Big Tech Earnings and a High-Stakes Trump–Xi Summit

- A big week with major tech earnings, the FOMC, and the Trump–Xi meeting.
- AI momentum continues with new launches and infrastructure expansion.
- GOOG80 as our top pick with TP THB4.88 for strong AI positioning and valuation.

Markets on Alert: Mega-Cap Prints Meet Macro and Geopolitics

This week's spotlight is on major earnings releases—Visa and Booking on 28-Oct; Microsoft, Meta, and Alphabet on 29-Oct; and Apple, Amazon, Eli Lilly, and Mastercard on 30-Oct. Markets also await the **FOMC decision on 30-Oct**, where a 25 bp rate cut is widely expected, followed by the **Trump–Xi summit on 31-Oct**. Geopolitically, the U.S. and Australia recently signed a critical-minerals pact to reduce dependence on China's rare earths. Meanwhile, the latest U.S. inflation print showed core CPI rising just 0.2% m-m, better than expectations and signaling cooling inflation.

AI Turf War: Browsers, TPUs, and the Fight for Compute

On the AI front, **OpenAI is rolling out its agentic browser "Atlas,"** initially on macOS. The launch deepens data integration and strengthens OpenAI's ecosystem, but the current experience favors paid users, as free tiers hit usage limits quickly. Meanwhile, **Anthropic announced a large expansion on Google Cloud** to train models on Google's TPUs—a multiyear deal reportedly worth tens of billions and the company's largest TPU commitment. Although Anthropic primarily runs on AWS (backed by Amazon's $8b investment), Google has also invested ~$3b, even as it pursues its own Gemini stack.

AI Deployment on the Ground and in the Cloud

On Amazon, the company introduced AI-assisted smart glasses for delivery drivers that provide turn-by-turn walking directions, barcode scanning, and photo proof-of-delivery—signaling a push to boost last-mile safety and efficiency. **On Meta**, it formed a JV with Blue Owl to build the Hyperion AI data-center campus in Louisiana via roughly $27b in private-credit financing (Blue Owl ~80%, Meta ~20%). Meta receives about $3b in cash at closing and shifts most upfront capex off its balance sheet, while Blue Owl secures ownership and contracted, asset-backed yield from a multi-gigawatt campus; Meta gains speed and balance-sheet flexibility to scale AI compute.

Next-Gen Growth? but Near-Term Pain

On Tesla, the company reported Q3 2025 revenue of $28.1b (+11.6% y-y), though profits declined 30–40% amid price-war competition and cost pressures. Deliveries surged late in the quarter ahead of the expiring U.S. EV tax credit, but we view that boost as temporary. Tesla is targeting a robotaxi expansion to 8–10 U.S. metro areas by year-end and plans to remove safety drivers in Austin, while also teasing a lower-cost "budget EV" event on Oct 7 to help sustain volumes post-credit. Meanwhile, **for Eli Lilly** and **Novo Nordisk,** despite strong clinical progress in obesity and diabetes drugs, a key risk remains U.S. policy—President Trump has signaled an intent to push weight-loss drug pricing lower.

This Week's DR Pick: GOOG80, TP of THB4.88 ($300, USD/THB at 32.5)

We reiterate GOOG80 as our weekly DR pick (TP THB 4.88). Among the Mega-Cap group, Alphabet trades at one of the lowest P/E multiples due to concerns that AI could disrupt search. However, Google remains a leading AI platform with a uniquely integrated ecosystem spanning Android distribution, Waymo autonomous tech, Google Quantum, Gemini models, and proprietary TPU hardware. With its strong positioning in the AI cycle, we believe Alphabet still has a room for valuation re-rating.

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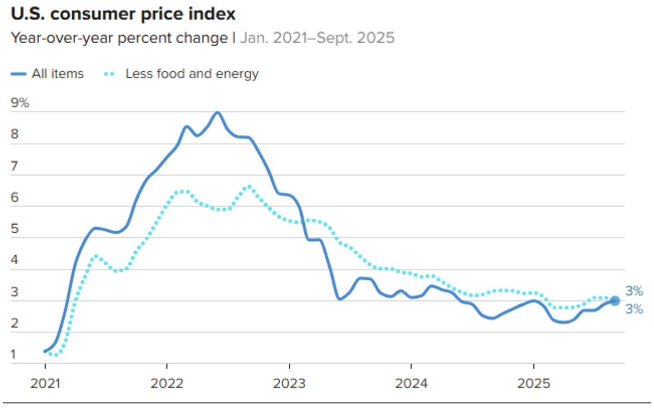
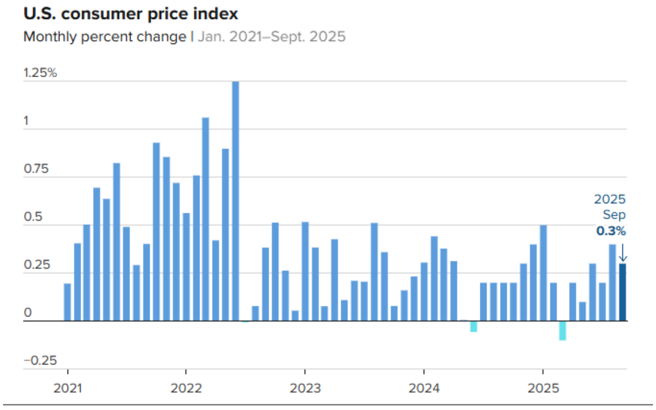
Exhibit 1: U.S. consumer price index



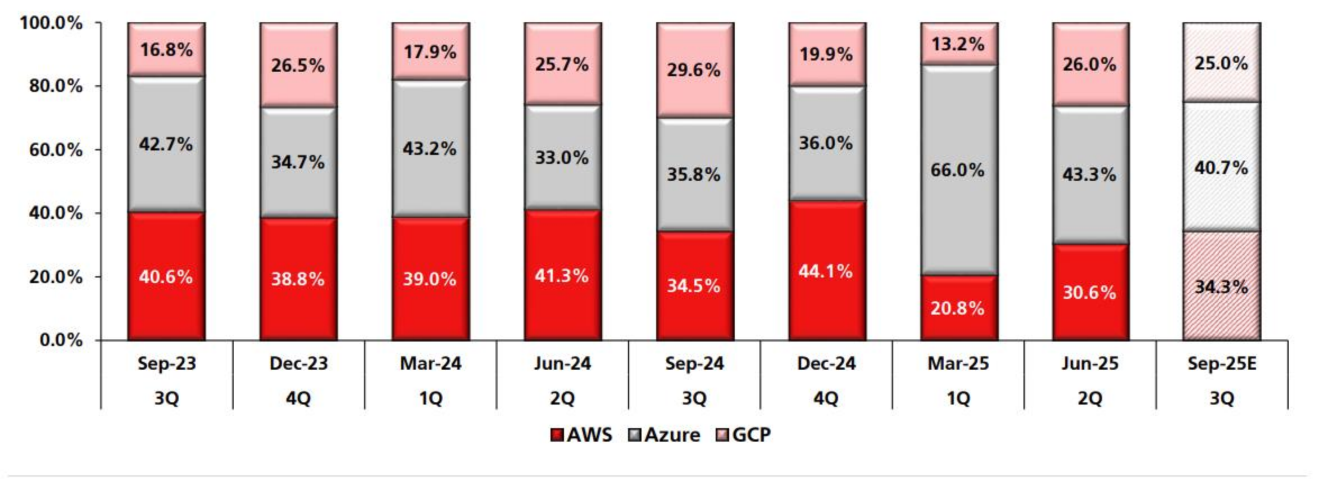
Sources: CNBC

Exhibit 2: U.S. consumer price index



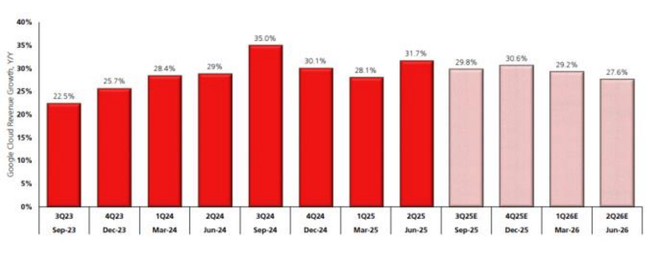
Sources: CNBC

Exhibit 3: AWS, Azure and Google Cloud Share of Sequential Dollar Adds



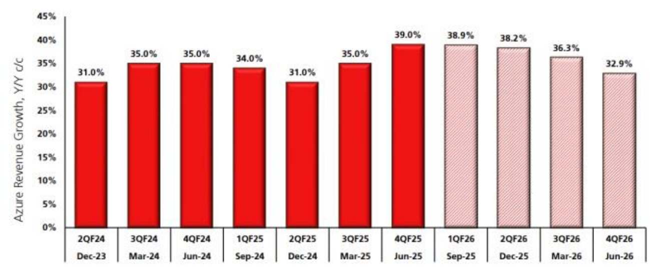
Sources: UBS

Exhibit 4: Google Cloud Revenue Growth



Sources: UBS

Exhibit 5: Microsoft Azure Revenue Growth



Sources: UBS

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.

Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.

Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.