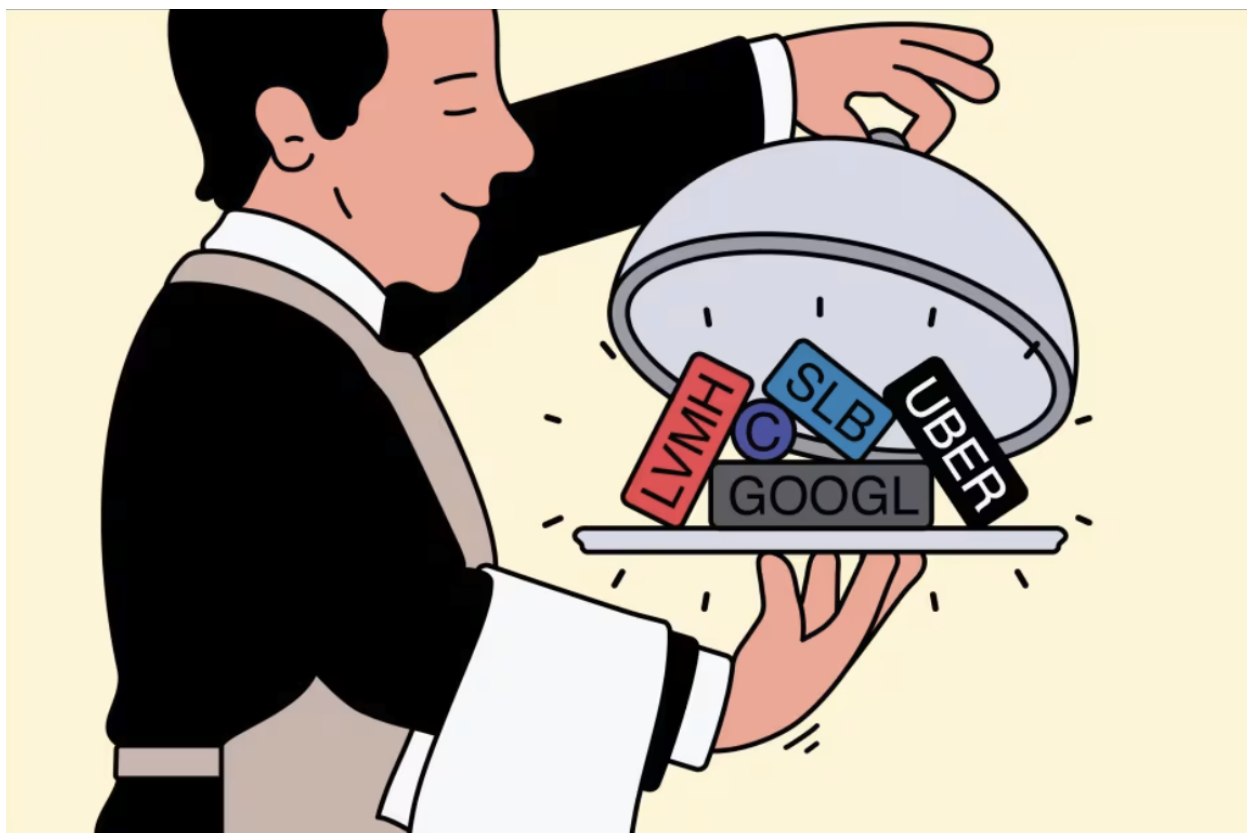




Alphabet and 9 More Stocks to Buy for 2025

The list reflects a bet that value-oriented investing isn't completely dead—and that the Magnificent Seven will be less dominant next year.

By

[Andrew Bary](#)

The [Magnificent Seven stocks](#) thoroughly dominated the stock market in 2024, but they might not be the only place to invest in 2025.

Yes, [Alphabet](#)

GOOGL

-1.11%, [Amazon.com](#), [Apple](#), [Meta Platforms](#), [Microsoft](#), [Nvidia](#), and [Tesla](#) have been unstoppable. And bulls like Wedbush tech strategist Dan Ives see that continuing. Apple, Microsoft, and Nvidia should reach \$4 trillion in market value in 2025—they're now worth over \$3 trillion—while Tesla could nearly double, thanks to its autonomous driving technology, he says.

Barron's takes a different tack. The list of our 10 favorite stocks for 2025 reflects an expectation that opportunities exist outside the Magnificent Seven, while overall stock market returns could be more muted after back-to-back gains of more than 25% for the [S&P 500 index](#). It reflects a bet that value-oriented investing isn't completely dead.

Our list includes one of the Magnificent Seven, Alphabet, and two tech leaders from outside the U.S., [ASML Holding](#)

ASML

+0.77% and [Alibaba Group Holding](#)

BABA

-1.58%

. Another tech stock is suddenly out-of-favor [Uber Technologies](#)

UBER

-2.41%

. It should ultimately be able to incorporate robo-taxis into its dominant ride-hailing network even as Wall Street worries that Alphabet's Waymo and Tesla [will go their own way](#).

Others on the list are Gibraltar-like [Berkshire Hathaway](#)

BRK.B

-0.16%, and turnarounds [Citigroup](#) and [Everest Group](#). Rounding it out are [Moderna](#), [SLB](#), and [LVMH Moët Hennessy Louis Vuitton](#), the world's top luxury-goods company.

Barron's is coming off [a poor year in 2024](#) after handily topping the S&P 500 in 2023. Our picks had an average total return of just 11.4% after [Hertz Global Holdings](#) was crushed by losses as it unloaded its fleet of Teslas. Picks Alphabet, [Madison Square Garden Sports](#), Alibaba, and Berkshire did well in 2024, but there were too many laggards, including [PepsiCo](#) and [Barrick Gold](#), whose stock barely appreciated despite a 30% gain in [gold](#).

Alibaba Group Holding

Alibaba may be [the cheapest e-commerce and cloud computing investment](#) in the world. The stock, at about \$89, trades for just 10 times projected current-year earnings, well below Amazon's 45 times. It also sits on \$50 billion of net cash, or about 25% of its market value.

The problem is China's economic woes and the government's mercurial attitude toward homegrown tech companies. Concerns about President-elect Donald Trump's tough-on-China stance and doubts about the effectiveness of the country's economic

stimulus are also weighing on shares, which have pulled back from a high of \$117 in September.

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One fan is superstar hedge fund investor David Tepper, who runs Appaloosa Management. Alibaba is his largest holding, although he did trim the stake in the third quarter.

The company believes that its stock is a bargain and has repurchased 7% in the first three quarters of 2024. “Alibaba is cheap relative to its own history, it’s cheap relative to its peers, it’s sitting on a ton of cash, and a lot of headwinds are turning into tailwinds,” says Burns McKinney, a senior portfolio manager at [NFJ Investment Group](#).

If investors warm to the depressed Chinese stock market, Alibaba could be up 50% in 2025.

Alphabet

Alphabet operates the world’s dominant search engine, but the company is under a cloud due to artificial-intelligence-driven competitive challenges and the government’s efforts to break it up.

As *Barron's* argued in [a recent cover story](#), Alphabet should be able to fend off competitive and regulatory challenges. The stock also got a lift this past week as the company showcased the development of a quantum chip with enormous computing power. Investor Bill Ackman recently called Alphabet “one of the greatest businesses in the world.”

The stock, at about \$195, is the cheapest of the Magnificent Seven, trading for 21 times projected 2025 earnings, against 25 for Meta Platforms and 30 for Apple and Microsoft.

The company also looks inexpensive based on the sum of its parts, which include search, YouTube, cloud computing, and the Android operating system. It also has its “Other Bets,” mainly Waymo, a leader in autonomous driving that has robo-taxis operating in four cities, compared with none for Tesla. Together, they justify a price above \$250 a share.

“We think of it as a high-multiple tech stock that isn’t priced like one,” says Bill Nygren, manager of the Oakmark fund.

ASML Holding

Few companies are more critical to the semiconductor industry than ASML.

The Netherlands-based company makes specialized lithography machines that allow the production of high-performance chips used in smartphones, PCs, and data centers—and which can cost \$200 million or more.

ASML has virtually no competition in its high-end EUV machines, which use extreme ultraviolet light, and that has made it Europe’s No. 2 tech company—behind only

Germany's [SAP](#). At about \$715, the stock trades for 28 times 2025 earnings of \$25 a share and looks appealing after falling 20% in October following a [cut to its 2025 revenue guidance](#).

The company sees lithography spending rising at a 10% to 20% annual rate through 2030, hitting about \$55 billion at the midpoint of a recent forecast, up from \$32 billion this year, as global semiconductors top \$1 trillion that year.

J.P. Morgan analyst Sandeep Deshpande has a price target of about \$1,150 a share, noting the stock has rarely traded so cheaply based on its long-term forecasts. Another fan is Vontobel analyst Davit Khachatryan. “Ultimately, ASML’s monopolistic position and alignment with powerful secular trends position it as a cornerstone investment in the semiconductor supply chain—a secular growth story with attractive valuation,” he says.

Berkshire Hathaway

CEO Warren Buffett has made a few mistakes this year. He [slashed Berkshire’s Apple stake](#) by two-thirds—and left some \$30 billion on the table while incurring a big tax bill. He also invested little in stocks during the past two years. Key-man risk is growing, with Buffett having turned 94 in August.

Despite those worries, the Class A shares, at about \$695,000, have roughly kept pace with the S&P 500 in 2024. That is a result of the ample earnings that Berkshire produces from the world’s largest property and casualty insurer, the Burlington Northern Santa Fe railroad, and Berkshire Hathaway Energy, one of the country’s biggest utilities. Operating profits should approach \$45 billion this year, up more than 10% from 2023.

UBS analyst Brian Meredith, who has a Buy rating and a nearly \$800,000 price target on the A shares, calls Berkshire an “attractive play in an uncertain macro environment with good fundamentals in its insurance business.” The B shares trade near \$460.

With \$310 billion of cash, the most for any U.S. company, Berkshire may be the most defensive megacap stock. If stocks tumble, Buffett might even put a big chunk of that cash to work in the stock market and potentially land the elephant-size acquisition that he has long sought.

Citigroup

Citigroup looks ready for a revival after a series of restructuring actions taken by CEO Jane Fraser that have focused the bank on five divisions while exiting consumer markets in 14 countries.

Citi's returns remain anemic, but Wells Fargo banking analyst Mike Mayo sees the company hitting its financial targets and boosting its return on tangible equity to 11% to 12% in 2026, from 7% so far this year. “Citi is my dominant No. 1 pick for 2025. No other bank comes close,” says Mayo.

Citi now gets about 80% of its revenue from three top-tier businesses: a global services operation, which includes the No. 1 international payments business for corporations; a top-five investment bank; and a top-three credit-card company.

Shares are up 40% this year, to about \$72, but that is in line with several peers. It's also the only major bank trading at a discount to tangible book value, which is now about \$90 a share. JPMorgan Chase fetches 2.5 times tangible book.

The knock on Citi is that it's a perpetual underperformer. Mayo says things are changing. He sees \$10 a share in earnings in 2026, up from a projected \$7 in 2025, and thinks the stock can double over three years.

Everest Group

At just six times 2025 earnings, Everest Group is [one of the cheapest stocks](#) in the S&P 500. That kind of valuation is often associated with troubled companies, but Everest is the fourth-largest global reinsurer, with high returns and impressive growth in recent years.

The stock has risen 2% this year to \$362, lagging behind peers like [RenaissanceRe Holdings](#), which is up 38%. Investors are worried that Everest will boost its reserves for potential losses when it reports fourth-quarter profits in early 2025. KBW analyst Meyer Shields says the charge could total a manageable \$300 million, or 2% of shareholder equity, and that insurance stocks often rally once they take charges and reassure investors about reserve adequacy.

The company aims to generate 17% annual shareholder returns through 2026. If it can achieve that, the stock could be up 50% in the next two years. If shares continue to languish, Everest could get taken over, given its low valuation—it trades at book value, a discount to peers—and its digestible \$16 billion market value.

“It’s not going to stay at a six multiple forever,” says Scott Black, the founder and president of Delphi Investments and a member of the *Barron’s* Roundtable.

LVMH Moët Hennessy Louis Vuitton

The world's rich have never been wealthier, but LVMH, the top luxury-goods company, hasn't been able to capitalize. Its sales were flat in the first nine months of the year, hurt by weakness in China, its most important market.

That could change in 2025 and lift the U.S. shares, which are down 17% this year to \$135. They look inexpensive at about 23 times next year's projected earnings.

LVMH has more than six dozen brands, or *maisons*, such as Hennessy cognac, Tiffany and Bulgari jewelry, cosmetics retailer Sephora, and its signature leather goods, which include \$2,000 handbags. Fashion and leather goods dominate the company, which doesn't skimp on quality and rarely discounts.

LVMH represents [a play on a luxury-goods revival and a China recovery](#). HSBC analysts recently upgraded the stock to Buy from Hold, citing greater exposure to the stronger U.S. market than peers and projected organic sales growth of 4% next year.

CEO and controlling shareholder Bernard Arnault is also a believer. One of the world's richest people, he spent over \$100 million buying stock in the past two months.

Moderna

Moderna stock, down over 50% this year to \$43, is [one of the worst performers](#) in the S&P 500. It also looks too cheap.

Shares have been hammered by disappointing Covid vaccine sales, the company's heavy losses—an estimated \$9 a share for 2024—and management's move to push out the year of projected profitability to 2028 from 2026.

But unlike many biotechs, Moderna has sizable revenue of about \$3 billion annually. It also has a diverse pipeline including cancer treatments in conjunction with [Merck](#) and respiratory vaccines like a flu-Covid combination. It is also expected to be sitting on \$9 billion of net cash at year end, equal to just over half of the company's market value of \$16 billion.

One problem: Moderna spends more than \$4 billion annually on research and development, nearly as much as [Amgen](#), which has 10 times the sales. An activist could surface in 2025 and push to cut R&D spending. Moderna might also generate takeover interest, perhaps from oncology partner Merck.

Wall Street analysts generally are lukewarm on Moderna, but HSBC analyst Yifeng Liu recently upgraded the stock to Buy from Hold, citing a "pipeline that deserves more attention than it gets credit for." He has a \$58 price target on the stock.

SLB

The oil-and-gas industry is likely to supply a big chunk of the world's energy needs for the remainder of the century, and [SLB will be there to service it](#).

SLB is the leader in the field, with operations in more than 100 countries, and its depressed shares don't reflect its profitability. Shares of the company formerly known as Schlumberger are down 20% this year to \$41, even as the [Energy Select Sector SPDR](#) exchange-traded fund has gained nearly 10%.

The stock trades for 11 times projected 2025 earnings, well below its five-year average of over 25 times, and yields almost 3%.

Century-old SLB has a strong corporate culture and is viewed as the [Exxon Mobil](#) of the services industry. SLB also has a fast-growing, high-margin digital business that uses cloud computing to help energy companies gain operating efficiencies. It has less exposure to the U.S., where sub-\$70 crude has hurt demand for energy services, and more to stronger markets like the Middle East and deepwater operations off the coasts of Africa and South America.

“We believe SLB’s international footprint, project integration capabilities, and signs of strong digital adoption are poised to drive strong cash flow growth,” writes J.P. Morgan analyst Arun Jayaram, who rates the shares Overweight with a \$55 price target.

Uber Technologies

Uber stock has fallen 30% from its October peak to a recent \$62 as investors worry that robo-taxis may bypass the Uber network after Alphabet unit Waymo, a leader in autonomous driving, said it would launch its autonomous vehicles in Miami in 2026 without a mobility partner.

The [concerns seem overblown](#). Uber remains the dominant ride-hailing and food-delivery service, with over 150 million users, providing robo-taxi operators access to a huge customer base. BofA Securities analyst Justin Post writes that Uber’s “entrenched position in many cities” makes it an attractive partner for robo-taxis.

Moreover, robo-taxis are now “too expensive to operate at scale,” and it could take years for them to make a big dent in the market, says Boyar Research President Jon Boyar. Uber argues that aggregating autonomous and human drivers on its platform offers a powerful combination that will benefit users by boosting reliability.

The stock, now flat on the year, is valued at less than 30 times projected 2025 earnings and under 20 times estimated 2026 earnings. Boyar says that with the big pullback, investors can “buy a great business that is growing rapidly at a reasonable price.”

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