To the Moon, Mind the Gravity

- NVIDIA beat 1Q27 earnings, but the stock reaction proves the upside is priced in.
- SpaceX's record float dazzles, yet rests on Starlink alone and a thin 4.3% free float.
- Our pick: GOOG80 (BUY) — AI fundamentals plus a call option on the SpaceX IPO.

NVIDIA 1Q27: When a Clean Beat Isn't Enough

NVIDIA: Data Center is still the whole story. NVIDIA's 1Q27 print (reported 20 May) again cleared the bar, record revenue of $81.6b, up 85% y-y, with Data Center revenue of $75.2b, up 92% y-y — and gross margin held at 75% (non-GAAP) with capital return stepping up via an additional $80b buyback and a dividend lift to $0.25 per share. Data Center remains the entire investment case; everything else is rounding. Yet the stock dipped slightly despite the beat, which tells us the upside is already in the price. After a run this large, a clean beat is no longer a catalyst — it is the consensus.

Real Growth Runway, But the Multi-Bagger Days Are Over

Our view is that the growth runway is real: NVDA keeps compounding for as long as AI capex keeps compounding, and management's "AI factories" framing signals visible demand ahead. But what we do not see is another 1x–2x bagger from here — that would require a fresh fundamental step-change (a new compute paradigm or end-market), and there is no such catalyst on the horizon yet. We frame NVDA as a slower, steadier compounder rather than a re-rating story. At ~27x 26E and ~19x 27E P/E, the valuation is fairly reasonable for that growth profile — not cheap, not stretched. The risk to flag is concentration: NVDA is now estimated at as much as 50% of the weight of the S&P's performance, so the index increasingly rides one name.

The SpaceX IPO: Priced at $2Trillion, Carried by Starlink

Introducing the SpaceX IPO — three segments, one profit engine. SpaceX released its public S-1 on 20 May, confirming a Nasdaq listing under SPCX with a debut as early as 12 June, at a reported $1.75tr–$2tr valuation. The business splits into three: 1) Connectivity (Starlink), the engine, at FY25 revenue of $11.4b and profit of $4.4b; 2) Space (Launch & Spacecraft Operations) at $4.1b revenue but still loss-making; and 3) AI (xAI and X) at $3.2b revenue and a heavy loss. The read is straightforward — Starlink carries the entire group, while Space and AI are still in investment mode. For now, this is a primer: SpaceX would not be immediately DR-eligible, but the deal will anchor risk appetite across US growth names.

A Story of Belief and Tight Float

On ~$18.7b of FY25 sales, a $2tr valuation implies 100x+ P/S, or roughly 60x on 26E forward sales, optically extreme on any fundamental screen. The offsetting factor is supply: free float is only ~4.3%, in the same territory as Delta (TH) or ARM, and Musk, who controls roughly 85% of the voting power, has said he will not sell. With so little stock actually trading, it is not hard for the price to hold above the IPO level — the buyer base is those backing Elon and a long-dated outlook rather than near-term cash flows, much as TSLA has sustained a 200–400x P/E. Our stance: respect the technical scarcity, but be clear-eyed that the valuation rests on belief, not current earnings.

DR Pick: GOOG80, TP THB 7.30 (GOOG at USD450, USD/THB at 32.5)

Our DR pick is GOOG80. Our cleanest way to play both themes in this week's report. On AI, Alphabet is on the fundamental side — search, Cloud and Gemini monetizing the same capex cycle that drove NVDA's print, with earnings carrying the spend. On the IPO, Alphabet's ~6% SpaceX stake means a successful 12 June float marks up a holding worth ~$100b+. You pay for the business and get the IPO upside thrown in.

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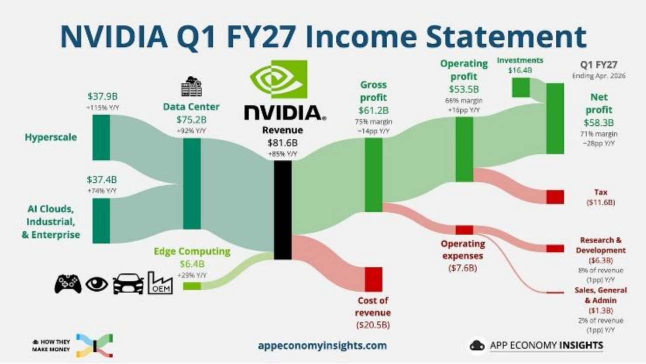
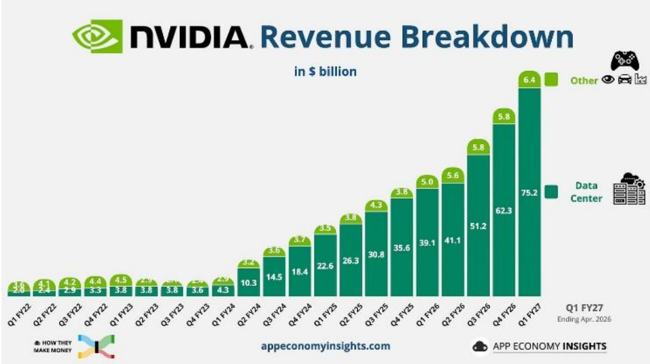
Exhibit 1: NVIDIA 1Q27 Income Statement



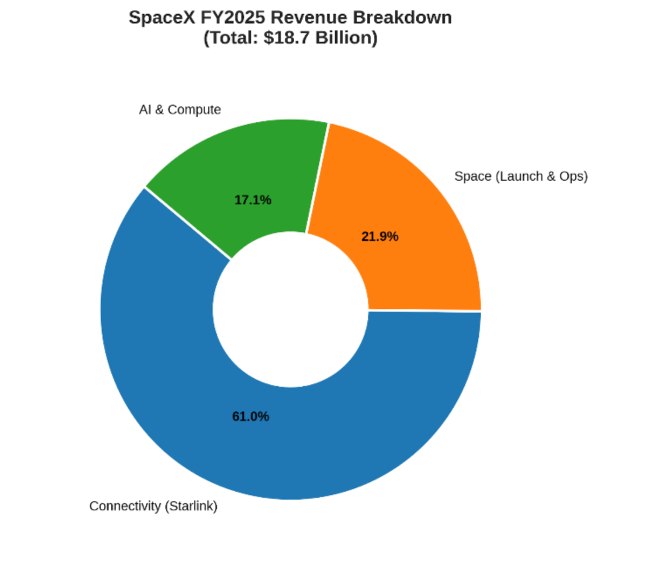
Sources: App Economy Insights

Exhibit 2: NVIDIA Revenue Breakdown



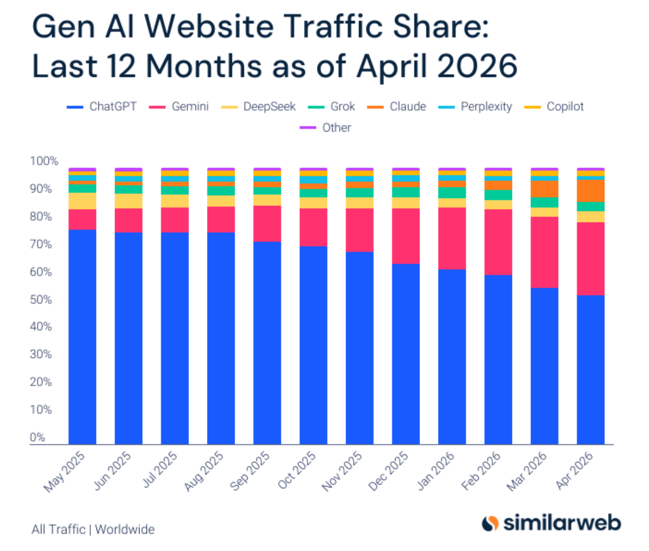
Sources: App Economy Insights

Exhibit 3: SpaceX FY25 Revenue Breakdown



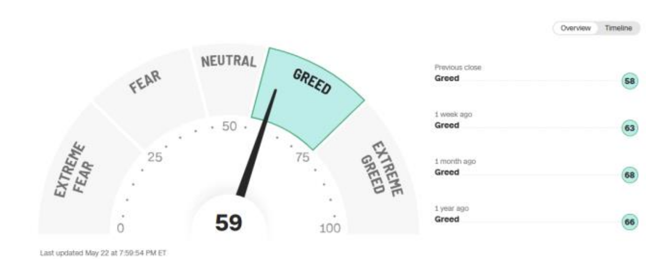
Sources: Globlex Research

Exhibit 4: Gen AI Website Traffic Share



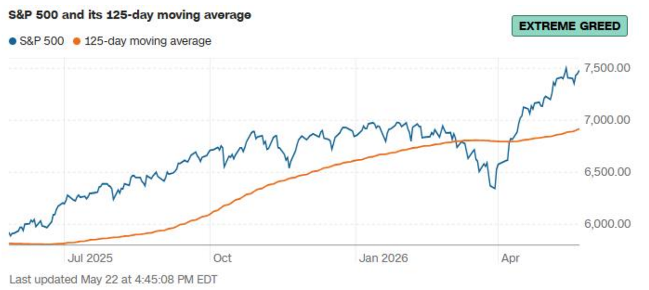
Sources: MacroMicro

Exhibit 5: Fear & Greed Index (22 May 26)



Sources: CNN

Exhibit 6: Market Momentum, S&P500 vs 125 days MA



Sources: CNN

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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.