04/30/2026

Weekly Webinar

INTRODUCTION – FOCUS ON FUNDAMENTAL ANALYSIS

An analyst for several decades

Senior Analyst - Value Notes

CFO - CPA firm, business consulting

Analyst - Motley Fool and Seeking Alpha

CFO - L Capital, family office, project analysis and capital allocation

At Fountainhead, we believe that investing in businesses, whether it's a massive Google or a startup with $200Mn in revenues. Every business must be valued based on their fundamentals, irrespective of their daily price movements over which we have little control. But we do have analytical ability to analyze and value businesses and base our decisions on how well they perform. If you've been familiar with my work in the past year and a half, I really like to go for businesses which are market leaders, and have strong, competitive advantages, very strong balance sheets, and great margins which allows them to price their products or services way higher than the competition. To me the biggest incentive to invest in a company is its "moat" or significant competitive advantages. The term "moat" was coined by the great Warren Buffett signifying an unbreachable competitive advantage, like a deep moat surrounding a castle to keep out intruders. The hugely successful Peter Lynch, also placed a tremendous emphasis on investing only in great businesses and not worrying about the market.

Four examples of companies with great moats are Nvidia with its high-powered GPUs, Google with search, Taiwan Semiconductor with its manufacturing operations, and ASML with its EUV lithography machines, without which you cannot create a high-powered GPU.

THE S&P 500 NEEDS A BREATHER!

After a very impressive rally, we should be in for a breather, a run up of 13.4% and 19.4% in the S&P 500 and the Nasdaq does call for one, especially since the Iran war hasn't been resolved and gas prices are over $115 a barrel again. The U.S. continues to have a blockade in place on the Straits of Hormuz, and the Iranians have dug their heels in.

The longer this impasse continues, the worse it will be for markets, and I for one don't want to chase the index at this point. O&G inventories are declining, and supply chains are still hit with the Straits of Hormuz closed, leading to 20% of oil flow being disrupted. To be sure, the over $4 per gallon hurts the American consumer, and it is hurting several other economies worldwide - **we should not be getting complacent at this point.**

The longer this continues the harder it will be for oil prices to come down, and I would be surprised to see any "normalcy" before the end of the year.

	4/24/2026	04/30/2026	Change	Iran War Low	Oct 25 High	Difference from high	High to Low	Bounceback
S&P 500	7,165.08	7,164.00	**-0.02%**	6,316.91	6,986.33	**2.54%**	-9.58%	13.41%
Nasdaq Comp	24,836.60	24,699.00	**-0.55%**	20,690.25	24,014.99	**2.85%**	-13.84%	19.38%
200 DMA Exp- S&P 500						**6,653.12**		**7.68%**

THE S&P 500 NEEDS A BREATHER!

Secondly, In terms of technical analysis, we're in mostly uncharted territory, with such furious gains coming only after a recession or a bear market, anticipating a change in the economy or recovering lost ground. In today's scenario, none of these conditions apply; instead, investors are giddy over earnings, especially tech and AI earnings, and chasing momentum.

Yes, there are ample grounds for a rising index when S&P 500 earnings are growing at 19% and 16% respectively - these estimates are still unchanged about 40% into earnings season, but I would pause for a bit unless a company has a compelling investment case and is relatively underpriced.

Alphabet, Amazon, Microsoft and Meta reported great earnings, growth and capex plans and also detailed AI revenue estimates, which bode well for the overall economy, and are reassuring to the extent that all their capex is getting visible returns.

But I would be surprised if the mega-caps could continue to lead the index higher. I might take another look at Meta, since it has fallen a lot but everything else in the M-7 group is a hold till the Iran war gets a resolution.

THE S&P 500 NEEDS A BREATHER – IRAN WAR MIGHT TURN WORSE

President Trump is slated to receive a briefing on new plans for potential military action in Iran on Thursday from CENTCOM Commander Adm. Brad Cooper, two sources with knowledge tell Axios.

Why it matters: The briefing signals that Trump is seriously considering resuming major combat operations either to try to break the logjam in negotiations or to deliver a final blow before ending the war.

Behind the scenes: CENTCOM has prepared a plan for a "short and powerful" wave of strikes on Iran — likely including infrastructure targets — in hopes of breaking the negotiating deadlock, three sources with knowledge said.

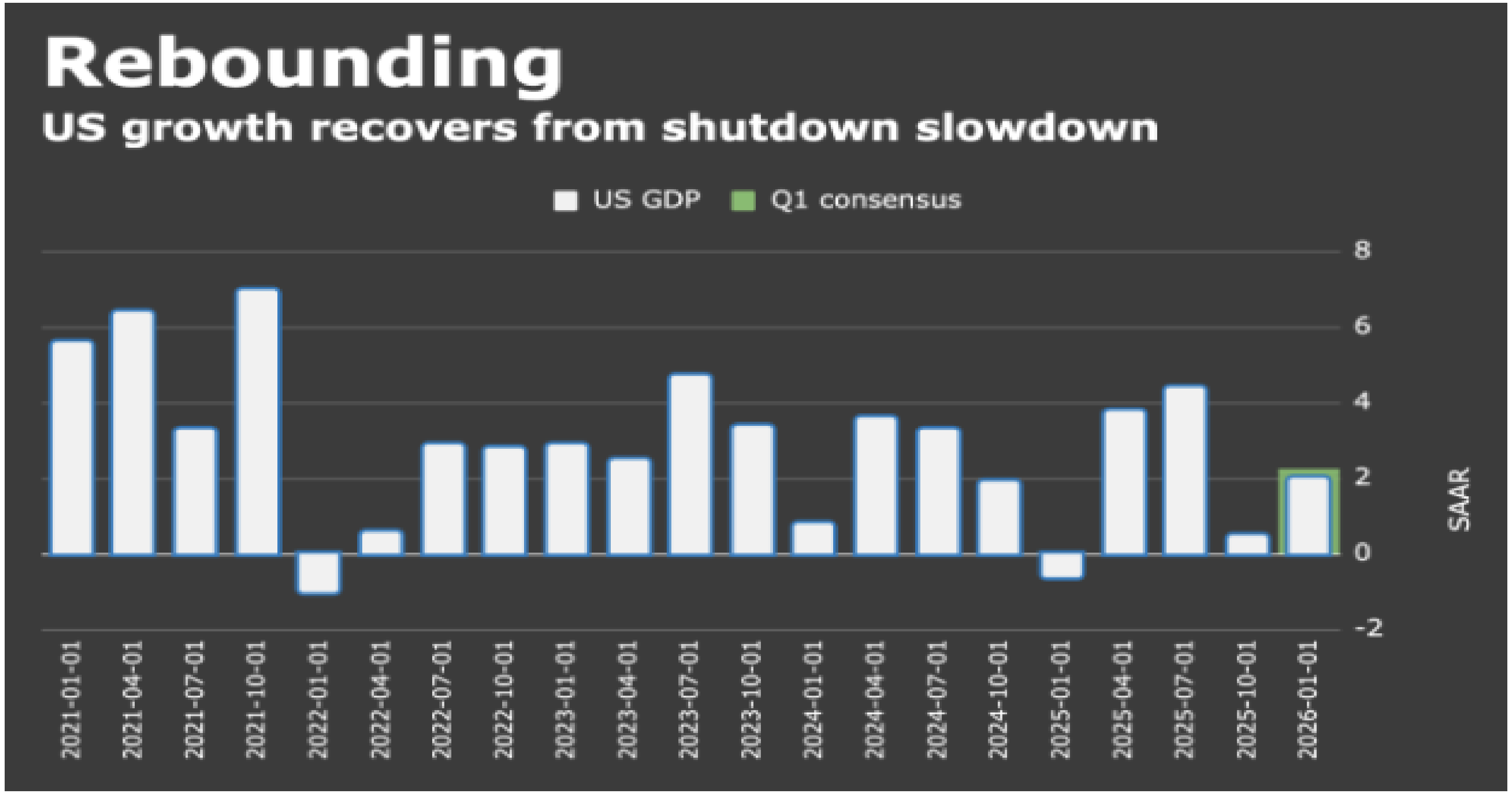
The hope would be that Iran would then return to the negotiating table showing more flexibility on the nuclear issue.

Another plan expected to be shared with Trump is focused on taking over part of the Strait of Hormuz to reopen it to commercial shipping. Such an operation could include ground forces, one source said.

Another option that has been discussed in the past and might come up in the briefing is a special forces operation to secure Iran's stockpile of highly enriched uranium.

U.S. GDP REMAINED RESILIENT ON AI CAPITAL SPENDING

The simplest of simple figures is a reminder: The US economy really hasn't quit since bouncing back from the pandemic. The advance read on GDP growth for 2026's first three months reflected a 2% annual pace, slightly below the 2.2% clip economists saw, but respectable all the same.



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The two low prints from Trump's second-term (Q4 2025 and Q1 2025) were self-inflicted wounds.

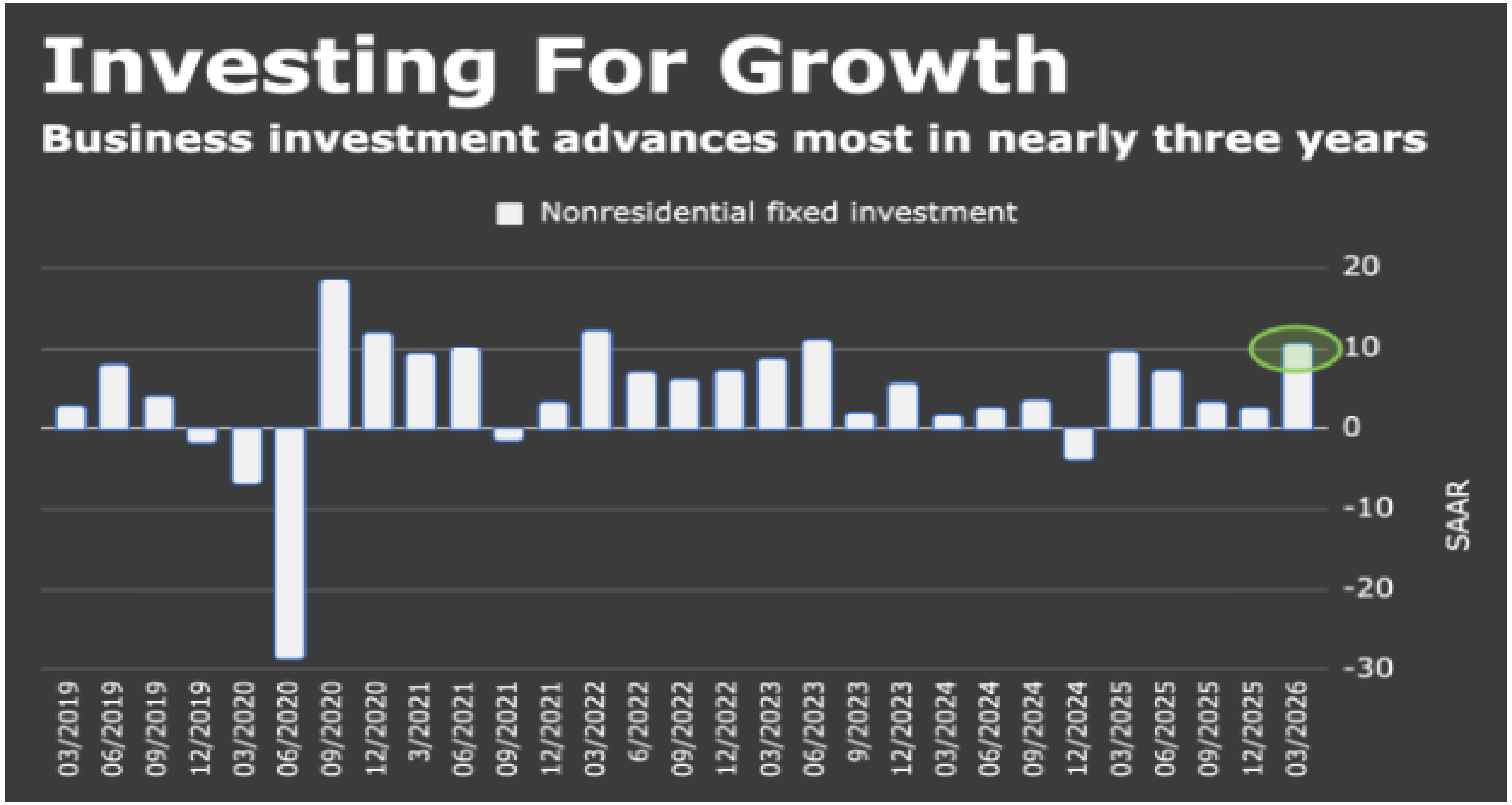
Nonresidential fixed investment — i.e., business spending — was quite robust in Q1,

As the figure below shows, the 10.4% growth rate was the strongest since Q2 2023.

That's presumably attributable to the AI buildout. Data released on Wednesday showed orders for business equipment rose the most in March since mid-2020.

Within nonresidential fixed investment, spending on equipment showed a 17.2% advance and IP products a 13% gain.

U.S. GDP REMAINED RESILIENT ON AI CAPITAL SPENDING



FOMC MEETING – NO CUTS IN 2026

The FOMC meeting ended with no changes in interest rates:

The 10-year remains stubbornly high between 4.35% and 4.4% because of entrenched inflation, which will hurt the markets at some point. Also, the 30-year treasury yield is almost 5%. A lot of conservative investors would prefer to keep their funds safe with the US government earning 5% than invest in the S&P 500 at 7,250. Besides safety, treasury prices will also increase with a drop in interest rates from these levels.

This was chair Jerome Powell's last meeting as the chairperson, and the Federal Open Market Committee decided to keep the rates neutral in the 3.5%-3.75% range with 4 dissents, 3, Hammack, Kashkari, Logan voted against easing while Miran dissented in favor of a rate cut.

Higher oil prices from Middle East developments added a high level of uncertainty, which was counter balanced by a weak labor market.

FOMC MEETING – NO CUTS IN 2026

Chair Powell Stays On

Chair Powell has decided to stay on as Federal Reserve governor after his term expires in May, after being replaced by incoming Fed chair, Kevin Warsh, whose nomination was confirmed by the senate. In his remarks after the FOMC meeting, when asked about his decision, Powell had this to say

“I worry that these attacks are battering the institution and putting at risk the thing that really matters to the public, which is the ability to conduct monetary policy without taking into consideration political factors. It’ll be when the investigation into the Fed renovation project is well and truly over, with finality and transparency. I am waiting for that. I will leave when I think it’s appropriate to do so.”

He also reiterated that he had faith in Warsh’s independence from political pressure and would not try to be a shadow chair as governor.

FOMC MEETING – NO CUTS IN 2026

In response to the press and despite 4 dissenting votes for holding rates steady, Chair Powell said, "Nobody is calling for a rate hike “right now.”

From Bloomberg Economics’ Anna Wong and Stuart Paul:

“Today’s rate hold was widely expected, but what stole the show were the dissents. It’s ironic that Powell — widely considered a consensus builder — presided over the highest number of dissents of his tenure at likely his last meeting as Fed chair.

The policy statement also strengthened the description of inflation to ‘elevated,’ from ‘somewhat elevated.’ Together with the divisions evident on the committee, that underscores the challenge for Kevin Warsh — President Donald Trump’s nominee to replace Powell — to deliver the rate cuts Trump wants. Absent a significant deterioration in the labor market, it’s hard to imagine this fractured committee cutting anytime soon.”

M-7 IS FIRING ON ALL CYLINDERS - MICROSOFT

Results exceeded expectations across revenue, operating income and earnings per share.

This quarter, revenue was $82.9Bn billion, up 18% and 15% in constant currency.

Financial results

Earnings per share was $4.27, an increase of 21% and 18% in constant currency when adjusted for the impact from our investment in OpenAI.

Company gross margin percentage was 68%, down year-over-year, driven by continued investment in AI infrastructure and growing AI product usage.

Capital expenditures were $31.9 billion, down sequentially due to the normal variability from cloud infrastructure buildouts and the timing of delivery of finance leases.

Cash flow from operations was $46.7 billion, up 26%, driven by strong cloud billings and collections. They're spending below operating cash flow.

"In Azure and other Cloud Services, revenue grew 40% and 39% in constant currency.

M-7 IS FIRING ON ALL CYLINDERS - MICROSOFT

June quarter outlook – CFO Hood

At the total company level, revenue should be between USD 86.7 billion and USD 87.8 billion or growth of 13% to 15%, with accelerating commercial growth, partially offset by our consumer business. In Azure, we continue to focus on accelerating the delivery of capacity and increasing fleet efficiencies, and therefore, we expect Q4 revenue growth to be between 39% and 40% in constant currency.

This is remarkable growth for Azure – no signs of slowing down, even on a large base.

We expect Cap-Ex spend to increase to over $40 billion as we continue to bring more capacity online.

The recent change with OpenAI makes little difference for their Capex plans

For calendar year 2026, we expect to invest roughly $190 billion in capital expenditures.

Our Q4 outlook for COGS and operating expenses includes roughly $900 million in onetime costs for the recently announced voluntary retirement program.

M-7 IS FIRING ON ALL CYLINDERS - MICROSOFT

It was a record third quarter powered by the continued strength of Microsoft Cloud, which exceeded $54 billion in revenue, up 29% year-over-year!

Our AI business surpassed $37 billion ARR, up 123%. – investments seem to be paying off.

We have reduced dock-to-live times for new GPUs in our biggest regions by nearly 20% since the beginning of the year.

Our Fairwater data center in Wisconsin came online earlier this month, 6 weeks ahead of schedule, allowing us to recognize revenue earlier.

All up, we added another gigawatt of capacity this quarter and remain on track to double our overall footprint in just 2 years.

Nearly 90% of the Fortune 500 now have active agents built with our low-code/no-code tools. (Chairman & CEO Nadella)

HOLD.

M-7 IS FIRING ON ALL CYLINDERS - META

33% revenue growth is huge!

Q1 GAAP EPS of $10.44 beats by $3.78.

Revenue of $56.31B (+33.1% Y/Y) beats by $760M.

Family daily active people (DAP) – DAP was 3.56 billion on average for March 2026, an increase of 4% year-over-year. The slight decline in DAP on a quarter-over-quarter basis was driven by internet disruptions in Iran, as well as a restriction on access to WhatsApp in Russia.

Ad impressions delivered across our Family of Apps increased by 19% year-over-year.

Average price per ad – Average price per ad increased by 12% year-over-year.

Outlook

We expect second quarter 2026 total revenue to be in the range of $58-61 billion vs consensus of $59.57B. Our guidance assumes foreign currency is an approximately 2% tailwind to year-over-year total revenue growth, based on current exchange rates.

M-7 IS FIRING ON ALL CYLINDERS - META

We expect full year 2026 total expenses to be in the range of $162-169 billion, unchanged from our prior outlook. Ad impressions

Ad impressions delivered across our Family of Apps increased by 19% year-over-year.

Average price per ad – Average price per ad increased by 12% year-over-year.

Costs and expenses – Total costs and expenses were $33.44 billion, an increase of 35% year-over-year.

Capital expenditures – Capital expenditures, including principal payments on finance leases, were $19.84 billion. Full year Capex increased to $135Bn at mid-point has caused the stock to drop 9%, which seems overdone. Simply, if revenues are growing 33%, I would not be as perturbed by the Capex.

Cash flow – Cash flow from operating activities was $32.23 billion, and free cash flow was $12.39 billion.

Headcount – Headcount was 77,986 as of March 31, 2026, an increase of 1% year-over-year – in spite of all the layoffs.

M-7 IS FIRING ON ALL CYLINDERS - ALPHABET

Alphabet – soaring beat!

Alphabet reported strong first-quarter results, as of Thursday afternoon the stock is up 10% to $380

Earnings per share were $5.11, well ahead of Wall Street's consensus estimate of $2.63, and up from $2.81 last year. Revenue for the quarter reached $110 billion, more than expectations of $107 billion, and up 22% on the year. ($400Bn companies are not expected to grow at 20%, so this is solid)

The most closely watched line in Google's reporting is its cloud unit which will spend up to $190 billion on AI data centers this year, just raised from $185 billion on the earnings call, to support its customers that rent AI servers over the internet. **Quarterly cloud sales hit $20 billion, up 63% with a 33% operating profit margin**. Despite mounting depreciation expenses, Google Cloud's margin is rising quickly.

M-7 IS FIRING ON ALL CYLINDERS - ALPHABET

Google Cloud’s backlog nearly doubled from a quarter ago, hitting $462 billion at the end of the period. Google Cloud sales are important to justify the company’s huge capital costs. Alphabet’s capex is on pace for its 2026 guidance, hitting almost $36 billion in the first quarter, doubling last year’s spend.

“We are seeing unprecedented internal and external demand for AI compute resources,” chief financial officer Anat Ashkenazi said on the earnings call. “The investments we are making in AI is delivering strong growth, as evidenced by the record revenue and backlog growth in Google Cloud and strong performance in Google services.” “**Our cloud revenue would have been higher if we were able to meet the demand,” says CEO Sundar Pichai.**

There is already a significant impact on the company’s cash-flow statement. Free cash flow fell to $10 billion, and Alphabet didn’t buy back shares in the quarter, after repurchasing $15 billion worth in the quarter last year. The company netted about $30 billion from debt sales, bringing long-term debt to $77.5 billion, in addition to another $13 billion in lease liabilities.

Advertising remains Google’s core business, at 70% of revenue. Sales were up 16% here with the search franchise leading the way at 19% growth.

M-7 IS FIRING ON ALL CYLINDERS - AMAZON

Amazon (AMZN) also had stellar results but isn't getting as much love – shares are down 1%.

AWS revenue was up 28%, the fastest pace in four years, Looking ahead, Amazon (AMZN) expects Q2 revenue of $194.0B to $199.0B (midpoint $196.5B) for the second quarter vs. $189.5B consensus. Amazon (AMZN) also guided for operating income of $20.B to $24.0B Trainium chips are in demand: During the earnings conference call, CEO Andy Jassy highlighted the reasons that customers like OpenAI (OPENAI) and Anthropic (ANTHRO) are picking Amazon (AMZN) for their AI needs. He pointed out that the chips business grew 40% in Q1. Notably, Jassy said the chips business as a standalone company could generate $50B in revenue a year. "Our custom silicon business is now one of the top 3 data center chip businesses in the world," stated Jassy.

In terms of capital expenditure spending, Jassy said the company thinks the high level of AWS spending will be monetized well and justify the short-term negative impact on free cash flow.

M-7

March quarter earnings — Q1 2026

Reported April 29, 2026 · All four beat on revenue and EPS

Company	Revenue	Rev. growth	EPS	EPS growth	Result
Amazon AMZN	$181.5B vs $177.3B est.	+17% YoY	$2.78 vs $1.64 est.	+75% YoY from $1.59	Beat ✓
Alphabet GOOGL	$109.9B vs $107.2B est.	+22% YoY	$2.81 adj. vs $2.63 est. · GAAP $5.11*	+7% adj. YoY GAAP +82% incl. $37.7B gain	Beat ✓
Microsoft MSFT	$82.9B vs $81.3B est.	+18% YoY	$4.27 vs $4.06 est.	+23% YoY from $3.46	Beat ✓
Meta META	$56.3B vs $55.5B est.	+33% YoY	$7.31 adj. vs $6.79 est. · GAAP $10.44**	+14% adj. YoY GAAP +62% incl. $8B tax benefit	Beat ✓

MEGACAP SPENDING

Spend big to earn big:

Company	2026 capex	Est. total revenue	Est. rev. growth	AI revenue (ARR)
Amazon AMZN	~$200B Company guidance Largest of 4	~$745B Based on Q1 actual + Q2 guide + H2 extrapolation	~17% YoY	AWS AI: $15B+ ARR per company disclosure Chips biz: $20B+ ARR, growing triple digits YoY
Alphabet GOOGL	$180–190B Raised from $175–185B +$5B raise vs. prior guide	~$440B Analyst consensus est.	~19–20% YoY	Google Cloud: $80B+ Annualized from Q1 $20B run rate 63% YoY growth; enterprise AI now primary cloud growth driver
Microsoft MSFT	~$190B +61% vs 2025; $25B due to higher memory chip prices +$36B vs analyst est. of $154B	~$330B FY2026 (ends June 2026) Based on Q1–Q3 actuals + Q4 guide	~17–18% YoY	$37B ARR AI business run rate, +123% YoY 20M+ Copilot commercial seats Azure AI: 40% cloud growth
Meta META	$125–145B Raised from $115–135B vs. $72B spent in 2025 ~2× prior year spend	~$235B Based on Q1 actual + Q2 guide + H2 extrapolation	~25–28% YoY	AI-driven ads No standalone AI revenue yet; AI powers ad impressions (+19%) & price per ad (+12%) gains Gen AI video ads: ~$10B ARR

STOCKS – NEOCLOUDS AND DATA CENTER INFRASTRUCTURE

Bloom Energy (BE) surges after a massive earnings beat.

Bloom Energy jumped 20% post earnings to $280 with results that beat estimates by a mile. Riding the energy shortage for data centers, Bloom, the maker of solid oxide fuel cells, grew revenue 130% to $751Mn, YoY, beating estimates of $539Mn by 40%! Wow! The earnings beat was even wider 44 cents to a consensus of 3 cents! Clearly firing on all cylinders and then some!

Bloom's biggest advantage is providing energy independent of the grid - it is local, clean and it fills a big hole right now as hyperscalers grab every energy source they can lay their hands on.

Will this shortage continue? Bloom certainly believes so, increasing 2026 guidance to $3.4Bn to $3.8Bn, about 12% higher than its previous forecast of $3.1Bn to $3.3Bn, numbers that suggest that this ride is clearly in its early stages. It also expects earnings to jump to $1.85 to $2.25 per share for 2026, another 50% jump from previous estimates.

CEO KR Sridhar confidently stated. “We at Bloom are ushering in the era of digital power for the digital age. Bloom is rapidly becoming the standard and ‘go-to choice’ for on-site power.

Bloom’s competitive advantages

It relies on natural gas, which the US has plenty of. It is also fuel-flexible and can reliably run on biogas, or hydrogen, with the added flexibility of being modular, thus scaling very easily.

AI’ biggest bottleneck is energy, and Bloom can easily fill this gap for the next several years as it doesn’t require the grid, which at last estimates was overflowing with bookings beyond three to five years in several states.

A survey by Bloom Energy of 44 hyperscaler and colocation developers found that availability of power was the number one consideration for new site selection, with 84% of respondents placing that in the top 3 with an average rating of 7.8 out of 10.

Bloom has already proven that it can quickly establish data center power solutions in a rapid manner, completing shipments to Oracle Cloud Infrastructure in just 55 days of its 90-day delivery request.

STOCKS – NEOCLOUDS AND DATA CENTER INFRASTRUCTURE

Perhaps Bloom's biggest competitive advantage is its ability to enable hyperscalers and other customers' rapid deployment of GPUs, which if unused or delayed depreciate easily and deprives users of compute and revenue - a race, which is fairly intense right now, and extremely dependent on getting to market first.

It has an order backlog of $20Bn with $6Bn in product backlog and $14Bn in service backlog, ensuring solid revenue growth for the next three to five years.

I've owned it for a year, having bought it around $50 - **is it a buy, hold or a sell?**

The valuation has definitely got stretched and even with revenue growing at a 50% clip, Bloom sells for more than 20x 2026 revenue. Should it meet estimates, it could get over $8Bn in 2028 revenues and perhaps quote 12x sales conservatively or at a market cap of $96Bn - about 50% higher than its current market cap of $65Bn. Based on these multiple I would rate it a hold but given the massive backlog it might still be worth buying on declines. I would wait for hyperscaler capex projections and then take a call. Right now, I continue to hold.

STOCKS – AMD IS A WORTHY ADD FOR CPUS

CPUs will also do well as chips that orchestrate data center workflows, and I like AMD more than Intel and ARM at these levels. Semis, CPU - X86 architecture, GPUs, data center playing catch up to Nvidia.

It would be better to keep investment small initially and buy on declines if they show good execution.

Catalyst:

CPUs got a shot in the arm because of expected demand from agentic AI use, and AMD’s price reflects a lot of that. It's up from $202 in the past two weeks, not just because of ceasefire hopes in the gulf, but also because ARM, the brain/licensor behind CPUs and GPUs decided to make a big foray into producing its own CPUs, as they will also be in demand because of agentic AI use.

The Role of CPUs in Agentic AI and the Coming 4X Increase in CPU Cores

Agentic AI represents a natural evolution from the query-and-response based nature of chatbots, to a more complex system capable of running dozens of different tasks and tools autonomously to reason through a problem and provide a response. As a result, CPUs will play a more integral role in agentic and multi-agent systems to help solve how the system will schedule dozens of concurrent API requests and tool calls across independent agents, as quickly as possible with minimal delay.

STOCKS – AMD IS A WORTHY ADD FOR CPUS

This is the orchestration constraint: how dozens of agents can make hundreds of concurrent requests needed to complete their independent workflows without causing significant latency or GPU underutilization. Multi-agent systems are also expected to drive an exponential increase in token generation, which Arm estimated at up to a 15X increase in tokens per user, due to the increase in tool calls and API requests associated with each agent. This is expected to drive CPU core demand much higher, at a time where key x86 suppliers AMD and Intel battle growing supply constraints.

What are the negatives? It has become expensive at 39x earnings and 9x sales and any misses on earnings and sales will lead to a sharp drop. Plus, it is under a lot of pressure to execute now.

It would be better to keep the investment small initially and buy on declines if they show good execution.

HEALTHCARE BOUNCES BACK

Centene Centene (CNC) $53 benefits from 2027 Medicare Advantage payment hikes and strategic membership attrition, driving a healthier membership base and improved Health Benefits Ratios.

With further attrition expected through 2026, I believe that FY2026 may be a trough year, with it perhaps explaining the management's mixed FY2026 guidance.

Despite the outsized rally, CNC remains compellingly valued with a 3Y PEG of 0.35x while offering a significant upside potential.

CNC's recent rally may be attributed to the finalized payment hike for 2027 Medicare Advantage plans at 2.48% YoY, against the original proposal at 0.09% YoY.

While the management has highlighted how "the final rate remains below observed medical cost trend," it goes without saying that the higher reimbursement rates are likely to deliver an improved margin outcome compared to the industry-wide margin compression observed in 2024 while contributing to the company "delivering breakeven financial results" in 2027.

As a result, I can understand why the market has rewarded CNC along with its healthcare peers with the double digits stock price recoveries after the announcement.

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