**Date: 2/18/19**

**Asset Type: Stock BIDU**

**Portfolio Percentage:**

**Entry Price:**

1. First Entry: 170
2. Second Entry: 160
3. Third Entry: 150

**Target Price:**

1. Best Target: 400
2. Worst Target: 240

**Timeframe:**

1. Timeframe 1 🡪 200 in 6 months
2. Timeframe 2 🡪 260, 300, 400 1/2/3 years

**Fundamental Analysis:**

* Market Size and Profitability Analysis: 100-140B. + Bidu is growing fast in autonomous vehicles and artificial intelligence! probably a 150B market.
  + Market size
    - Conservative scenario:
    - Best case scenario:
  + Profit 🡪 4.5B ~ 20% Revenue is more consistent to previous years. Google is 15% margin
    - Revenue 🡪 15B ( could easily get to 50B in 5 years)
      * Income Stream 1: Search Engine Adds.
      * Google performs around 1.4 Trillion searches a day and generates around 100B $ in revenue from that. Bidu could potentially have half the number of users Google has which would translate into at least 50B in revenue from adds
      * Income Stream 2: Streaming Video IqYii
        + Netflix produces 11B in revenue from 120 million users. IqYii could potentially have 30% of china’s population as subscribers which would represent more than 300 million people, so it could easily generate as much as Netflix.
    - Costs 🡪 R&D, Salaries, nothing special
* Cashflow and EPS Analysis
  + Current PE average/media 🡪 41 and 35 , 276M shares outstanding
  + 50B Rev (0.15)/276M \* (15PE) = 407$ per share. Best case REV=60B, 🡪500$ per share.
  + Worst case revenue grows only to 30B. 🡪 244$ per share

**Technical Analysis:**

* True Value Analysis
* Bear Market Analysis
  + Worst drops = 40% , Only in 2008 the drop was over 50%
  + 2 Bear Markets of 1 year, 1 Bear Market of 2 years.
  + Current Bear Market 🡪 9 months. Could last for 6 more months or so, but price should not go way lower than actual.
* Financials Analysis
  + Low DEBT
  + Nice Cashflow
  + Nice balance Sheet!
* Correlations with assets/indicators/etc.
* LJB/Competitors Analysis
  + Wins against all competitors. Clean financials