

Alibaba's Chairman, CEO and Co-Founder Bought the Dip — With Their Own Cash

NYSE: BABA Alibaba Group Holding Ltd. (ADR) | Data as of Sept 7, 2026 — verify each Form 4 on SEC EDGAR

In late August 2026, three of the most important figures at Alibaba bought stock on the open market within days of each other — right after a dilutive capital raise knocked the shares down. Open-market purchases with personal cash (Form 4 "code P") are a genuine conviction signal, strongest when senior insiders cluster. But Alibaba also carries real, current risks — including newly filed securities litigation. Both sides are below. **This is independent research, not investment advice, and not a recommendation to buy or sell.**

THE INSIDER CLUSTER (VERIFIED OPEN-MARKET BUYS)

INSIDER	PURCHASE (OPEN-MARKET, CODE P)	DATE
Joseph Tsai Chairman, co-founder	Bought 720,000 shares (~\$10.3M), then another 720,000 (~\$10.4M) — roughly \$20.7M across two days , per two SEC Form 4 filings.	Aug 24 & 25, 2026
Eddie Wu (Wu Yongming) Chief Executive Officer	Bought 350,000 shares at a weighted-avg ~\$14.24 (~\$5M); held ~1.36M shares directly afterward.	Aug 24, 2026
Jack Ma Co-founder (not an officer/ director)	Reportedly bought ~HK\$600M (~\$77M) of shares (per SCMP). Verify separately — as co-founder he may not file a U.S. Form 4, so treat as reported, not confirmed via EDGAR.	~Aug 25, 2026

Context: the buys landed as Alibaba raised ~\$10.2B via a Hong Kong share sale (710M new shares, ~3.7% dilution) to fund AI, and the stock fell ~10% on Aug 24. Insiders bought at prices close to the issue price. Note: insiders bought Hong Kong-listed ordinary shares (~HK\$112 each); each U.S. ADR (BABA) represents 8 ordinary shares.

~\$113 ADR PRICE	~\$283B MARKET CAP	\$92–193 52-WK RANGE	~25x P/E	~\$187 AVG ANALYST TARGET	–24% YTD 2026
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THE BULL CASE

- ▶ **Rare senior cluster.** Chairman, CEO and co-founder buying within days, on the open market, is an unusually strong conviction signal versus a lone director.

▶ **Cloud + AI momentum.** Cloud revenue grew ~45% last quarter; AI-related product revenue has posted triple-digit growth for twelve straight quarters.
- ▶ **Sell-side optimism.** Consensus is Strong Buy with an average target near \$187 (~65% above the current price); 38 of ~40 analysts rate it Buy.

▶ **Beaten-down leader.** A cash-rich e-commerce and cloud leader trading well below its 52-week high after a ~24% YTD decline.

THE BEAR CASE (WHY IT'S CHEAP)

- ▼ **Dilution + falling profit.** The \$10.2B raise diluted holders ~3.7%; FY2026 earnings fell ~18% as heavy AI spending strains profit and cash.

▼ **Smart money split.** Investor Michael Burry exited his entire Alibaba stake (moving to JD.com), arguing constant share issuance is the new norm — buying while insiders buy.
- ▼ **China-ADR structure.** VIE ownership, U.S.–China tension, potential delisting and regulatory risk apply to all Chinese ADRs.

▼ **Governance optics.** Insiders buying right after a raise can support the stock's optics; weigh it alongside — not instead of — the fundamentals.

ACTIVE LITIGATION — MATERIAL, DO NOT IGNORE

Multiple U.S. securities class-action lawsuits were filed against Alibaba in early September 2026 (e.g., Pomerantz, Robbins Geller, Hagens Berman, Glancy Prongay, Schall), alleging the company misrepresented risks around unauthorized "distillation" of third-party AI models. A lead-plaintiff deadline of ~Oct 5, 2026 has been reported. These are unproven allegations, but they are a real overhang and could affect the stock regardless of the insider buying. Verify current status before acting.

IMPORTANT DISCLOSURES — READ BEFORE ACTING

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Sourcing & timeliness: Insider transactions are drawn from SEC Form 4 filings (EDGAR) and reputable reporting; the Jack Ma purchase is press-reported and should be verified. Price (~\$113), market cap, targets, and YTD figures are as of Sept 7, 2026 and move quickly — re-verify against primary sources before acting. Each U.S. ADR represents 8 ordinary shares; do not confuse ordinary-share and ADR prices.

Risk: All equity investing carries risk of loss, including total loss. Chinese ADRs carry additional structural and geopolitical risk, and unresolved litigation adds uncertainty. Do your own due diligence and consult a licensed professional.

Sources: SEC Form 4 filings for Joseph C. Tsai and Eddie Yongming Wu (EDGAR, Aug 24–25, 2026); Alibaba Q1 FY2026 results (quarter ended Jun 30, 2026); SCMP, TheStreet, TradingView/Stocktwits, Yahoo Finance, Investing.com, CNN, stockanalysis.com (Aug–Sep 2026); class-action notices via GlobeNewswire/PRNewswire (Sep 3–4, 2026). Figures approximate; verify against primary filings.