

Trump and Amazon on a Collision Course? Worries Now an Overhang on the Stock

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While Amazon's FANG brethren Facebook has been front and center in the eyes of regulators and politicians on both sides of the Atlantic over the last 10 days, the company has been relatively insulated from this data privacy/content issue post the Cambridge crisis. However, with media reports today that President Trump is "obsessed" with Amazon and is exploring anti-trust, regulatory, and potential tax ramifications/changes for Bezos & Co, the Street is now fearful that the long-awaited Trump vs. Amazon battle could finally be on the horizon. The Street is having fears and a high level of angst about reports that Amazon and Bezos has a bullseye on their backs with the Trump administration now in the cross hairs. Trump has not been secretive about Amazon worries with the US Post Office tweet a few months ago and today's news adds gasoline to the fire that Amazon could see more regulation ahead and the stock is seeing significant pressure accordingly. With Facebook and regulatory worries swirling around tech names, the last thing nervous tech investors wanted to see today was news that Trump is targeting Bezos and Amazon over the coming months, as this remains a lingering cloud over the stock and heightens the risk profile in the eyes of the Street. In a nutshell, the FANG names and the Beltway continue to be on a "collision course" in the eyes of the Street, which has been a major blow to the multiples and risk profiles of these names over the past week with investors wondering what is the next shoe to drop out of the Beltway. While its now a hand holding time for Amazon given this new regulatory potential threat, we believe the reality of these worries altering the company's business model and future tax structure are low and we would be buyers of the name on weakness. **We maintain our Highly Attractive rating and \$1,850 price target.**