

Figure 1: Stock graph shows the stock's trend

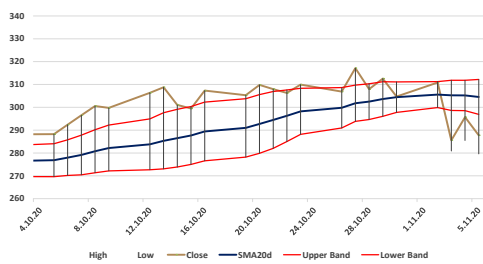


Figure 2: BolBands chart

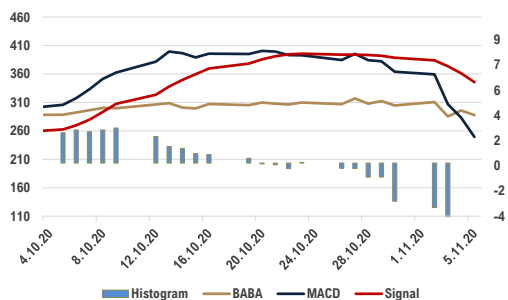


Figure 3: MACD shows a potential sell signal

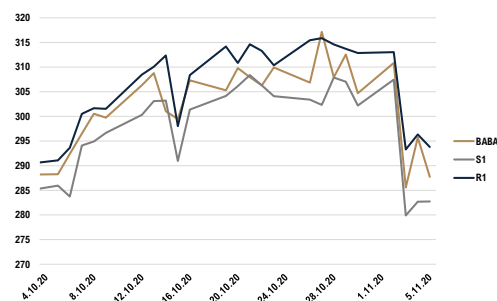


Figure 4: Shows the resistance and support levels

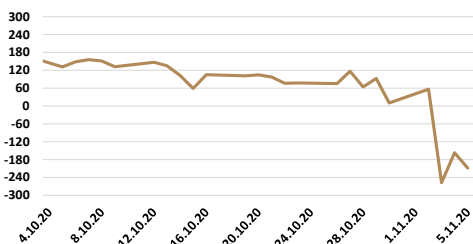


Figure 5: CCI below -100

Firm's Brief Description

ALIBABA GROUP HOLDING LIMITED is a holding company that provides the technology infrastructure and marketing reach to help merchants, brands and other businesses to leverage the power of new technology to engage with users and customers to operate. The Company operates four business segments. The Core Commerce segment provides China retail, China wholesale, International retail, International wholesale, Cainiao logistics services and local consumer services through Taobao Marketplace and Tmall. The Cloud Computing segment provides complete suite of cloud services, including database, storage, network virtualization services, big data analytics and others. The Digital Media and Entertainment segment provides consumer services beyond the core business operations. The Innovation Initiatives and Others segment is to innovate and deliver new services and products. (Source Reuters)

Fundamental Approach

- Ant Financial's IPO (affiliate company of Alibaba) was disqualified from listing.
- Q2 2021 revenues fell below Wall Street's expectations
- Sales growth slowed down

Technical Analysis

According to Figure 1, there is an overall uptrend at most of the examined period, though the below of expectations Q2 2021 economic results lead to a reverse in the trend. (from 2/11/20 – 5/11/20). The long-term MA crossed above the short-term MA providing a potential sell signal. BolBands indicates a sell signal as well, as the second graph depicts. According to Figure 3, MACD crossed below the signal line while steadily diminished. The resistance levels established at 293, and the support levels stabilized at 282. In Figure 5, CCI is moving below -100 indicating a sell signal.

Prediction

The uncertainty about the suspended IPO of Ant Financial's (Alibaba's affiliate) combined with the concerns of the slower sales growth reversed the strong overall bullish trend of Alibaba's stock, pushing the stock edging lower. A potential sell signal is also recommended and further supported by the technical analysis above.

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