president of the United States. Although it is too early to draw conclusions, judging by the general tone in the media, it is expected that bilateral policy will become more predictable. At the very least, this reduces the risks for BABA.
3. Fundamentally, BABA is undervalued. It is obvious. And time will fix it.

Disclosure: I/we have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

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There are SO FEW times I ever comment on these boards, and this is REALLY BAD , because this post will be VERY demonstrative and MORE TRUTHFUL than ANY---YES ANY-- analysis technical or fundamental!

NOT ONE BIT of analysis --- NONE -- ZERO, is worth writing about with regard to BABA!!

I know how strong that statement is AND I also KNOW how FACT BASED AND TOTALLY -- the ONLY TRUTH-- there is to say about BABA:

Here it is;

ALL analysis and valuation is TOTALLY worthless-- period! WHY???

The TOTAL ONLY real truth about Jack Ma and BABA is this:

There is SO MUCH -- "BRUSHING" that goes on during EVERY YEAR on "singles day"

It is beyond RIDICULOUS!

China has for MORE than 10 years totally REFUSED to let the WTO send in auditors that

China KNOWS will hold China's ACCOUNTABLE to --GAAP!!

The WTO, has NEVER pressed China, NEVER,EVER made them accept GAAP that other developed nations MUST use!

Yet China wants to be accepted as an economic power!

To those who don't know what "brushing" is --- look it up and make sure you add words that have Chinese companies and "singles day , brushing in China!

Lastly--- it is a VERY BIG DEAL-- so much so that it TOTALLY negates ALL OF BABA's valuation work and OTHER China government run companies(not all are under STRICT govt. control --- but, BABA IS!! and so is MA!)

EVERY time anyone posts it is not the MOST important issue or it is NOT what matters-- you are flat out LYING!

Anyone who even thinks it is NOT STILL going on -- is lying-- a Research company that I worked for did longitudinal studies on BABA, Huawei and more--- remember LUCKIN COFFEE!

That was just one of many companies ---we named -- "SLIVER STOCKS" , many other used "reverse mergers" to just get listed and just take MILLIONS upon MILLIONS out of the companies--- leaving it to be delisted or pink sheeted -- for ever!

The studies we did on BABA alone(on single day)became a mute point-- because -- it REPEATED itself -- YEAR OVER YEAR!

YES-- it was WORSE THAN EVER -- This YEARS "singles day"!

I understand the due diligence in real accounting - that Mr. Kombaiev did, it was very good.

But China and ESPECIALLY -- BABA could care less, they KNOW how to USE accounting as a cloak, BABA. like China is NOT participating in the same game, they have an agenda that has NO transparency -- NONE!!

JUST remember --- the "brushing" that IS WORSE than ever negates ALL valuation, there is NO TRUTH, there is NO transparency, the is NO REAL market -- GAAP going on -- AT ALL,

and it has NOT changed over the YEARS --- AT ALL! (edited)

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One word: China. It will double as NIO , PDD and other stocks triple and quadruple. When they all come crashing down, it'll crash by the same percentage point.

If you avoid FB, APPL, and buy MSFT and ORCL, BABA's your stock to own. It's perpetually undervalued yet always the last to rise. In this environment though, there's other stocks you should be looking at instead of BABA.

Obviously this this is a fundamental driven article so just take my 8 years of observation and buy / sell with a grain of salt :)

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I enjoyed your article @Oleh Kombaiev

My sole reservation lies on the comparables side - you are comparing predominantly US securities which incorporate country specific risk, at least in terms of capital costs. This could be debated (Apple Inc. for example) to an extent.

But above all, relative analysis has one key drawback which you did not mention - If the entire sample is overvalued, saying that (BABA) is cheap in relative terms is debatable. I would argue that excessive monetary stimulus married with the Covid19 pandemic has been a catalyst for the appreciation of your basket of securities. So not sure if saying (BABA) is cheap is entirely plausible.

The other thing which distinguishes these securities is what I would typify as "China governance risk" We saw this most recently with the Ant+ IPO. The Chinese governing party made it abundantly clear that they could effectively "shut Ma down" if they disagreed with his comments.

Debatable as to whether a US administration has the same power over the Silicon valley tech behemoths. This risk, which is entirely unique and country specific, needs to be factored into risk adjusted returns investors would command to hold the equity.

Thank you for your contribution. Really enjoy your work.

A great analytical piece which got me thinking.

12 Nov 2020, 11:37 PM Like 0 Reply

Jkmac2
Comments (1) | + Follow

Atta way Cash McCall, , in the tank for the CCP, ,

Your boy Biden is, and always has been known as a total buffoon, , in Washington, and anywhere else in America , , He's a senile old man, & there's nothing about him that's good for America, , and he certainly doesn't have the brain, or the spine to deal with China, ,

China is going to own America with that corrupt idiot at the helm, ,

Our only hope is that the challenge to this corrupt election comes through for another 4 years of great leadership from president Trump, , , He's not prim and proper like most empty politicians, , but this man is a true leader who gets things done just look at his record, , ,

12 Nov 2020, 10:25 PM Like 6 Reply

simonf
Premium Marketplace
Comments (16) | + Follow

Thanks for sharing your insightful analysis @Oleh

12 Nov 2020, 09:39 PM Like 1 Reply

Bacon Slicer
Comments (564) | + Follow

My investment thesis was much simpler, being based on the size of Jack Ma's head.

12 Nov 2020, 09:06 PM Like 3 Reply

Ruble Noon
Premium Marketplace
Comments (326) | + Follow

Your headline is certainly debatable. I'm sure that's what you intended. For my money UNFI seems like it's very undervalued. Could be a three-bagger within a year. BABA can't do that.

12 Nov 2020, 08:13 PM Like 0 Reply

> **ssanghera187**
> Comments (1663) | + Follow
>
> @Ruble Noon UNFI isn't even profitable, though... And to make things worse, there is no end in sight to this plandemic. It might still be around a few years from now. UNFI might not...
>
> 12 Nov 2020, 11:00 PM Like 0 Reply

Stock nomad
Comments (827) | + Follow

Agreed on Baba but please reconsider this:

"And there is virtually no coronavirus problem in China:"

PLease, do you really believe that a largest populated country on earth, the very place where coronavirus started actually has 86,000 cases? Seriously???? Armenia, a country of 3mil population has more cases than China? Lol, this was really funny and VERY believable. (edited)

12 Nov 2020, 08:00 PM Like 6 Reply

> **my_symphony2003**
> Comments (938) | + Follow
>
> A frog in the well can only see that much of the world.
>
> 12 Nov 2020, 10:16 PM Like 1 Reply

> **Charles Ian Tan**
> Comments (151) | + Follow
>
> @my_symphony2003 yeah I've got friends in working and living in China to attest to that. Covid is absolutely clamped down there supporting the economic growth figures we're seeing.
>
> 12 Nov 2020, 10:49 PM Like 0 Reply

Picacho67
Premium
Comments (13) | + Follow

Unfortunately, none of the numbers reported by any Chinese company can be trusted, so all this analysis is useless. Why these companies are allowed to list on US exchanges, I can't understand.

12 Nov 2020, 07:53 PM Like 4 Reply

> **Up and Away**
> Comments (3872) | + Follow
>
> @Picacho67
>
> Agree. The security exchange have said if they do not comply with our standards they should be delisted. I recall Trump said the same thing and everyone criticized him. Is this country so greedy that we need to ignore this and let them have it their way? I was thinking the appeasement would end. It hasn't but it should!
>
> 12 Nov 2020, 11:00 PM Like 0 Reply

> **ssanghera187**
> Comments (1663) | + Follow
>
> @Picacho67 How do you know they are wrong and we are right? Oh, right... You saw it on the news...
>
> 13 Nov 2020, 12:47 AM Like 0 Reply

ATLguy
Premium Marketplace
Comments (331) | + Follow

BABA, ANT, and company just got a quick reminder course:

1) In China, stability of the regime is Job #1

2) Xi Jinping is Person #1

3) All else follows

12 Nov 2020, 07:35 PM Like 5 Reply

Cash McCall
Comments (209) | + Follow

I don't have to look much further than four facts. 1) Single Days sales are earthshaking. 2) Baba Cloud is now larger than Amazon and Microsoft. 3) Asia is the biggest markets in the world for the next 100 to 10,000 years. 4) Biden will have a good working relationship with China without the endless insults and without holding Meng Wenzhou hostage over Trump's personal Iran sanctions. BTW, no executive of a company has ever been held liable for the activities of the corporation with whom they work. All this is cheap extortion and accomplishes nothing. Biden will vacate this insanity.

On the downside, I am not worried in the least over the new regulation proposals. China is adamant about stopping shadow banking. Loose money is a danger. Slower and more even growth is preferred. China doesn't want Lehman Brothers. Ant is going to have to pony up some capital reserves if they want to be a consumer credit lender. That is not an outrageous demand.

The other regulation proposals are quite sound. They want to stop the big vendors from selling products under the market to squeeze out the competition and then raise prices once they have destroyed the competitor. None of the recommendations are intended to stifle growth but they are intended to stifle robber baron practices.

As for Jack Ma. China Communism runs like an extremely large corporation. There are rules of conduct and expectations. Gov is quit competent at managing the Chinese economy and Jack Ma has benefited from the stable Chinese economy.

Ma has criticized essentially his bosses implying that China is not growing fast enough. China is well aware that if they stimulate the private sector with boatloads of money the consumer market will overheat. They don't want that. They prefer the Chinese model of austerity, careful savings and moderated not overheated growth. Ma was getting too big for his britches.

One of the finance ministers said that Xi doesn't mind individuals getting rich. but expects the rich to show respect and support for the government not attack it. Ma made his money in China and with the ALIBABA IPO. China has had a rough few economic years and is emerging nicely and they don't' want Ma rocking the boat.

Ant is going to be regulated if it lends money. It would have met the same headwinds if the IPO had been launched elsewhere. Turmp poisoned the NEW YORK EXCHANGES with this vapid and deranged comments about delisting. This has caused US Exchanges to nosed out of IPOs and foreign business. Meanwhile, The Chinese exchanges are interested in being the hub of Chinese industrialization. They want to regulate for stability.

As for stock price, BABA is laughingly cheap. After four years of Trump bashing China, the Chinese stocks have been suppressed. By every metric, BABA is a $600 a share company selling for less than half price. The cloud business itself dominates. It will dominate all of Asia the world's largest markets. JD is a great company too but BABA has more moving parts and they are the kind of parts that will grow exponentially. BABA even makes opens source RISC chips. They are the engine of growth in the biggest markets in the world.

If you owned just one stock in all the world; It should be BABA.

12 Nov 2020, 07:34 PM Like 25 Reply

> **Bacon Slicer**
> Comments (564) | + Follow
>
> Biden is on the payroll, so definitely good for China.
>
> 12 Nov 2020, 08:04 PM Like 7 Reply

> **Imnotselling**
> Comments (47) | + Follow
>
> @Cash McCall damn, sorry author but this should be the article
>
> 12 Nov 2020, 08:29 PM Like 4 Reply

> **villainy**
> Comments (912) | + Follow
>
> @Cash McCall
>
> I could quibble with some of your post but taken as a whole...Right On!!
>
> 12 Nov 2020, 08:49 PM Like 2 Reply

jerryyoung628
Premium
Comments (16) | + Follow

By deducting debts from PV of all future FCF aren't you assuming the company will be liquidated? I don't think that's how you evaluate companies if you were to remain a shareholder, debts are part of the company and should be included in your calculations

12 Nov 2020, 07:29 PM Like 0 Reply

Faninvestor9
Comments (36) | + Follow

Nothing on governance? Think that would be the biggest risk right now.

12 Nov 2020, 06:52 PM Like 4 Reply

Jsmooth50
Premium
Comments (1) | + Follow

Just brought $2000 worth of baba , I agree also JD.COM

12 Nov 2020, 06:26 PM Like 9 Reply

> **Oakway**
> Premium
> Comments (27) | + Follow
>
> @Jsmooth50i bought 5 K
>
> 12 Nov 2020, 10:57 PM Like 0 Reply

Dogstyl
Comments (74) | + Follow

I own BABA and JD and would like to buy more. But the CCP has me spooked. The recent problem with ANT and potential for more regulation against " monopolies" is worrisome.

12 Nov 2020, 06:18 PM Like 9 Reply

> **rhepinger**
> Comments (5) | + Follow
>
> Yep me too thx Jack Ma dummy
>
> 12 Nov 2020, 07:30 PM Like 1 Reply

> **Vaca Valley**
> Comments (236) | + Follow
>
> yes and ZTO also
>
> 12 Nov 2020, 10:23 PM Like 0 Reply

andresrios11sanabria
Comments (72) | + Follow

If this was US company yes but the risk of CCP makes this go on discount, just too much risk. LONG BABA RISK IS FOR ME HAHA

12 Nov 2020, 06:14 PM Like 2 Reply

Musk2Mars
Premium
Comments (20) | + Follow

Is there a possibility of BABA being delisted in the U.S.? If so, does that mean all your investment funds would go down the toilet?

12 Nov 2020, 06:05 PM Like 3 Reply

> **Dogstyl**
> Comments (74) | + Follow
>
> It would still trade on "pink sheets" but would definitely hurt liquidity. Although I am not a Biden fan , it is less likely to be delisted with him in the white house.
>
> 12 Nov 2020, 06:20 PM Like 5 Reply

> **Musk2Mars**
> Premium
> Comments (20) | + Follow
>
> @Dogstyl, got it, thanks for the information.
>
> 12 Nov 2020, 07:21 PM Like 0 Reply

> **Cash McCall**
> Comments (209) | + Follow
>
> Trump had zero power to delist any company. The foiled effort of Scott and Rubio to try to produce new expo facto regulations on Foreign companies failed.
>
> Trump's gone and the xenophobia ends. Trump caused foreign investment into the USA to go to zero. An utter economic illiterate. Biden will have competent Economists and won't be playing know-it-all, like the prior dolt.
>
> 12 Nov 2020, 07:44 PM Like 5 Reply

> **Tigerkz3434**
> Comments (1432) | + Follow
>
> @Cash McCall except foreign investment in American markets is still very very strong. What you state isn't based on any facts, just opinion and it's 100% wrong. People invest where there is money to be made with the lowest risk, and the USA is still top dog in the financial world for those dynamics. No if's ands or buts about it!!
>
> 12 Nov 2020, 07:58 PM Like 2 Reply

> **riki3742**
> Comments (291) | + Follow
>
> @Cash McCall that's if Sleep Joe lasts a year, guy can't come out of his basement for more than an hour at a time, read off a teleprompter before he has to go take a nap, do you really think he can withstand the pressures of a 20-hour workday 7 days a week? I give him a year, maybe two before he resigns due to health reasons.
>
> 12 Nov 2020, 08:01 PM Like 3 Reply

> **CoolerHeadsPrevail**
> Marketplace
> Comments (318) | + Follow
>
> #chinajoe great for China a disaster for American workers. No matter what product or brand you will find knockoffs with zero legal recourse littered throughout site. There are plenty of other ethical companies to buy IMO and I need to sleep at night.
>
> 12 Nov 2020, 09:05 PM Like 2 Reply

Entreri
Comments (3337) | + Follow

A China company. CCP is the law, thus it can play favourites. Odds higher of possible financial irregularities.

Ant IPO. There are reasons for the "discount".

Luckin Coffee was selling at a discount compared to Starbucks. (edited)

12 Nov 2020, 05:52 PM Like 6 Reply

> **Isg2008**
> Comments (32) | + Follow
>
> @Entreri Playing favorites with your four golden geese doesn't mean they aren't golden geese.

13 Nov 2020, 12:42 AM Like 0 Reply

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motto5448

Comments (757) | + Follow

Valuation does not matter when the government wants to destroy part of your business, I think you will get the opportunity to buy baba around 100 within 2 years, very overvalued by all metrics

12 Nov 2020, 05:49 PM Like 1 Reply

> **Musk2Mars**
> Premium
> Comments (20) | + Follow
>
> @motto5448, I hope you are right and I will load up on it again.
>
> 12 Nov 2020, 06:03 PM Like 1 Reply

> **iv2006**
> Comments (721) | + Follow
>
> I would rather wait for Amazon around 1000.
>
> 12 Nov 2020, 08:06 PM Like 1 Reply

---

mrsh1

Comments (854) | + Follow

BABA is the only Chinese stock we own! Years of growth ahead!!! Long BABA! :-) (edited)

12 Nov 2020, 05:48 PM Like 15 Reply

Zaid Beiruty

Comments (1) | + Follow

Alibaba is the future

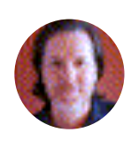
12 Nov 2020, 05:47 PM Like 8 Reply

---

keeperasylum
Premium
Comments (14) | + Follow

No mention of the ANT debacle?

12 Nov 2020, 05:47 PM Like 3 Reply



bbatts
Premium
Comments (351) | + Follow

The relative low price of BABA has to do with the fact that U.S. investors don't trust China-based companies. BABA is a growing, money making machine in a growing market and economy...even during a pandemic. Long BABA

12 Nov 2020, 05:46 PM Like 13 Reply

> **Tim McLean**
> Comments (41) | + Follow
>
> @bbatts I am totally perplexed why investors wouldn't trust a Chinese co or the CCP. I am amazed how the SEC allows these CCP sponsored companies to fleece retail investors in the US. Im sure it will be different this time
>
> 12 Nov 2020, 06:00 PM Like 4 Reply

Kiron Bramble

Comments (41) | + Follow

I completely agree. JD is the second most undervalued

12 Nov 2020, 05:45 PM Like 5 Reply

Georgehm3
Premium
Comments (25) | + Follow

Agreed

12 Nov 2020, 05:44 PM Like 0 Reply

FirasMHM

Comments (59) | + Follow

With all of this optimism, why don’t you own ali baba?

12 Nov 2020, 05:43 PM Like 10 Reply

> **loops5**
> Comments (1) | + Follow
>
> exactly.
>
> 12 Nov 2020, 07:33 PM Like 0 Reply

> **Imnotselling**
> Comments (47) | + Follow
>
> @FirasMHMhe probably will
>
> 12 Nov 2020, 08:27 PM Like 0 Reply

Al-Gor

Comments (1912) | + Follow

Yes...agree w the author. I’ve been buying baba on zee dips

12 Nov 2020, 05:43 PM Like 1 Reply

SDLB
Premium Marketplace
Comments (75) | + Follow

A +

12 Nov 2020, 05:42 PM Like 5 Reply

Add a comment

Disagree with this article? Submit your own.
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Your feedback matters to us!

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