

Thank God It's Friday!

August 21, 2009



Google celebrated its 5th anniversary as public company this week. If you recall, the company snubbed the Wall Street Bankers and opted for a "Dutch" auction, which allowed the investors to determine the price. Google debuted in August 2004 at \$85. It cleared \$700 by 2007. The company is barely 10 years old.

In September 1998, the founders of Google were running the company out of a Stanford dorm room. Today, the company has operations in over 30 countries. When you think about GLOBAL TECHNOLOGY, Google usually enters the conversation. The company's mission is to "organize the world's information and make it universally accessible and useful". And they provide it online...for free...worldwide.

Google's advancement in the world has its competition shaking in their boots. Just look at Microsoft and Yahoo recently teaming up in attempts to build a better search product in response to Google's massive market share, which is roughly 65%. Google continues to set its sight on bigger and better things. Like a true innovator, Google is telling us where the market is going. The expansion of smart phones have mobile searches up 10-fold this year, and advertisers are flocking. Google has plans to capture mobile users as well as capitalizing on the migration of broadcasts to the web. Remember the Presidential debate hosted by CNN and YouTube? Google owns YouTube, and this product could very well be the Holy Grail on the internet in terms of advertising.

Google had a nice week to celebrate its 5 year IPO anniversary. The stock climbed 5%, to \$465, aided by an upgrade from Goldman Sachs and a \$560 target. Google started the year at \$300, which makes for a 55% increase in 2009. There is tremendous upside opportunity for investors in this company, in spite of its recent strength. In fact, this recovery is only the beginning.

This Market continues to move higher in the face of doubt. It's quite remarkable really, and of course we'll take it. The more cautious and skeptical investors get, the higher stocks seem to go. We still remain on guard, but momentum is firmly with the Bulls and you just can't fight the tape. Much of Friday's action was driven by options expiration, which always brings more volume. The strength needs to be taken with a grain of salt. Remember, September historically spells problem for the Market. This should make for a compelling collision course. We're prepared, and we'll be watching.

By: Mike Frazier