

Alphabet Inc.

NASDAQ: GOOGL | Internet Content & Cloud | Research update | 24 September 2026

RATING	Last close	Fair value / Target 1	Risk / reward	Investment score
BUY	\$337.83	\$428 / \$430	3.3 : 1	73.7 / 100
reaffirmed	23 Sep 2026 -0.2% since last report	+27.3% to target 1	to target 1; 5.5 : 1 to target 2	unchanged

Alphabet closed on 23 September at \$337.83, almost exactly where the last report left it at \$338.50. The path between the two was not flat. The shares rose to \$354.97 on 21 September and then fell 3.8% in one session on 23 September, when Meta's Muse assistant topped Apple's U.S. App Store. The published levels all still hold. The price sits on its recomputed 200-day average of \$337.95, 0.6% below the bottom of the \$340 to \$365 buy range, 8.2% above the \$310 stop and 27.3% below the first target. Alphabet's own news in the period was a new laptop category, Googlebook, on pre-order from 21 September and shipping from 4 October, which matters for distribution but not for earnings. No fundamental input changed, so the fair value, the scores and the Buy rating stay where they were. Investment score 73.7 out of 100, unchanged. All prices as at the 23 September 2026 close.

What has changed since the last report

The 12 September report reaffirmed Buy at \$338.50. It corrected the 200-day average to \$336.81 and named four things to watch: confirmation of the reported Blackstone TPU expansion, Gemini 4, the first disclosed Marvell purchase tranche, and the third-quarter advertising line against weak consumer expectations. None of the first three produced a disclosure in the period. The Blackstone expansion is still a press report that neither company has confirmed. Gemini 4 has no announced date. No Marvell tranche has been disclosed. The advertising test comes with the third-quarter results, expected on 28 October.

One item from that list had already happened. Alphabet priced its first Australian-dollar bond on 19 August: A\$5.5bn, about US\$3.9bn, across 3-, 5-, 10- and 20-year tranches, with more than A\$18bn of orders and a 6.9% coupon on the 20-year notes. Together with the \$25bn U.S. dollar sale in August, that shows the capital programme can still be debt-funded on demand. It also shows the price. Bond investors have started asking for wider spreads on AI-related debt from Alphabet, Meta and Nvidia, and the ten-year Treasury yield closed at 5.11% on 23 September.

The competitive picture moved more than the company did. Meta's Muse assistant, launched earlier in September, reached the top of Apple's U.S. App Store. Meta shares rose 11% on 22 September, and Meta's chief AI officer said Muse can act across services including Gmail, Google Calendar and Google Docs. Alphabet fell 3.8% the next day on 35.5m shares, about 1.3 times the 20-day average. Over the past month Meta has gained about 37% and Alphabet has lost about 1%. That is the interface-shift risk this coverage has always discounted for, now showing up in the share prices of both companies. An app-store ranking is early and weak evidence of usage. It is not evidence of lost search queries, and the score treatment below reflects that.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Googlebook laptops	Pre-orders from 21 Sep 2026; shipping from 4 Oct (US), 5 Oct (CA, UK, IE, FR, DE, AU)	A new laptop category on an Android-based OS with a ChromeOS desktop, built by Acer, ASUS, Dell, HP and Lenovo with Intel and Qualcomm processors. From \$899. Each unit includes 12 months of Google AI Pro	None published by Google	Low for earnings; supports Gemini distribution
Qualcomm collaboration	Announced 21–22 Sep 2026	Snapdragon platform in the first Googlebook models; the companies also referred to automotive and agentic AI work	None	Low
Google Vids AI video generation	23 Sep 2026	Free AI video generation extended to all Google Vids users	None	Low
Australian-dollar bond	Priced 19 Aug 2026	A\$5.5bn (about US\$3.9bn) in four tranches; orders above A\$18bn; 20-year coupon 6.9%	None	Low (funding)
Blackstone TPU expansion	Reported by The Information, 10–11 Sep; unconfirmed	May 2026 venture: about \$5bn of Blackstone equity, 500MW by 2027. The reported expansion has no figure and no confirmation	None attributable	Medium if confirmed; no weight until then

Google product blog (21 September 2026), Qualcomm and Google announcements via Digitimes and Newsquawk, Reuters via Investing.com (19 August 2026), Blackstone and Google releases of May 2026. The Blackstone expansion is a press report and carries no weight.

Nothing in the period is high-impact for this thesis. Googlebook is a real launch and a new product category, but its direct revenue will be very small for a company with \$446bn of trailing revenue. Partners build the hardware, and Alphabet's share comes through software, services and the bundled AI Pro subscription. Its value is distribution: it puts Gemini on the PC at a time when Meta is competing for the same agent role on the phone. The first evidence of uptake comes after shipping on 4 October, and Google is unlikely to disclose units. The verdict, levels and scores would be the same without it.

Growth drivers

Driver	Status	Likelihood	Impact	Comment
Google Cloud backlog conversion	\$514bn backlog; Cloud +82% in Q2 (reported fact)	High	High	Tested again at Q3 results, expected 28 Oct 2026
External TPU revenue	Blackstone venture announced May 2026; expansion reported only	Moderate	High	The bull case precondition. Needs a disclosed figure
Gemini distribution (Android, Chrome, Googlebook)	Googlebook shipping 4 Oct 2026	High	Medium	Defends the agent layer against Muse; uptake not disclosed
Gemini 4	No date announced	Uncertain	Medium-High	Still the readable test of the research organisation

Sentiment

Date	Firm	Action	Target
17–18 Sep	Tigress Financial	Strong Buy maintained	\$415 → \$485
16–17 Sep	Evercore ISI	Outperform maintained	\$420 → \$450
16 Sep	MoffettNathanson	Buy maintained	\$380 → \$370
14 Sep	BofA Securities	Buy maintained	not disclosed in feed

Broker actions from the moomoo research feed, retrieved 24 September 2026. Consensus from StockAnalysis.com: Strong Buy, 62 analysts, average target \$428.41.

The consensus target is \$428.41, against \$428.07 a fortnight ago, and it still sits almost exactly on this report's own \$428 fair value. The two numbers were derived independently. Target changes in the period went both ways. ARK Invest trimmed its position again. None of this moves the analysis. Reported institutional holdings are left out of this report because the latest read is mixed and rests on a single holder, which adds nothing to the thesis.

Valuation

Method	Reading	Comment
Forward P/E	25.2x	Against 25.5x on 12 September. The lowest in this coverage, but still not cheap
Trailing P/E	17.0x	Not usable: trailing net income of \$244bn includes large non-operating gains, among them the SpaceX stake mark
Market capitalisation	\$4.13tn	StockAnalysis.com, 23 September 2026
Consensus target	\$428.41	62 analysts, Strong Buy
Scenario-weighted fair value	\$428	28 / 50 / 22 weights held; computed at \$428.45

Market data from StockAnalysis.com, retrieved 24 September 2026. Fair value is our calculation.

The macro variables that matter here

Two macro variables matter. The first is advertising demand, because about three-quarters of revenue is advertising. The latest data are firmer than a fortnight ago. August retail sales rose 1.2%, and initial jobless claims fell to 196,000 in the report of 17 September. That argues against a sharp slowdown in ad budgets in the third quarter. The second is the cost of funding a \$195bn to \$205bn capital programme. The Federal Reserve raised its target range to 3.75% to 4.00% on 16 September, and the ten-year yield closed at 5.11% on 23 September, up 15 basis points from the 4.96% cited last time. Alphabet can still borrow in size, as the Australian issue showed, but it pays more. With about \$122bn of net cash that is a valuation question, not a solvency one, and it is part of why 25 times forward earnings is fair rather than cheap.

Technical picture

Indicator	Value	Reading
Close, 23 Sep 2026	\$337.83	Down 3.8% on 35.5m shares, 1.3 times the 20-day average
SMA 20 / EMA 20	\$341.99 / \$344.22	Price 1.2% below the 20-day average
SMA 50 / EMA 50	\$345.07 / \$346.31	Price 2.1% below
SMA 100	\$358.68	Price 5.8% below; still declining
SMA 200 / 40-week	\$337.95 / \$338.99	Price on the 200-day (0.04% below) and 0.3% below the 40-week
RSI (14)	45.1	Neutral
MACD (12,26,9)	0.34 vs -0.63	Histogram +0.98, turned positive from -0.43
ATR (14)	\$9.15	2.7% of price, from 2.4%
Support	\$337.95, then \$327.74, then \$314.90	200-day, the 10 September low, the post-earnings low
Resistance	\$345, then \$358.68, then \$364.17	50-day, 100-day, the 22 September high

Computed from Twelve Data daily OHLCV, 300 completed sessions from 16 July 2025 to 23 September 2026. The 40-week average uses the last close of each week. RSI and ATR use Wilder smoothing. Distances measured against the \$337.83 close.

Both averages the trade plan uses were recomputed from the new series. The 200-day is now \$337.95, up from \$336.81, and the 40-week is \$338.99. The stock is back on the 200-day. The MACD histogram turned positive during the rally to \$364, which removes the reason given for the last technical downgrade. The 23 September drop then took the price back below the 20- and 50-day averages on above-average volume. The two signals roughly cancel, so the technical score stays at 4. The stop stays at a \$310 weekly close. It is now 3.0 times the average true range away, down

from 3.5 because daily ranges have widened. That is still enough room, and the stop is not widened to restore the old margin.

Scorecard

Dimension	Score	Prior	Bar	Rationale and what moved
Business quality weight 16%	9/10	9/10		Held. Search auction economics and unmatched distribution
Financial strength weight 12%	7/10	7/10		Held. About \$122bn net cash; debt cost rising with yields
Competitive advantage weight 16%	9/10	9/10		Held. Muse reached #1 in the App Store; that is early evidence, not lost queries
Management weight 9%	7/10	7/10		Held. No senior departures; Gemini 4 still the test
Growth potential weight 14%	9/10	9/10		Held. External TPU revenue still undisclosed
Valuation weight 16%	6/10	6/10		Held. 25.2x forward against 25.5x
Risk (10 = lowest risk) weight 12%	5/10	5/10		Held. Interface risk more visible; funding cost higher; balance sheet unchanged
Technical setup weight 5%	4/10	4/10		Held. MACD turned up, but price fell back below the 20- and 50-day on volume
Overall investment score	73.7 / 100	73.7/100		Weighted sum of the factor scores; weights sum to 100% and the total was computed in code.

Scored 1–10, where 10 is always best, including Risk. The prior report used the same scale and direction, so no restatement was needed.
Weighted total computed in code: 73.7 / 100.

A Risk score of 5 out of 10 means moderate risk. It describes a very high-quality business with an unresolved appellate case, an unproven capital cycle and a now-visible competitor for the agent layer. The risk discussion above describes the same thing.

Trade plan: Buy (reaffirmed)

Parameter	Level / guidance	Change vs 12 Sep
Recommended entry	At market. The price sits on the recomputed 200-day average with no thesis break	Unchanged
Ideal buy range	\$340–365; add on the 200-day at \$337.95	200-day recomputed from \$336.81
Cut-loss	\$310 weekly close; or Cloud growth below 40% for two quarters; or operating margin sustained below 30%	Unchanged
Take-profit 1	\$430. Trim one-third	Unchanged
Take-profit 2	\$490. Needs capex plateau visibility and a favourable appellate outcome. Trim a further third	Unchanged
Expected upside	+27.3% to target 1; +45.0% to target 2	Was +27.0% and +44.8%
Expected downside	–8.2% to the stop	Was –8.4%
Risk / reward	3.3 : 1 to target 1; 5.5 : 1 to target 2	Was 3.2 : 1 and 5.3 : 1
Holding horizon	18–24 months	Unchanged
Position size	4–6% of portfolio; 7–8% only after a favourable appellate outcome or a clear capex plateau	Unchanged
Allocation note	Holders of MSFT, AMZN or NVDA already carry AI-capex exposure. Size against the total	Unchanged

What would change the view

Direction	Trigger
Upgrade to Strong Buy	A favourable D.C. Circuit outcome; capex plateauing with free cash flow turning up; a competitive Gemini 4; or disclosed external TPU revenue at material scale
Q3 results (expected 28 Oct 2026)	Search and advertising growth after the Muse launch; Cloud growth and backlog; any TPU revenue figure
Competitive	Evidence that agent assistants are taking measurable query share, for example a reported fall in paid clicks or search revenue growth in single digits
Downgrade	Cloud growth below 40% for two quarters; an adverse appellate ruling reopening structural remedies; operating margin sustained below 30%; further senior research departures; a weekly close below \$310
Macro	A sustained rise in yields alongside wider credit spreads on AI-related debt would raise the cost of the capital programme

Scenario analysis

Scenario	Prob.	What has to happen	Fair value
Bull	28%	Backlog converts at the Q2 pace; external TPU sales become a material 2027 line; Gemini 4 lands well; the appeal fails and behavioural remedies stand; capex plateaus in 2027. Multiple toward 30x	\$500–560
Base	50%	Growth eases from the Q2 pace; capex stays high through 2027, partly debt-funded at a rising cost; agent competition limits but does not reverse search growth; multiple 25–28x	\$415–450
Bear	22%	AI demand normalises as depreciation arrives in full; agent assistants take measurable query share; Gemini slips; an adverse appellate ruling. Multiple 18–20x	\$270–310

Probabilities sum to 100%. Weighted fair value from the range midpoints, computed in code: $0.28 \times 530 + 0.50 \times 432.5 + 0.22 \times 290 = \$428.45$, carried as \$428. Scenario ranges are our estimates.

The weights are held. Muse raises the chance of the bear case's query-share leg in principle, but one app-store ranking is the kind of early signal that should not move a probability. The test is the third-quarter search line. The skew is unchanged. From \$337.83 the stop is 8.2% away and the bear-case range implies an 8% to 20% fall, against a first target 27% above.

Investment verdict

Yes, at \$337.83, on the same terms as before. The stock is at the bottom of its buy range and on its long-term average. The first target is about 27% away and the stop 8% away, and no financial input has moved. The one thing that did move is the one this file has always capped the competitive score for: a strong rival assistant now shows up in the app-store rankings and in the share prices of both companies. That is a reason to watch the third-quarter search line closely, not a reason to sell before it arrives. What would change the view is unchanged, and the next test is 28 October.

Sources and basis of preparation

Price of record from Alpha Vantage (23 September 2026 close). Daily OHLCV from Twelve Data, 300 sessions; all indicators, including the 200-day and 40-week averages, computed from that series. Google product blog, "Googlebook is here and ready for pre-order" (21 September 2026). Qualcomm collaboration via Digitimes and Newsquawk (22–23 September 2026). Australian-dollar bond from Reuters via Investing.com (19 August 2026). Blackstone and Google joint-venture releases of May 2026. Meta Muse and the 23 September share-price move from Benzinga and 24/7 Wall St (23 September 2026). Bond market commentary from Benzinga (22 September 2026). Broker actions from the moomoo research feed; moomoo news search and stock digest run for this report. Consensus and market data from StockAnalysis.com, retrieved 24 September 2026. Operating metrics, backlog and net cash from the Q2 FY26 results and 10-Q as carried in the previous report. Macro figures from Federal Reserve, Census, Department of Labor and S&P Global releases between 10 and 23 September 2026. No earnings call has taken place since the Q2 call of 22 July 2026.

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