

Is META a Buy at Current Levels?

Meta Platforms (NASDAQ: META) closed at \$737.05 on September 3, 2025. Following its July 30th earnings release, the stock's price action has caught the attention of both long-term investors and short-to-medium-term traders.

After pulling back about 5% in August, META now presents an intriguing entry point into one of the leading players in the AI-driven internet ecosystem. Beyond being the parent company of Facebook, Instagram, Threads, and WhatsApp, Meta has doubled down on AI, with projected 2025 spending of \$66–72 billion on servers, data centers, and network infrastructure. This aggressive strategy positions it head-to-head against tech titans like Microsoft, Amazon, and Google.

Let's evaluate its recent price action and fundamentals.

Fundamentals that impress:

Meta has been continuously increasing both its Revenues and Earnings for the last two years. Its 3 years EPS growth rate is 49% while last quarter earnings surprise was 21.4%. Revenues for last quarter were also up 22% over the same period last year while it also enjoyed an exceptionally good pre-tax margin of 43%. Return on Equity is also 37.1%, which is particularly good for a company of Meta's size (1.85 trillion). Gross Profit margin is 82% compared to 58.9% for Google and above its peers in its group. Thirty-two analysts have revised their earnings upwards for the upcoming period. Price To Earnings ratio is also 25.9 which for a growth stock like META is not remarkably high. Meta stock also enjoys strong institutional support, and major funds have increased their stakes for last eight straight quarters (two years).

Technical Picture:

Let's now review some price action and technical charts. Meta is currently looking for support at its 50-day EMA line at 731.07 and has closed the gap created in Late July on earnings (Chart #1). It's PPO (see the chart below) is likely to test the zero level. While still up from the 200-day line, Meta is likely to get support at current levels as the RSI is also around 46. Generally, when strong stocks pull back, they find a reversal set-up between 30-50 except for a deeper correction.

Consider the long-term TR (Trend Recognition) indicator chart for META (Chart #2). META has been in a strong uptrend since last 2-1/2 years (January 2023) and an entry at current levels will be a continuation of this uptrend. A 7% stop loss will be at 685.46 level while the 200-day EMA is 12% below the current price level. On the target side, Meta is likely to revert to 796.25 (all-time high) and beyond. The long-term indicators fully support a continuation of the trend.

Seasonal patterns: However, the seasonal patterns should not be ignored. Chart #3 shows that September and October have consistently been weaker months over the past decade. On the other hand, period from Nov-Jan has been positive during the same period.

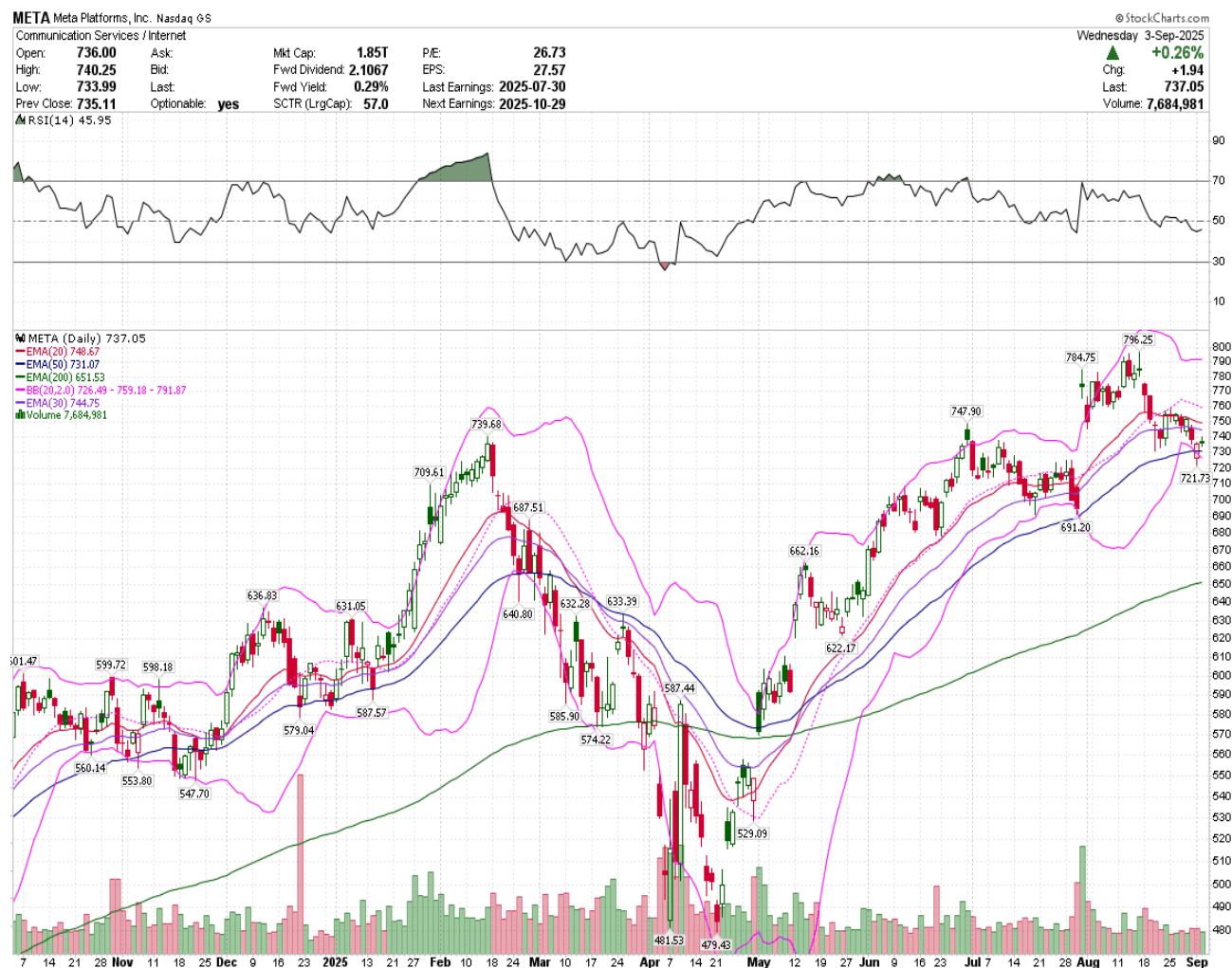


Chart 1: Meta Price Action

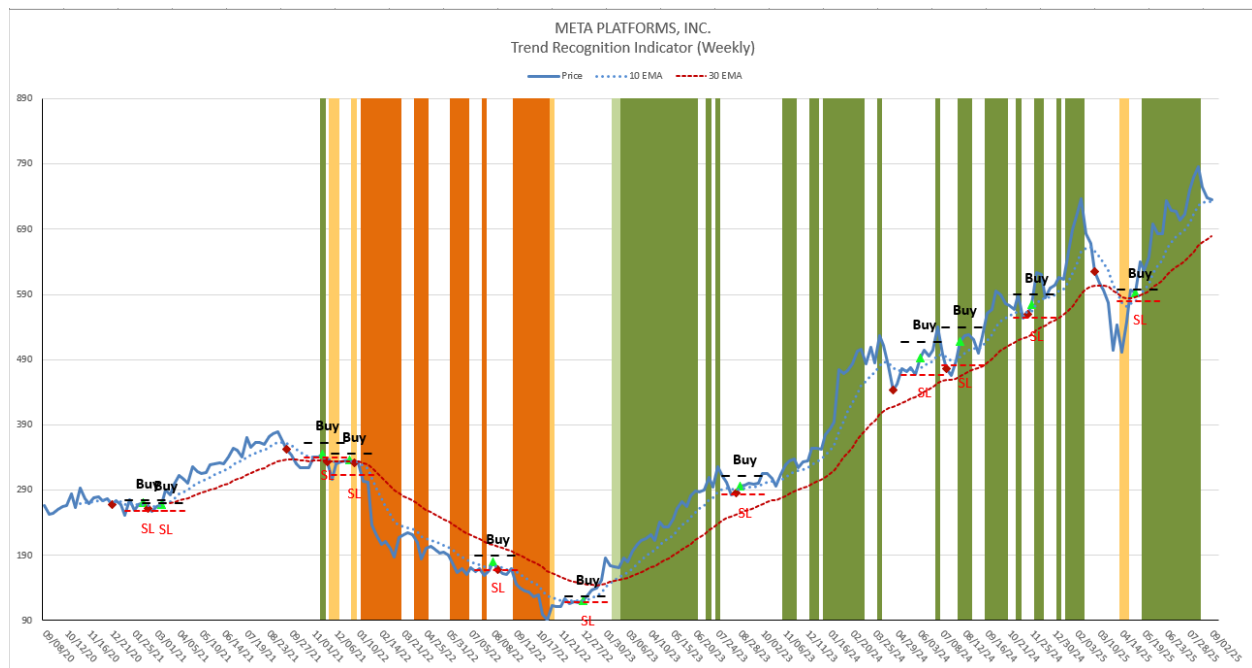


Chart 2: TR Indicator Chart, *Source: Advanced Stocks Analysis Software for Excel 365*

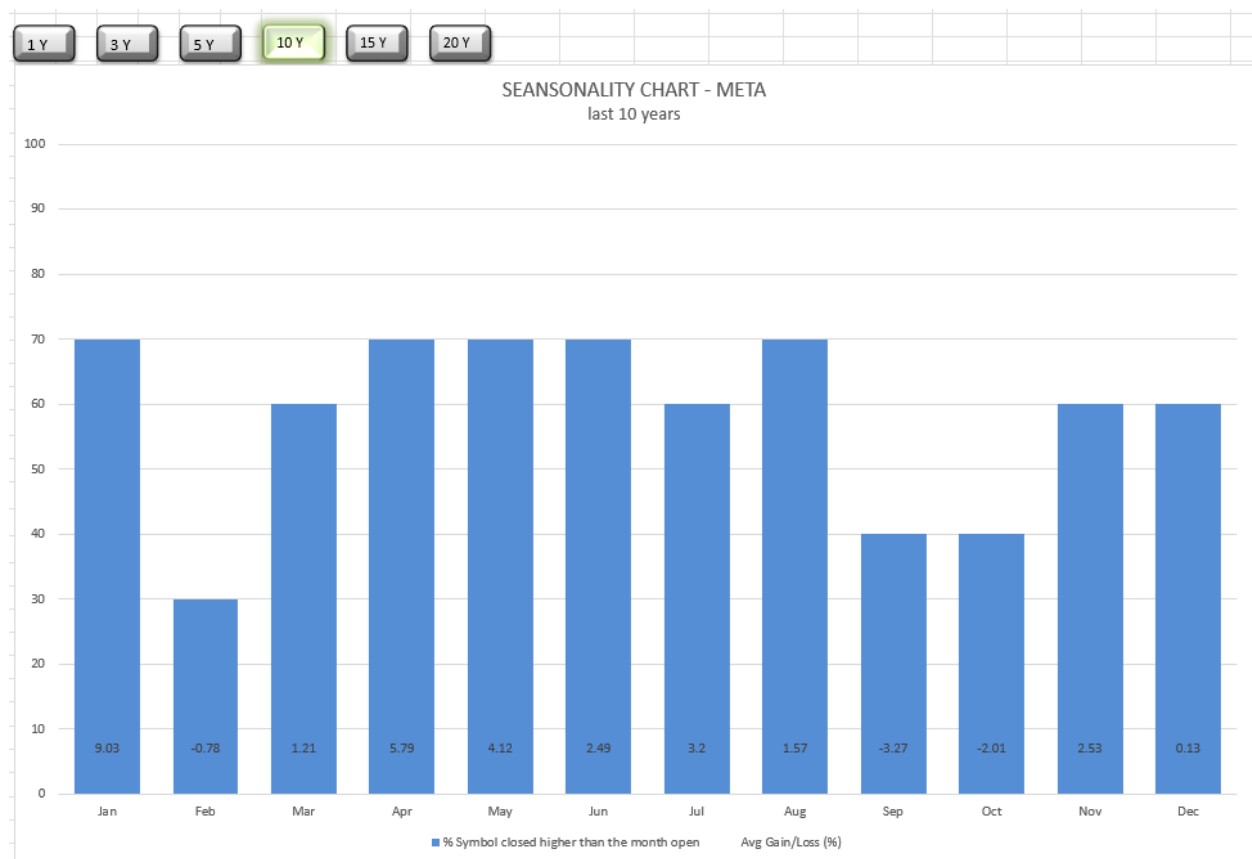


Chart 3: META Seasonality Chart, *Source: Advanced Stocks Analysis Software for Excel 365*