International Panel

Brett Eversole – JD.com (JD)

It's time to bet on China tech stocks. The sector has been crushed with regulatory issues over the past few years. As a result, Chinese stocks trade at record low valuations.

Investors hate the idea of owning Chinese tech stocks.

Brett likes JD.com (JD).

JD is China's second largest e-commerce company. It's an Amazon-like company. Plus, it trades near low valuations, all while it grows at a record pace.

The e-commerce story in China is doing very well. E-commerce sales have grown about 70% over the past five years and growth should be similar in the years to come.

JD is a great way to play the "buying opportunity of a decade in Chinese tech stocks."

Kim Iskyan – Coupang (CPNG)

Coupang is the biggest e-commerce company in South Korea, very similar to Amazon. It also owns and operates its own delivery and logistics infrastructure.

Strong top line growth.

Next-day delivery for Coupang is standard. Korea is small and densely populated and has a high Internet penetration… It's tech savvy.

Shares are down 44% since the IPO. There are a few reasons: Coupang is a new name for investors, lockup-period expiration, it's not profitable, and investor concerns over China tech regulation. The company has also gotten some bad press, but that shouldn't have any long-term effect on its share price.

The opportunity is that most of its issues are short-term, and it's gaining market share. Growth is incredible and the stock should be worth more.

Coupang is much cheaper than its peers, around 50% less.

Coupang is very similar to Amazon and should be considered a tech company, not an e-commerce company. The upside is at least a double in the next year.

Drew McConnell – Alibaba (BABA)

Alibaba is considered by many as the Amazon of China and the company has a massive user base. It is basically a marketplace, which makes it a little different than Amazon.

Alibaba has a few other business lines like its Cloud and entertainment.

Sales are up 3,300% over the past decade. Annual sales growth is nearly 50%, and there's huge room for future growth.

Has an EV/EBITDA of 17x – it's super cheap.

There is a huge tailwind for Alibaba because of the growth of e-commerce in China.

Drew recommends an options trade on Alibaba:

Sell, to open, the June 2023 $170/$140 put spread. And buy, to open, the June 2023 $250 calls. Earn a net credit for placing the trade. There is unlimited upside potential for this trade.

Brian Tycango – Noah Holdings (NOAH)

There is a real estate crisis in China. China Evergrande Group used leverage to grow sales by tens of billions of dollars over the years. And its debt load skyrocketed.

There were a few debt thresholds that were put in place and Evergrande crossed all three of them. They were not allowed to take on more debt and that's why there is a crisis currently.

Chinese investors have 80% of their wealth in real estate. Compare that to U.S. investors who only have 30% of their wealth in real estate.

China property prices will likely be flat for the next 5 to 10 years. If money is pulled out of China real estate, then it has to go somewhere else… Chinese stocks and bonds.

Chinese high-net-worth investors will look for money managers to invest their money.

NOAH is a one-stop shop for high-net-worth individuals in China. It has over $24 billion in assets under management.

NOAH is an opportunity to more than double your money.