

(Bloomberg) — Alibaba Group Holding Ltd.'s October rally has given way to a renewed slump that has the stock heading for a record low while technology rival JD.com Inc. is extending its recovery and winning favor with analysts.

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Deutsche Bank AG's Leo Chiang cut his target price for Alibaba's Hong Kong stock by almost 4% on Monday, citing "near-term challenges," while raising his target for JD.com by 16%, noting "resilient growth amid macro uncertainties."

Morningstar Inc.'s Chelsey Tam echoed similar views in a Nov. 19 note, arguing that "Alibaba's challenges go beyond the economic cycle" and that JD.com offers "more clarity on the long-term margin improvement."

Alibaba shares were down 3% at HK\$132.90 at 11:06 a.m. in Hong Kong on Tuesday, taking their decline to 18% this month and more than wiping out all of October's gains. While JD.com was also down on the day, in line with the wider market, it is up about 46% from its August low.

Chinese tech shares including Alibaba fell on Tuesday on concerns over possible renewed regulation of online platforms. The Hang Seng Tech Index was down as much as 2%.

Beijing's tech crackdown means Alibaba will have to shift about 5% of its e-commerce revenue to its competitors, including JD.com and Pinduoduo Inc, said Ramiz Chelat, a senior portfolio manager at Vontobel Asset Management.

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Source: [Alibaba Slides Toward Record Low While Investors Bet on JD.com](#)