CIO Office   **Global Markets Weekly Kickstart**

Retail Hasn't Capitulated

1 December 2025

KGI

U.S. Volatility Rises as Retail Investors Hold Firm

► U.S. equities set fresh highs in late October, but the optimism didn't carry into November. The market pulled back, with investors attributing the move to a lack of post-earnings catalysts, rich valuations prompting profit-taking, and uncertainty over a potential December cut by the Fed. Sentiment turned negative, though no major risk factors emerged.
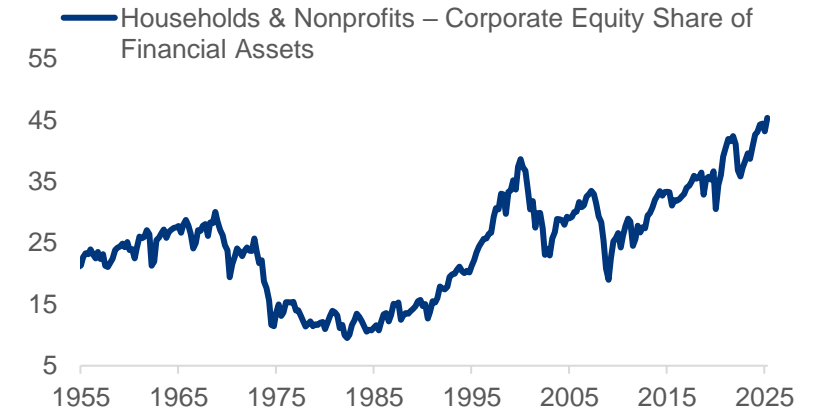
► Despite the pullback, investors continued holding U.S. equities via ETFs. The three largest U.S. ETFs—each tracking the S&P 500—still saw net inflows in November on a 14-week average basis. Market views suggest recent selling pressure came from systematic strategies; the VIX rose, but long-only investors kept buying, offsetting the selling. The S&P 500's RSI also stayed above oversold levels during the adjustment.

► Currently, corporate equities account for roughly 45% of financial assets among U.S. households and nonprofits, and nearly 30% of total assets—both at historical highs. With a resilient U.S. economy, retail investors lack liquidity pressures that would trigger broad selling. However, weak consumer confidence remains a key watch point, as historically deteriorating sentiment has tended to weigh on equity performance.

Source: Bloomberg

Recent Equity Volatility Has Not Deterred ETF Inflows

VOO, IVV, SPY Flows (14-Week Avg, USD mn, Right Axis)

S&P 500 Index (Left Axis)
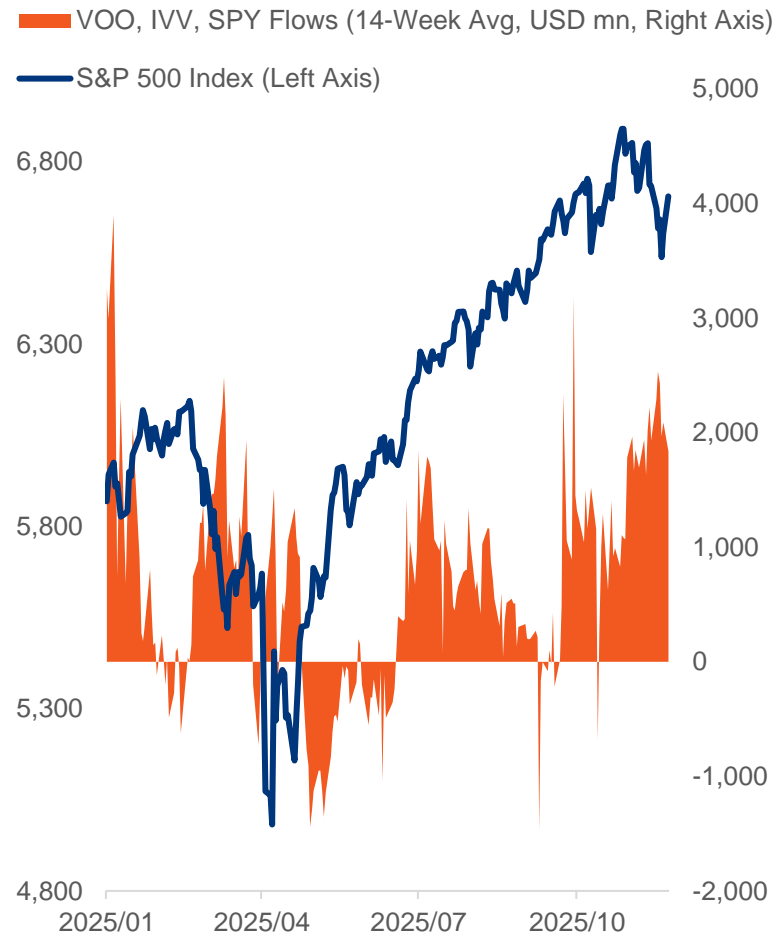
Households and Nonprofits Hold Equities at Historical Highs

Households & Nonprofits – Corporate Equity Share of Financial Assets

Consumer Confidence Weakens

University of Michigan Consumer Sentiment Index

KGI
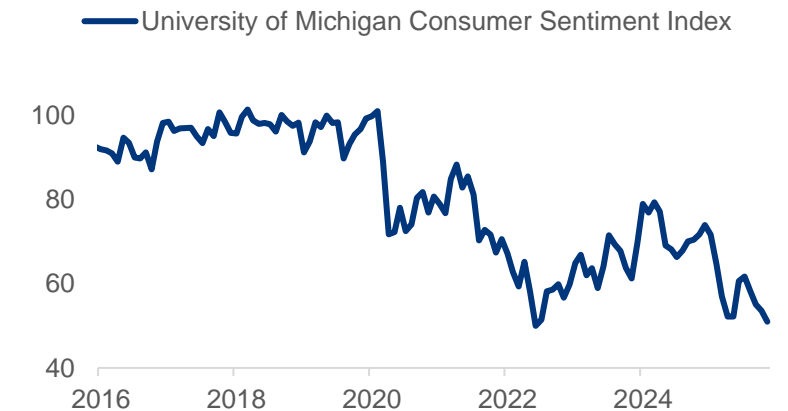
Market Recap

Rate-Cut Expectations Rebound as Investors Re-Enter, but Buying Is More Diffuse

► New York Fed President Williams noted that monetary policy still has room for adjustment, pushing the probability of a 25 bps December cut from 40% a week earlier to nearly 90%. As expectations for a December cut by the Fed climbed again, investor sentiment improved noticeably. Buyers 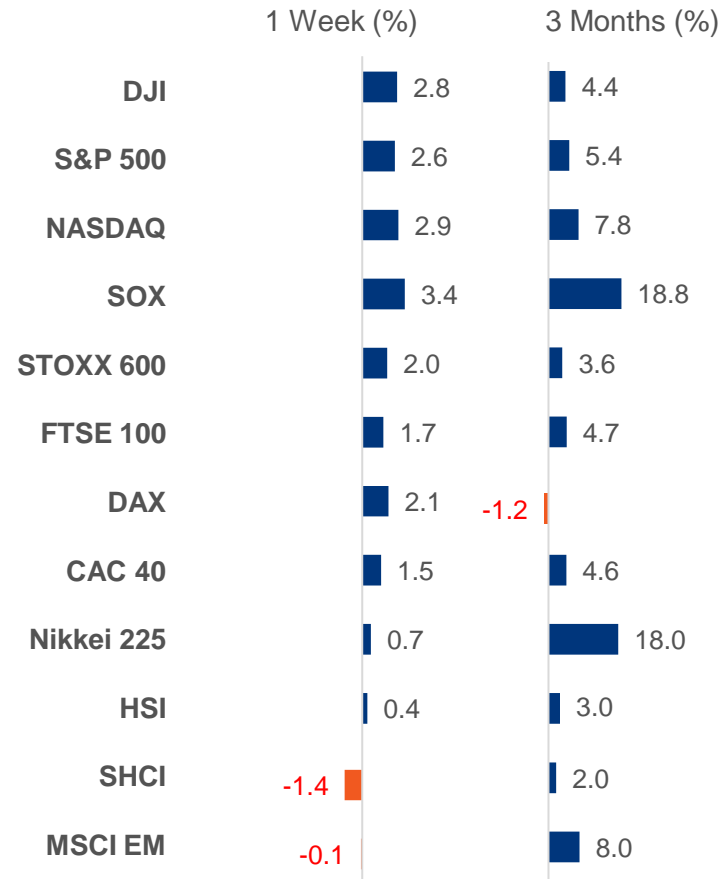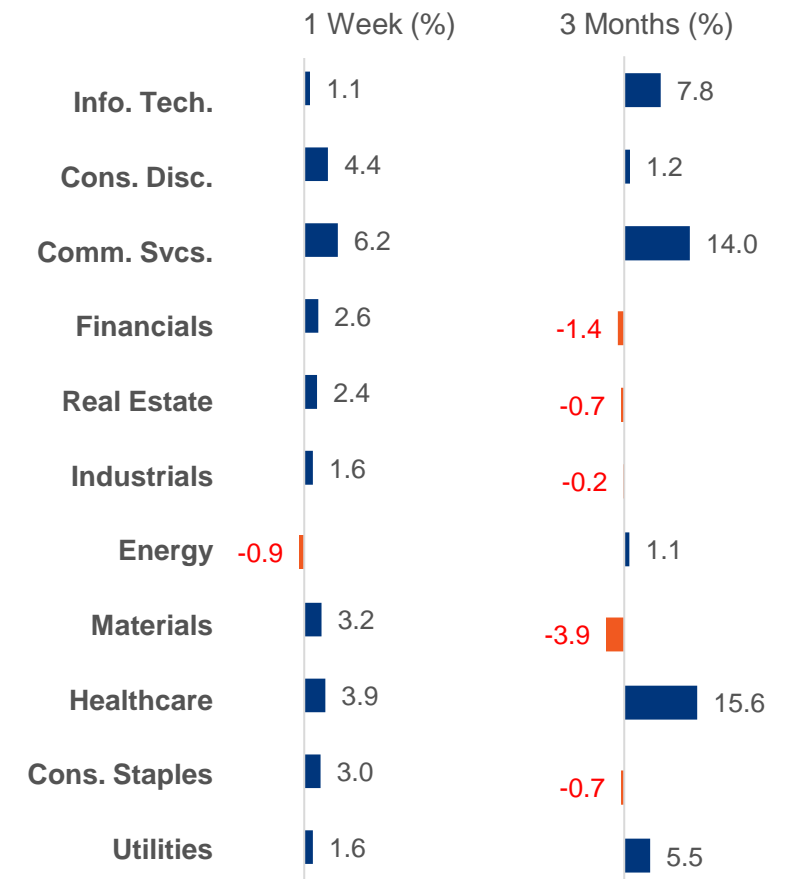returned, lifting most major global markets, though gains across the three U.S. indexes were similar, indicating more dispersed buying.

► The Fed's Beige Book showed economic activity broadly flat in recent weeks, with about half of districts citing softer labor demand. While layoff announcements increased slightly, many districts reported that firms are primarily controlling headcount through hiring freezes, replacement-only hiring, and natural attrition, keeping layoffs limited. Jobless claims suggest longer job-search durations, pointing to a gradual cooling in the labor market.

► On stocks, Nvidia (NVDA) fell 2.59%, pressured by news that Google's in-house AI chips may be adopted by Meta. Eli Lilly (LLY), supported by strong obesity-drug demand, surpassed a US$1tn market-cap milestone.

Regional Index Performance (%)

	1 Week (%)	3 Months (%)
DJI	2.8	4.4
S&P 500	2.6	5.4
NASDAQ	2.9	7.8
SOX	3.4	18.8
STOXX 600	2.0	3.6
FTSE 100	1.7	4.7
DAX	2.1	-1.2
CAC 40	1.5	4.6
Nikkei 225	0.7	18.0
HSI	0.4	3.0
SHCI	-1.4	2.0
MSCI EM	-0.1	8.0

U.S. Sector Index Performance (%)

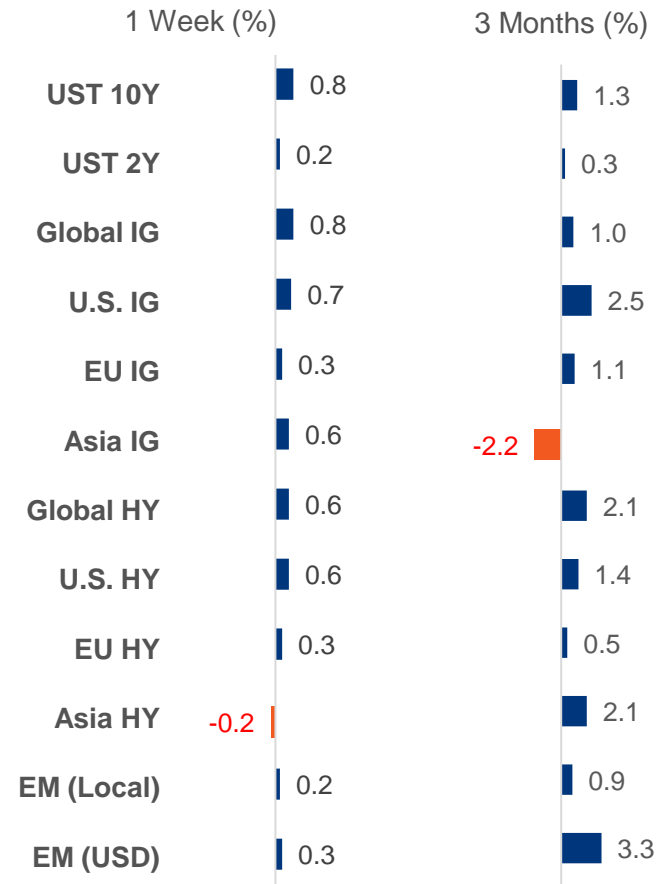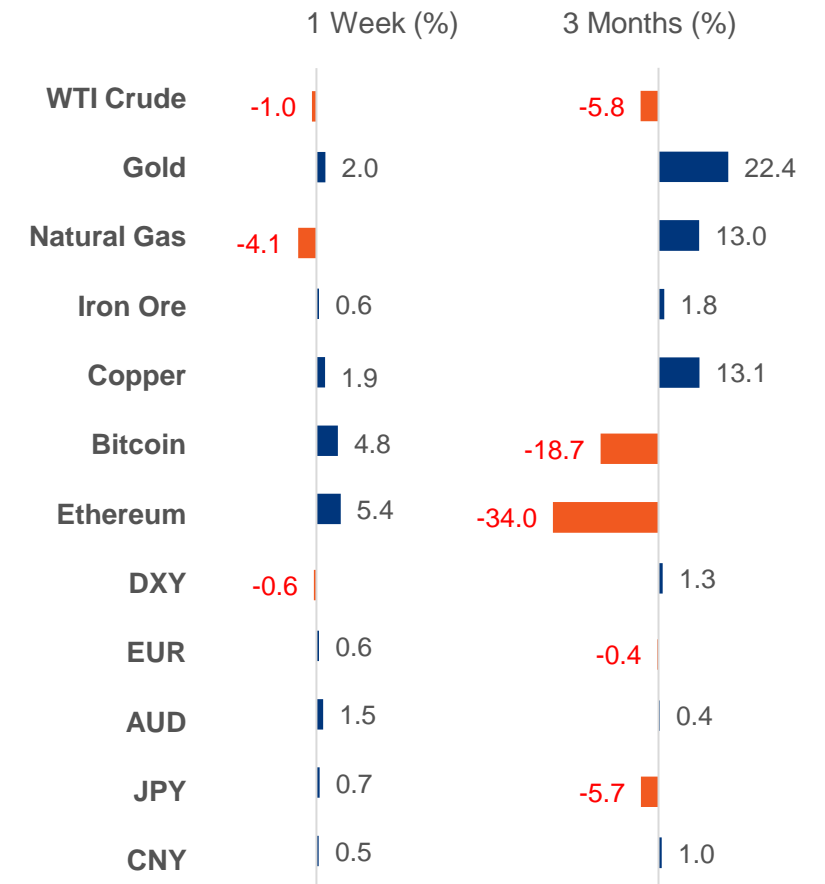|	1 Week (%)	3 Months (%)
Info. Tech.	1.1	7.8
Cons. Disc.	4.4	1.2
Comm. Svcs.	6.2	14.0
Financials	2.6	-1.4
Real Estate	2.4	-0.7
Industrials	1.6	-0.2
Energy	-0.9	1.1
Materials	3.2	-3.9
Healthcare	3.9	15.6
Cons. Staples	3.0	-0.7
Utilities	1.6	5.5

Source: Bloomberg, 28 Nov 2025

KGI

Rate-Cut Expectations and Slowing Growth Support Bonds

► Rate-cut expectations and softer economic momentum helped drive broad gains in global bonds this week.

► 3Q earnings from U.S. equities largely confirmed AI-related demand, but Oracle's rising CDS renewed discussion around tech-giant debt risk. Bloomberg data show total issuance by the four mega-caps plus Oracle will exceed US$100B in 2025, compared with under US$50B annually from 2020–2022 and under US$20B in both 2023 and 2024. Issuance is clearly rising. While current operating cash flow can fund capex, future reliance on debt could increase supply and widen credit spreads.

► Former BOJ official Kazuo Momma said recent yen weakness raises the likelihood of a rate hike next month. The yen has firmed slightly as the weak currency has been adding to import-driven inflation. Policymaker comments highlighted energy subsidies and tax cuts as tools to cushion the impact of yen depreciation, but these measures increase fiscal spending and have pushed up long-term yields.

Performance of Bonds (%)

	1 Week (%)	3 Months (%)
UST 10Y	0.8	1.3
UST 2Y	0.2	0.3
Global IG	0.8	1.0
U.S. IG	0.7	2.5
EU IG	0.3	1.1
Asia IG	0.6	-2.2
Global HY	0.6	2.1
U.S. HY	0.6	1.4
EU HY	0.3	0.5
Asia HY	-0.2	2.1
EM (Local)	0.2	0.9
EM (USD)	0.3	3.3

Performance of Commodities and Currencies (%)

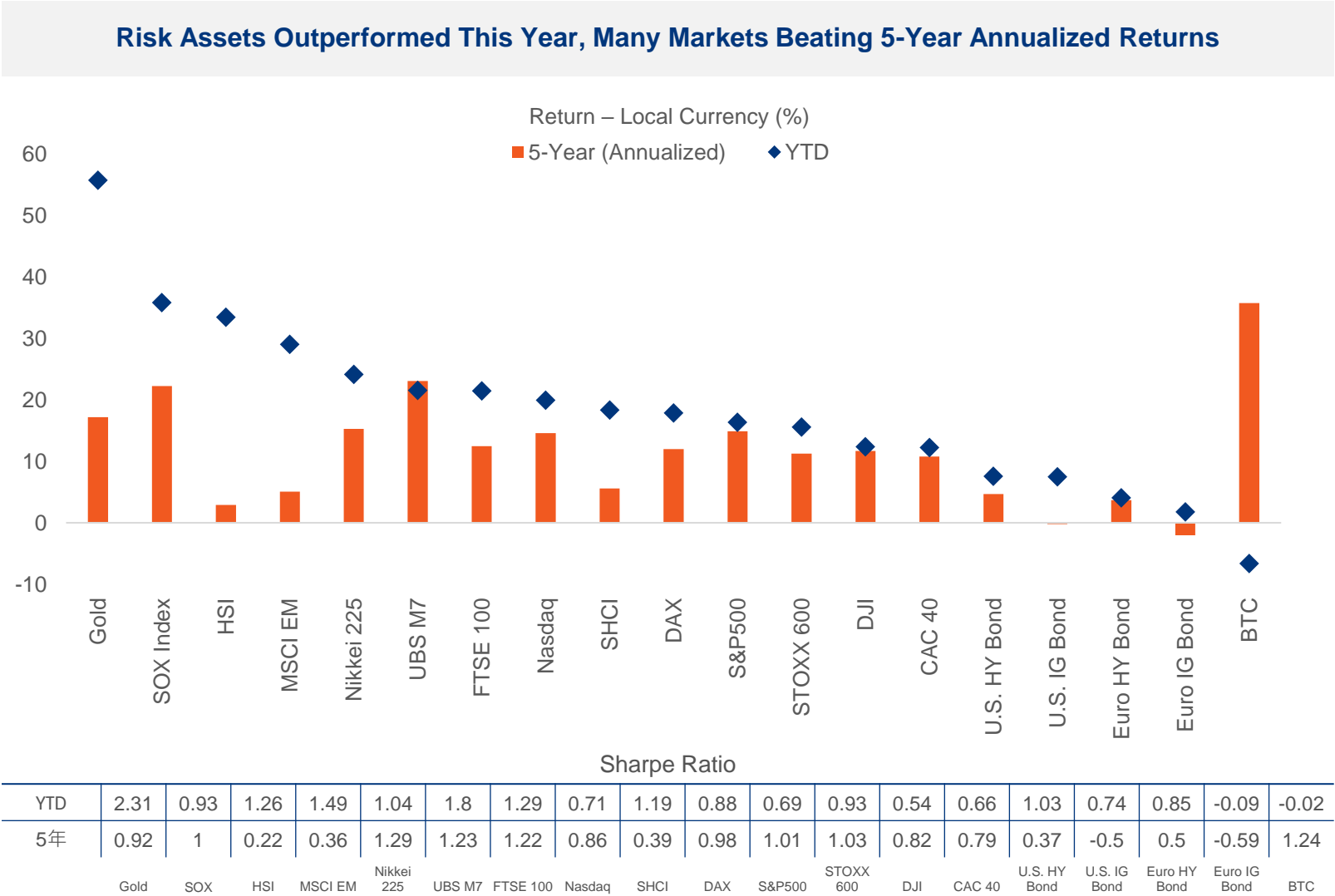|	1 Week (%)	3 Months (%)
WTI Crude	-1.0	-5.8
Gold	2.0	22.4
Natural Gas	-4.1	13.0
Iron Ore	0.6	1.8
Copper	1.9	13.1
Bitcoin	4.8	-18.7
Ethereum	5.4	-34.0
DXY	-0.6	1.3
EUR	0.6	-0.4
AUD	1.5	0.4
JPY	0.7	-5.7
CNY	0.5	1.0

Source: Bloomberg, 28 Nov 2025

KGI

What's Trending — Gold Shines in 2024 While U.S. Equities Deliver Mid-Pack Returns

► Reviewing major global indexes, most risk assets posted solid gains this year. Key takeaways:

► Gold Outperforms: Supported by rate-cut expectations, trade tensions, and ongoing monetary expansion, gold has surged over 55% YTD—its strongest annual gain since the 1980s.

► Bitcoin Spikes Then Reverses: Following Trump's inauguration, the administration's supportive stance toward crypto pushed Bitcoin to repeated highs, with YTD gains nearing 33% at one point. However, momentum faded into year-end, wiping out the advance and turning negative.

► China/Hong Kong Rebound: The Hang Seng Index outperformed the three major U.S. indexes this year. Early-year DeepSeek momentum and developments in tech and robotics contributed, while a softer dollar also supported broader EM performance.

► U.S. Equities Solid but Mid-Range: The Magnificent 7 and semiconductor names drove strong returns, and the S&P 500's gain exceeded both its 5-yr annualized and long-term averages. Still, among major developed markets, U.S. equities ranked only mid-pack, reinforcing the importance of global diversification.

Source: Bloomberg

Risk Assets Outperformed This Year, Many Markets Beating 5-Year Annualized Returns

Return – Local Currency (%)
■ 5-Year (Annualized)   ◆ YTD

Sharpe Ratio

	Gold	SOX Index	HSI	MSCI EM	Nikkei 225	UBS M7	FTSE 100	Nasdaq	SHCI	DAX	S&P500	STOXX 600	DJI	CAC 40	U.S. HY Bond	U.S. IG Bond	Euro HY Bond	Euro IG Bond	BTC
YTD	2.31	0.93	1.26	1.49	1.04	1.8	1.29	0.71	1.19	0.88	0.69	0.93	0.54	0.66	1.03	0.74	0.85	-0.09	-0.02
5年	0.92	1	0.22	0.36	1.29	1.23	1.22	0.86	0.39	0.98	1.01	1.03	0.82	0.79	0.37	-0.5	0.5	-0.59	1.24

KGI

Where to Allocate? Blended Defensive Equity Strategies

▶ U.S. broad-market ETFs continue to see net inflows, though sentiment has turned more defensive. Sector rotation has emerged in recent months. While 3Q results were broadly solid and AI demand persists, earnings growth for the Magnificent 7 reached 23% YoY versus 12% for the remaining 493 stocks, narrowing the gap and driving rotation. Styles opposite to the Magnificent 7 have rebounded, and rate-cut expectations are also supporting small caps.

**Using Equal Weighting to Reduce Concentration Risk**

Traditional S&P 500 and Nasdaq indexes are market-cap weighted, giving the Magnificent 7 naturally heavy weights and raising concentration risk. Equal-weight indexes and ETFs keep the same constituents but assign equal weights, effectively reducing concentration. This maintains U.S. equity exposure while increasing positions in mid/large-cap value and higher allocations to traditional defensive sectors.

Global Diversification

The market's focus on AI has overshadowed other equity markets, though returns across other developed markets this year have been broadly comparable to the U.S. A continued Fed easing cycle narrows rate differentials with other economies, pressuring the dollar and supporting flows into non-U.S. markets. Meanwhile, slowing earnings growth among the Magnificent 7 will narrow the performance gap with the rest of the world.
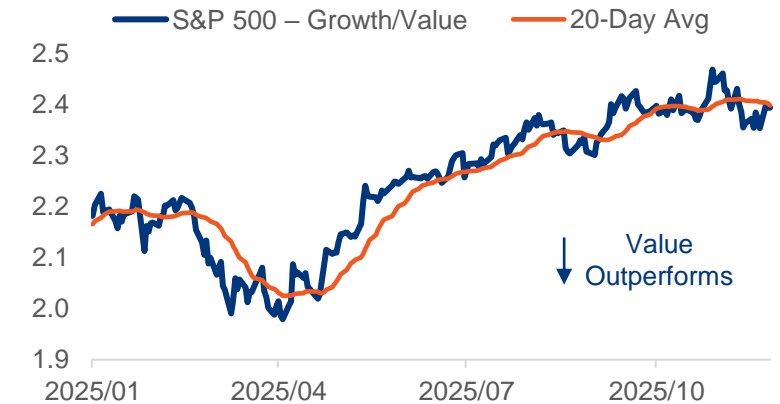
Source: Bloomberg

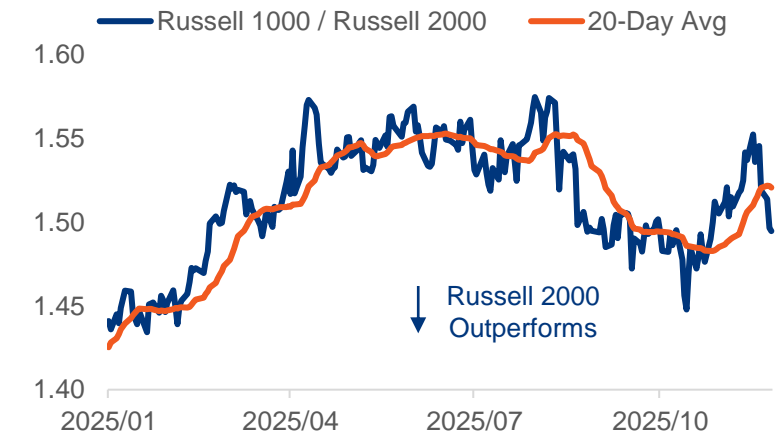### M7 and the Rest: Earnings-Growth Gap Narrows

Earnings Growth (YoY)
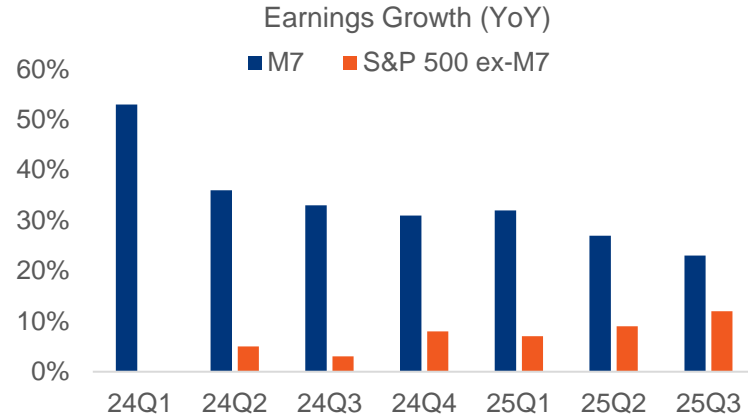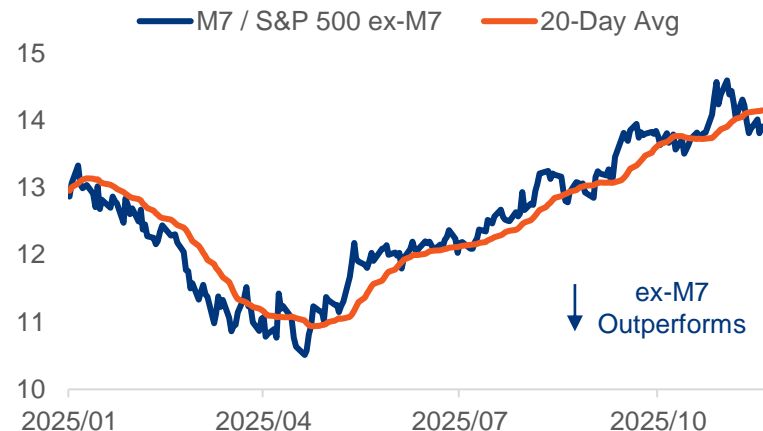
Growth-Stock Advantage Also Eases

M7 Advantage Shrinks

Small Caps Benefit From Rate-Cut Expectations

Where to Allocate? Blended Defensive Equity Strategies (cont.)
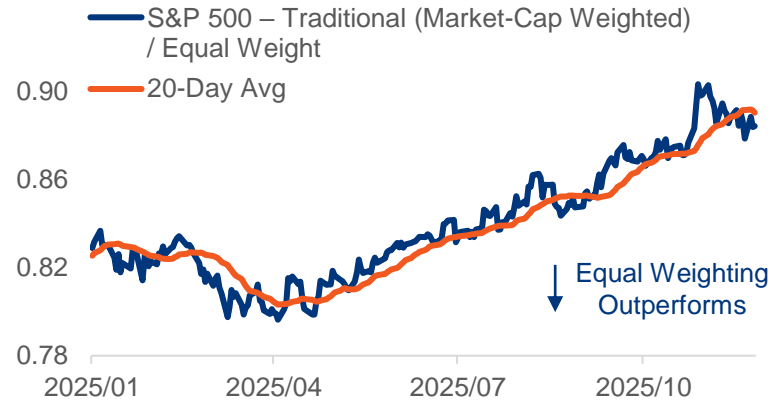
► **Using Covered-Call Strategies**

The core trade-off is giving up potential upside in exchange for option premium income. When markets lack strong upside catalysts but do not warrant a bearish view, the strategy becomes appealing. Covered calls typically offer a higher yield than the underlying equities, making them attractive for income-focused investors. Rising equity volatility also lifts option premiums. In weaker market outlooks, premiums provide partial downside cushioning. The strategy is sector-agnostic and can be applied even to low-dividend tech stocks, with single-stock covered-call ETFs also available in the market.

► **Buying on Elevated VIX**

Periods of market fear - when the VIX spikes - often present attractive entry points. Two main VIX-related approaches exist:

1. Add portfolio protection when the VIX is near its average, such as buying puts or going long VIX products.

2. After a VIX spike, buy U.S. large-cap ETFs, funds, or individual stocks. Historically, purchases made when the VIX is elevated (20+) have delivered stronger 60-day returns than random entries. Similar patterns appeared after market volatility surged following Trump's "Liberation Day." This approach is also suitable for investors seeking to add high-volatility stocks.

Source: Bloomberg, KGI

Using Equal Weighting to Reduce Concentration Risk

Top 10 Holdings in the S&P 500

	Weight (%)
NVIDIA	8.5
Apple	6.9
Microsoft	6.6
Amazon	4.1
Broadcom	3.0
Alphabet Class A	2.8
Facebook Class A	2.4
Alphabet Class C	2.3
Tesla	2.2
Berkshire Hathaway Class B	1.5
	40.1

Covered-Call Strategy – Trading Potential Upside for Income

Trump 1.0 and Long-Term Data – VIX Spikes Provide Attractive Entry Points

	S&P500 Return (%)	AVG VIX	Cumulative Occurrences VIX 20+	VIX 25+	Avg 60-Day Forward S&P 500 Return (%) All Periods	VIX 20+	VIX 25+
2017	19.4	11.0	0	0	4.0	/	/
2018	-6.2	16.6	59	16	0.1	3.8	8.2
2019	28.9	15.4	15	1	3.1	10.0	17.1
2020	16.3	29.3	218	154	6.3	9.9	11.6
20Y		19.1	1,674	849	2.2	3.1	4.9
10Y		18.3	769	358	2.8	4.8	6.8

Asset Strategy

Asset Type	Market View	Preferred Assets
Equities	◆ As expectations for a December Fed cut rise again, investor sentiment has improved, and markets are focusing on liquidity and higher volatility in the near term. U.S. earnings are broadly positive, but equities face resistance at higher levels. We recommend balanced sector allocation and maintaining flexibility to navigate market swings. At this stage, investors can add high-quality stocks, while long-term investors may gradually build positions in AI themes and tech stocks on pullbacks when valuations normalize. ◆ In the euro area, U.K. and German equities—less exposed to trade shocks—offer useful diversification. Japan's expansionary fiscal measures under Sanae Takaichi support equity performance, though short-term investors should monitor FX volatility.	**Strategy:** Rising short-term volatility favors high-quality stocks; long-term investors can accumulate AI and tech on dips. **Regions**: Europe, U.K., Japan, New Asia tech stocks
Bonds	◆ With growth slowing and the labor market cooling, the yield curve has steepened. We favor Treasuries and investment-grade bonds for carry and yield lock-in, with A-rated or above industry leaders preferred. Sectors offering stronger risk-adjusted spreads include financials, utilities, and industrials. ◆ Given longer-term depreciation risk for the U.S. dollar, investors can diversify with non-USD investment-grade bonds, such as those denominated in EUR or SGD.	**Duration:** Short to medium-term Treasuries and high-grade bonds for yield lock-in **Sector:** Financials, industrials, and utilities favored for higher-quality yield
Forex	◆ Divergent views within the Fed persist, and the market still expects three cuts next year, limiting room for a major USD rally. The medium-term outlook remains mildly weaker. ◆ Japan's aggressive fiscal expansion keeps the yen softer in the near term, while medium-term performance will depend on economic trends and gradual rate hikes. EUR and GBP are choppy but biased higher.	**USD:** Short-term rebound; medium- to long-term mild weakening **EUR, JPY, GBP:** Gradual upside with swings
Commodity	◆ Inflation concerns and fiscal-deficit pressures support a long-term bullish view on gold. Long-term investors may add on dips to diversify concentration risk.	**Gold**: Medium- to long-term bullish

KGI

Product Spotlight **HK Equities** ## Business Transformation and Innovation Drive Growth

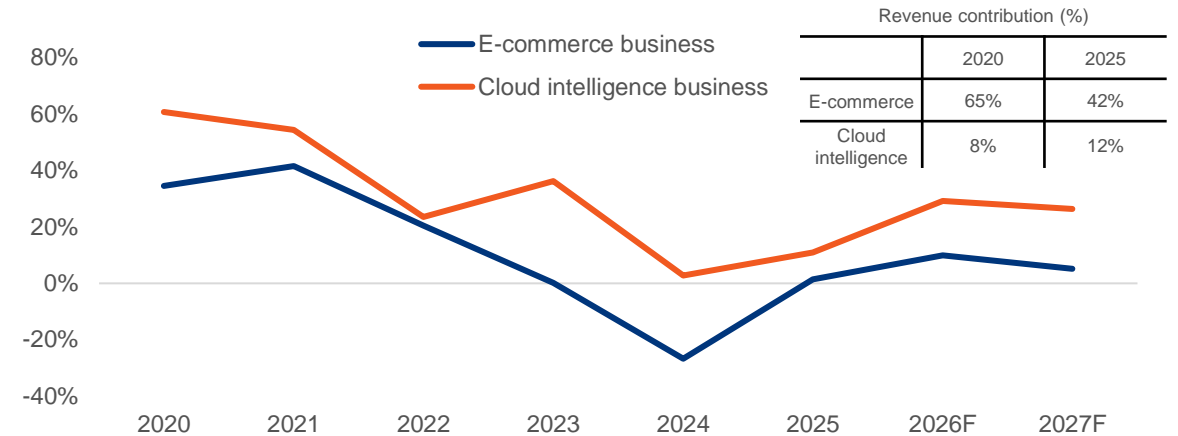**From Traffic Monetization to Technology Enablement**

The era when traditional e-commerce platforms relied solely on subsidies and traffic growth is over. Forward-looking tech leaders are undergoing a shift from "sales channels" to "digital infrastructure." The core of this transformation is moving beyond simple product matching to using cloud computing and AI to reshape supply-chain efficiency. By converting massive data assets into AI models, these companies are evolving from consumer platforms into foundational technology providers, delivering computing power and AI services directly to enterprises. This "AI + cloud" dual-engine model strengthens competitive moats and reframes them not as traditional retailers but as high-growth technology infrastructure providers, supporting a structural rerating in valuations.

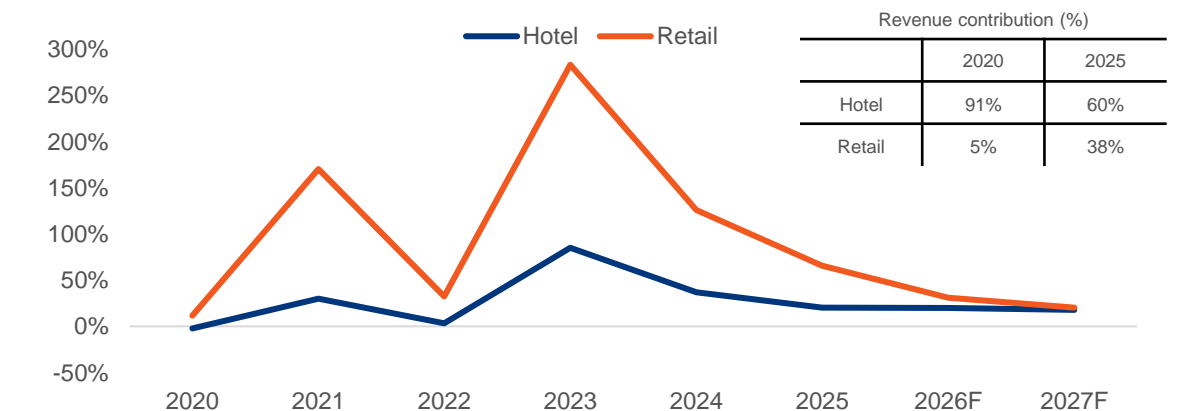**Experience-Driven "Scenario Retail" Creates a Second Growth Curve**

Traditional hospitality has long been constrained by seasonal swings in occupancy. New mid-to-high-end lifestyle brands are breaking the cycle through innovative "scenario retail," where the essence lies in turning the lodging experience into retail consumption. Guest rooms function as immersive showrooms; when travelers develop strong affinity for bedding, fragrances, or personal-care products during their stay, they can purchase them directly. This creates a second growth curve and elevates the brand from a simple lodging provider to a lifestyle exporter. The "use-to-buy" closed loop significantly lifts ARPU and profitability, demonstrating that in an intensely competitive market, only exceptional experiences and cross-sector integration can unlock new high-growth blue-ocean opportunities.

Source: Bloomberg

Alibaba Business Growth

Revenue contribution (%)		
	2020	2025
E-commerce	65%	42%
Cloud intelligence	8%	12%

Atour Business Growth

Revenue contribution (%)		
	2020	2025
Hotel	91%	60%
Retail	5%	38%

Source: Midland Realty

KGI

Alibaba (9988)

Closing Price	HK $150	Target Price	HK $180

The company provides technology infrastructure and marketing platforms that help merchants, brands, retailers, and enterprises leverage new technologies to engage customers and operate more efficiently.

AI Cloud Demand Remains Strong

Results show Alibaba Cloud has regained strong growth momentum, with quarterly revenue accelerating to +34% YoY. External-customer revenue rose 29%, supported by increasing adoption of AI tools. Management remains highly confident in AI, noting extremely strong customer demand and five consecutive quarters of triple-digit growth in AI-related revenue. However, supply-chain shortages mean capacity expansion continues to lag order growth. Management expects this supply–demand imbalance to persist for 2–3 years, and stated clearly that no AI bubble exists. The earlier RMB 380bn three-year capex plan may prove conservative, with potential for further investment to meet soaring compute demand—cementing AI as the company's core growth engine.

Instant Retail Shifts Toward "Efficiency Optimization"

As China's e-commerce landscape stabilizes, Alibaba's diversified businesses show strong synergy. Quick Commerce revenue surged 60% YoY. Efficiency gains were driven by improved order mix (high-ticket non-beverage orders now exceed 75%) and lower logistics costs. Management confirmed that unit economics (UE) losses per order in November were roughly half of those in July–August. Looking ahead, the company will continue shifting from "scale pursuit" to "efficiency optimization," suggesting further narrowing of Flash Sale losses and reduced financial drag from instant retail.

Two Drivers Support Re-Rating

With narrowing losses in instant retail and rising market focus on cloud/AI, Alibaba is well-positioned for further valuation upside. The stock trades at 16.6x forward earnings, below the global peer average of 19.9x. We raise the target price to HKD 180.

Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Revenue (HKD bln)	869	941	996	1,040	1,152
Revenue YoY	1.8	8.3	5.9	4.4	10.8
EPS (HKD)	6.8	7.8	8.2	5.9	8.2
EPS YoY	3.5	14.1	5.1	-28.2	40.5
ROE(%)	7.5	8.1	13	10.2	11.8

Forward P/E Ratio

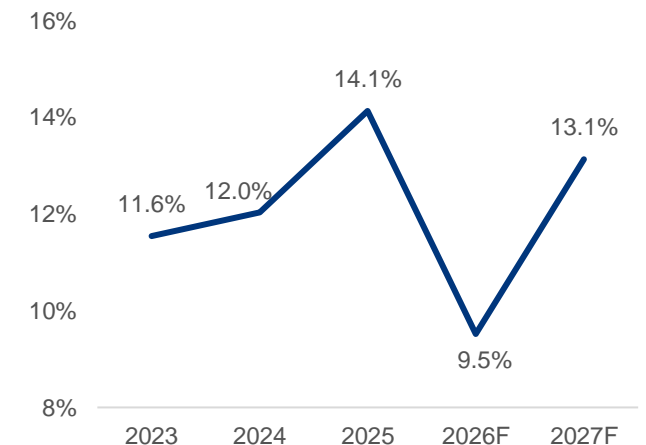### Cloud Intelligence Business Performance
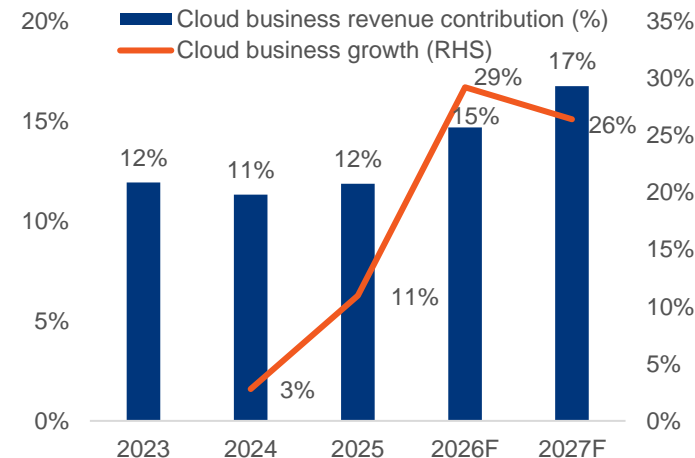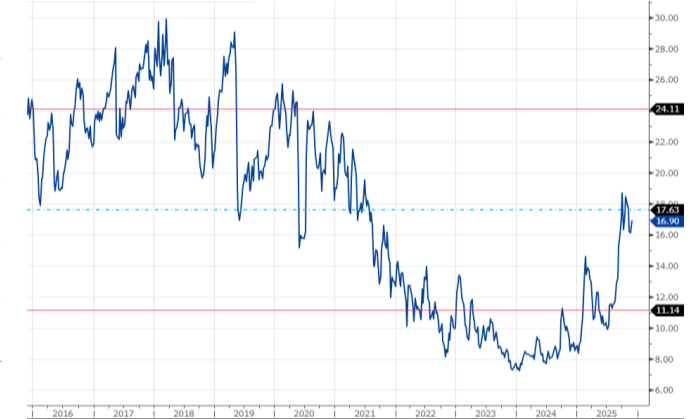
Operating profit margin

Atour (ATAT)

Closing Price	US $37.8	**Target Price**	US $42

Atour operates lifestyle-focused hotels across 100+ Chinese cities with 800+ properties and is expanding retail to diversify revenue.

Experience-Driven Retail Delivers Strong Growth

Its "experience-to-purchase" model turns hotel stays into retail consumption, driving rapid retail growth. 3Q results confirmed this synergy, with retail GMV and sales both up 76% and pillows ranking No.1 across major platforms. Management raised full-year retail growth guidance from 60% to 65%+, reinforcing it as a core growth engine.

Premium Upgrade Lifts Pricing Power

The push into upscale hotels supports pricing resilience. High-end brand SAVHE posted 3Q RevPAR above RMB 900, and Atour 4.0 exceeded RMB 500. Strong product premium helped deliver sequential RevPAR growth during Golden Week despite industry headwinds, cushioning overall performance.
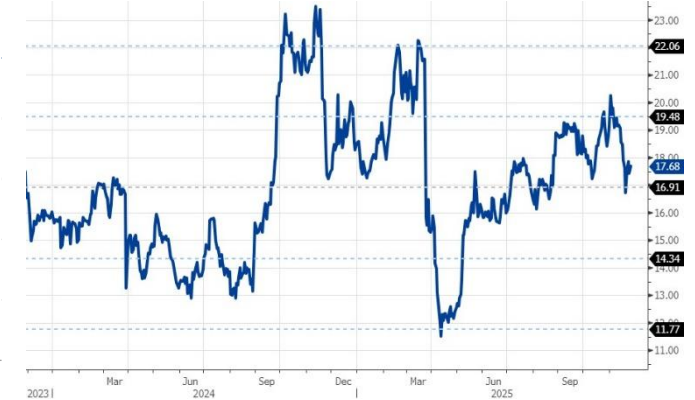
Retail Valuation Undervalued

Atour's retail business trades at a notable discount. Using an SOTP approach and applying Huazhu's valuation to separate the hotel segment, the retail business implies only ~12x forward earnings—well below the group multiple—suggesting meaningful upside. We maintain the USD 42 target price, implying 19.7x earnings.

Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Revenue (HKD bln)	2.3	4.7	7.2	9.6	11.9
Revenue YoY	5.4	106.2	55.3	32.7	24.1
EPS (HKD)	0.2	6.5	9.4	11.9	15.1
EPS YoY	-42.5	2,739.1	43.8	26.3	27.3
ROE(%)	11.0	45.2	50.8	45.9	44.2

Forward P/E Ratio

Segment Revenue Contribution and Growth

Legend: Average revenue per occupied room; YoY rate (RHS)
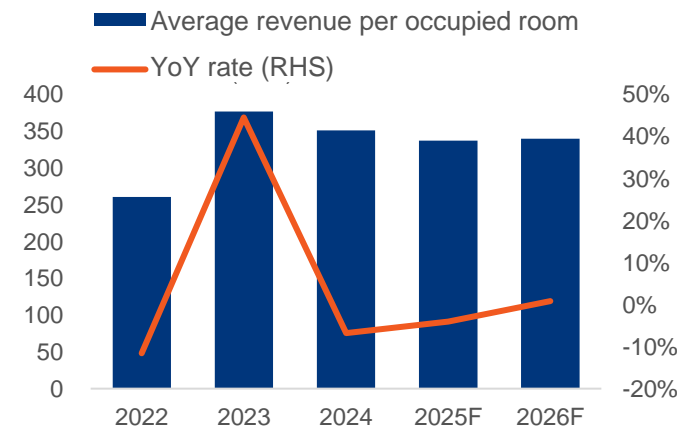
Retail Business and Revenue Contribution (%)

Legend: Retail business; Contribution (%)

KGI
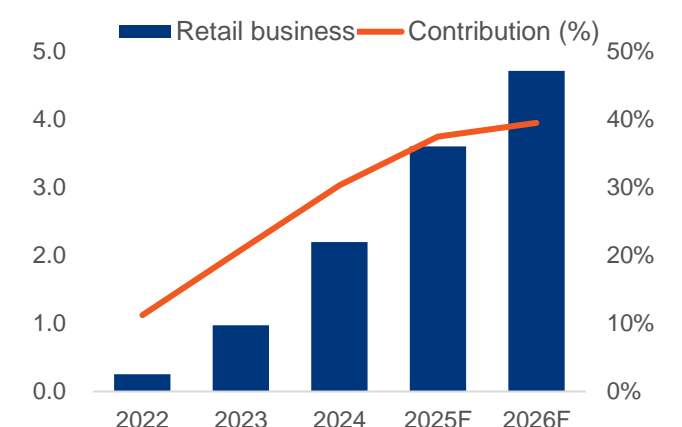
December Rate Cut Nears as U.S. Equities Climb the Wall of Worries

US Equities

► U.S. September PPI rose 0.3% MoM, in line with expectations, versus –0.1% prior. Core PPI increased 0.1% MoM, below the 0.2% consensus, compared with –0.1% previously.

► September retail sales rose 0.2% MoM, missing the 0.4% forecast and below the prior 0.6% gain.

► Durable goods orders increased 0.5% MoM, matching expectations, with the prior reading revised up to 3.0%.

► U.S. equities saw the most volatile month since 1Q in November, with multiple drivers causing sharp swings. The two key uncertainties remain the December rate cut and renewed concerns over an AI bubble. Although recent macro data could not be released due to the record U.S. government shutdown, markets still anticipate the Fed to deliver its final cut of the year in December. Whether an AI bubble exists remains unclear, but tech giants continue to commit heavy capex, scaling models and chips. Liquidity has improved as the U.S. government reopened and the Fed halted QT. Looking ahead to December, we expect U.S. equities to rebound after November's pullback and continue climbing the wall of worries.

CME FedWatch Tool

FED FUND FUTURES

ZQX5	ZQZ5	ZQF6	ZQG6	ZQH6	ZQJ6	ZQK6	ZQM6	ZQN6	ZQQ6	ZQU6	ZQV6	ZQX6
96.1238	96.2575	96.3425	96.4075	96.4325	96.5050	96.5525	96.5750	96.6650	96.8225	96.7500	96.9200	96.9800

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES

MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
12/10/2025				0.0%	0.0%	0.0%	0.0%	84.7%	15.3%	0.0%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	24.4%	64.7%	10.9%	0.0%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	9.4%	39.9%	44.1%	6.7%	0.0%
4/29/2026	0.0%	0.0%	0.0%	0.0%	1.8%	15.3%	40.7%	36.7%	5.4%	0.0%
6/17/2026	0.0%	0.0%	0.0%	0.7%	7.3%	25.6%	39.1%	24.0%	3.2%	0.0%
7/29/2026	0.0%	0.0%	0.5%	5.2%	19.7%	34.7%	28.9%	10.0%	1.0%	0.0%
9/16/2026	0.0%	0.2%	2.2%	10.5%	25.1%	32.6%	22.0%	6.7%	0.7%	0.0%
10/28/2026	0.0%	0.7%	4.4%	14.4%	27.1%	29.8%	18.0%	5.1%	0.5%	0.0%
12/9/2026	0.2%	1.6%	6.7%	17.3%	27.7%	27.1%	15.0%	4.0%	0.4%	0.0%
1/27/2027	0.3%	1.9%	7.4%	18.0%	27.7%	26.2%	14.2%	3.8%	0.3%	0.0%
3/17/2027	0.6%	3.0%	9.4%	19.8%	27.4%	24.0%	12.3%	3.1%	0.3%	0.0%
4/28/2027	0.5%	2.3%	7.7%	17.1%	25.4%	24.9%	15.4%	5.6%	1.1%	0.1%
6/9/2027	0.5%	2.3%	7.7%	17.0%	25.3%	24.9%	15.5%	5.7%	1.1%	0.1%
7/28/2027	0.4%	2.1%	6.9%	15.7%	24.2%	25.0%	16.7%	7.0%	1.7%	0.2%
9/15/2027	0.4%	2.1%	6.9%	15.7%	24.1%	24.9%	16.8%	7.0%	1.7%	0.2%
10/27/2027	0.4%	1.9%	6.5%	14.9%	23.4%	24.9%	17.5%	7.9%	2.2%	0.4%

Source: SEIA, IEA, Sprott

KGI

International Business Machines (IBM)

Closing Price US $308.58	**Target Price** US $330	

IBM is an IT services and consulting company offering analytics, cloud, automation, cybersecurity, data storage, application development, asset management, blockchain, and software/consulting solutions.

Enterprise AI Demand Drives Steady Growth

IBM remains a defensive AI play, capturing enterprise AI demand through existing tech and expertise without heavy capex. Its AI business exceeds US$9.5bn, supported by consulting and hybrid cloud. This approach monetizes AI with higher margins and lower risk, making IBM a stable choice amid the AI boom.

Boosted by watsonx and Hybrid-Cloud Adoptiont

Watsonx and AI-optimized mainframes are accelerating modernization across financial services, government, and regulated industries. With clients favoring low-risk, implementation-focused AI, IBM benefits from stable profitability and low capital intensity, supporting consistent near-term growth.

3Q FY2025 Results Improve YoY

Revenue grew 9.1% YoY to US$16.33bn, beating by US$230mn; non-GAAP EPS was US$2.65, above expectations by US$0.20. YTD free cash flow reached US$7.2bn. The board declared a US$1.68 quarterly dividend for payment on Dec 10, 2025. For FY2025, IBM lifted its revenue growth outlook to 5%+ and expects US$14bn in free cash flow.

Fiscal Q3 2026 Results Improved Year-over-Year

Revenue for fiscal Q3 2026 rose 0.3% year-on-year to US$6.57 billion. Adjusted EPS came in at US$3.04, falling short of expectations by US$0.08. For the full year, the company narrowed its adjusted EPS guidance range to US$9.05–9.45, compared with the prior range of US$8.90–9.60.

Valuation Consensus

Bloomberg 12-m avg target price: US$293.9 (high: US$360; low: US$198).

1-Year Price
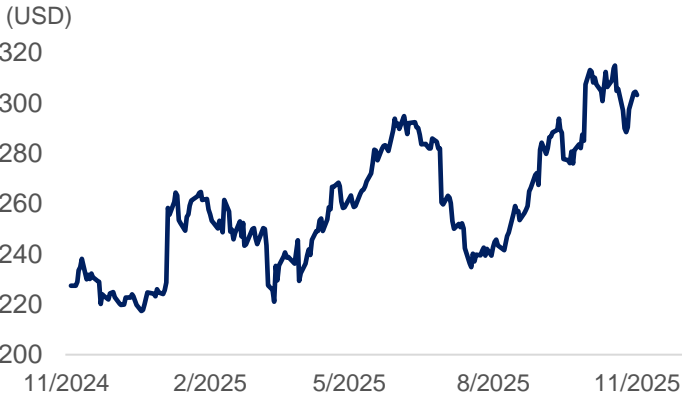
Financials

	2022	**2023**	**2024**	**2025F**	**2026F**
Revenue Growth(%)	5.5	2.2	1.4	6.9	4.6
EBITDA (%)	21.5	23.1	29.1	27.3	27.4
EPS(USD)	7.19	8.60	11.34	11.36	12.20
Net Profit Margin(%)	11.74	19.53	31.85	0.14	7.44

Source: Bloomberg; 2025/26F are market estimates

Software Market
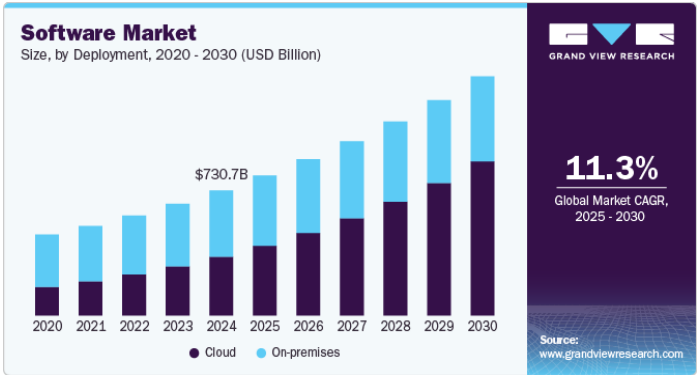
P/E & P/B

Source: Bloomberg, Grand View Research

Meta Platforms (META)

Closing Price	US $647.95	Target Price	US $700	

Meta Platforms is a social technology company that builds applications and technologies enabling people to connect, find communities, and grow businesses. The company also operates across advertising, augmented reality, and virtual reality.

3Q Selling Pressure Misread; Core Ads and Engagement Remain Strong

The post-earnings decline was driven by a one-off USD 16bn tax charge and higher AI capex guidance, not weakness in fundamentals. Core momentum remains solid, with 26% revenue growth, strong Reels engagement, and resilient ad demand across its 3.5bn daily users. The market's overreaction created a temporary dislocation, offering rebound potential once core business strength becomes clearer.

AI-Enhanced Ads, Reels Expansion, and New Ad Surfaces Supporting Near-Term Growth

Meta's AI-driven ad engine continues to lift ROAS through stronger targeting, creative generation, and ranking algorithms. Reels monetization is accelerating, while new ad surfaces across WhatsApp, Threads, and generative formats add incremental, high-margin growth. With ads up 26% YoY, Meta is well-positioned for sustained revenue expansion in the near to medium term.

TPU Diversification + Early Compute Buildout Accelerate Meta's AI Roadmap

Meta's integration of Google TPUs reduces reliance on supply-constrained Nvidia GPUs, improving efficiency and easing compute bottlenecks. The USD 70.8–72bn capex cycle aligns with IDC's revised outlook, indicating continued AI server demand through 2026. Early data-center expansion enables faster AI product deployment and supports Meta's longer-term superintelligence ambitions.

FY25 3Q Results Miss Expectations

FY25 3Q revenue rose 26.2% YoY to USD 51.24bn, beating expectations by USD 1.83bn. GAAP EPS came in at USD 1.05, missing the USD 5.66 consensus. YTD capex is up 105.3% YoY. For 4Q, total revenue is guided to USD 56–59bn.

Valuation Consensus

Bloomberg's 12-month average target price is USD 833.23, with a high of USD 1,117 and a low of USD 655.15.
Source: Bloomberg, IDC

1-Year Price

(美元)
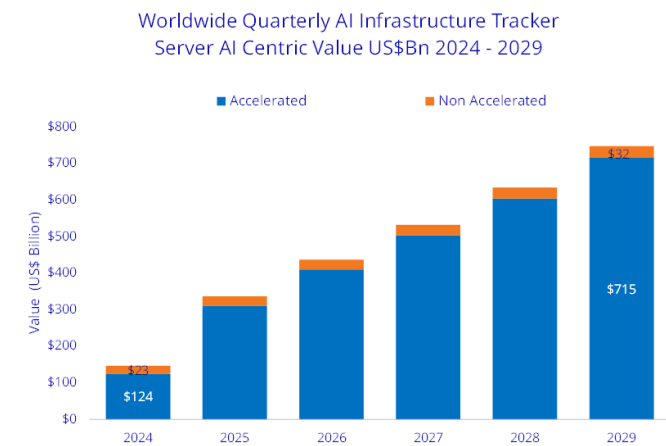
Financials

	2022	2023	2024	2025F	2026F
Revenue Growth(%)	-1.1	15.7	21.9	21.2	18.1
EBITDA (%)	40.9	50.1	53.3	51.0	51.9
EPS(USD)	11.11	17.13	23.98	28.71	33.28
Net Profit Margin(%)	-18.91	54.15	39.95	19.73	15.93

Source: Bloomberg; 2025/26F are market estimates

AI Infrastructure Tracker

Worldwide Quarterly AI Infrastructure Tracker
Server AI Centric Value US$Bn 2024 - 2029

P/E & P/B

Market Uncertainty Drives Taiwan Equity Volatility; 2026 AI Demand Continues to Support Memory Stocks

TW Equities

Taiwan Equities Rebound as Liquidity Guides Bullish Momentum

Expectations of another Fed cut next month lifted risk appetite, with U.S. gains fueling a rebound in Taiwan's large-cap tech names. Broader rotation into financials and non-tech sectors, alongside steady performance in heavyweight electronics, supports near-term tech sentiment. Within electronics, focus remains on Google TPU plays, optical components, GaAs, and PCB names.

Housing Market Shows Bottoming Signals; Brokerage and Pre-Sales Activity Stabilize

We observe signs of a bottoming in Taiwan's property transaction volume:

1. Sinyi's 3Q25 revenue returned to sequential growth, outperforming its usual seasonal dip during the lunar ghost month.

2. Sinyi's guidance indicates brokerage activity has stabilized, with transactions steadily bottoming.

3. Highwealth's marketing revenue has posted three straight months of MoM growth since August.

Looking ahead, bank concentration in real-estate lending has eased, and mortgage quotas are gradually being released. The average mortgage rate at the five major banks has declined since September 2025. We believe easing mortgage supply constraints and lower rates will lift homebuyer confidence, while delayed handovers for pre-sale projects—caused by loan disbursement bottlenecks—should improve.

Overall, property transaction volume likely passed its trough and should recover gradually. We also expect Taiwan's credit-tightening measures on real estate to phase out in 1H26, supporting sentiment recovery and re-rating in construction stocks.
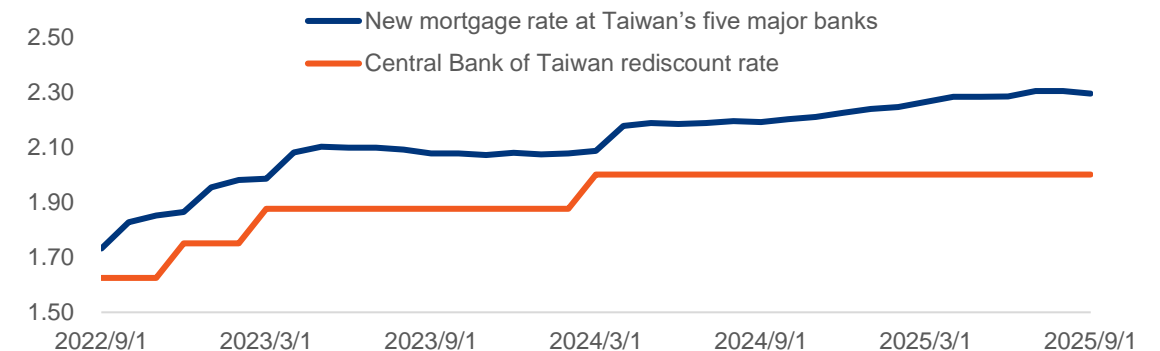
Source: Bloomberg

TAIEX Index and Taiwan Electronics Sector Trends & Est. P/E

Index, 27 Nov 2024 = 100
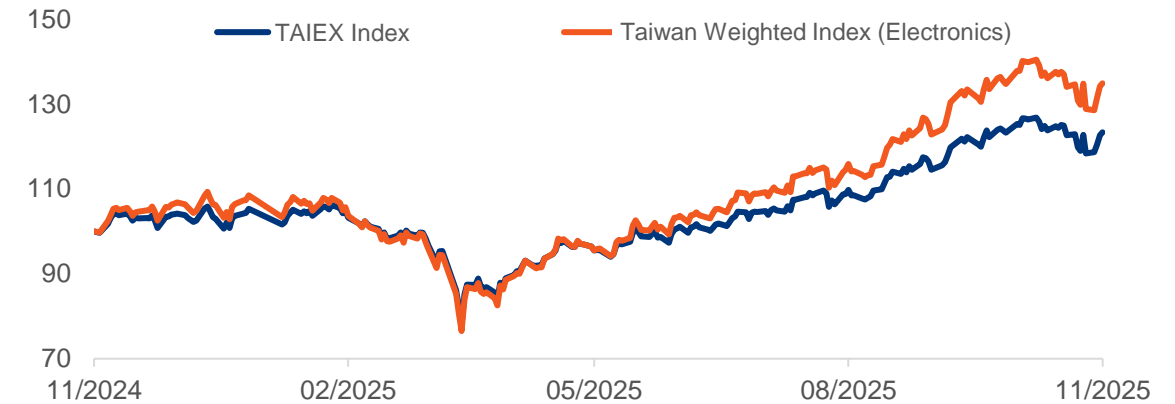
Legend: TAIEX Index — Taiwan Weighted Index (Electronics)

New mortgage rate at Taiwan's five major banks & Central Bank of Taiwan rediscount rate

Legend: New mortgage rate at Taiwan's five major banks — Central Bank of Taiwan rediscount rate

KGI

Dali Development (6177 TT)

Dali engages in residential development, construction contracting, and shopping-mall leasing.

Key Features

New Projects Obtain Use Permits; Closings Likely From Jan 2026

Dali Tianshi and Shijieren received use permits in October/November. We conservatively expect closings to begin in Jan 2026, driving a sharp revenue step-up. Combined contracted sales for both projects total NT$108bn. Shijieren, with earlier land acquisition, should deliver a gross margin above 50%, significantly boosting 1H26 earnings, with 1Q26 likely to reach a record high.

Four Projects to Close in 2026; EPS Forecast at NT$10.3, a New High

Four projects are scheduled for completion and handover in 2026. We expect 2026 to be a major harvest year, with handovers lifting revenue and profit meaningfully. We estimate full-year EPS at NT$10.3, a record high.
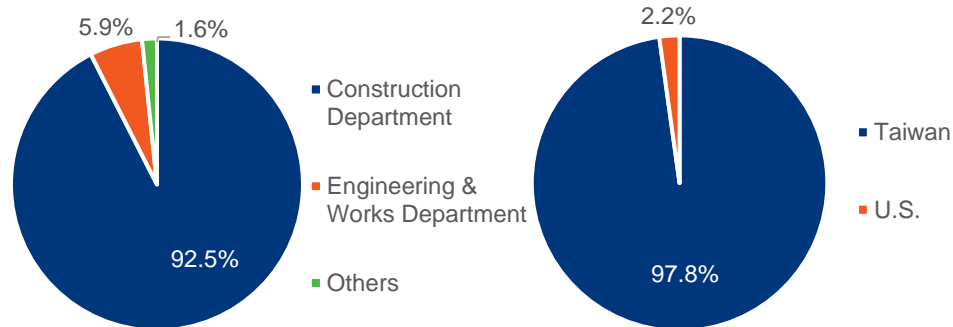
Financials

	2022	2023	2024	2025F	2026F
EPS (NTD)	3.09	5.08	5.01	-0.18	10.34
EPS Growth (%)	-23.4	64.2	-1.2	-103.7	0.0
P/E Ratio	15.2	9.2	9.3	N.A.	4.5
ROE (%)	16.7	25.4	22.6	-0.9	43.6

Source: Company data, estimates of KGI analyst

Valuations

	5Y Avg.	Current

Price	22.53		67.74
P/E	4.71		54.63
P/B	1.36		3.72

Revenue Sources and Regions

5.9% 1.6%

- Construction Department
- Engineering & Works Department
- Others

92.5%

2.2%

- Taiwan
- U.S.

97.8%

Source: Bloomberg

1-Year Price
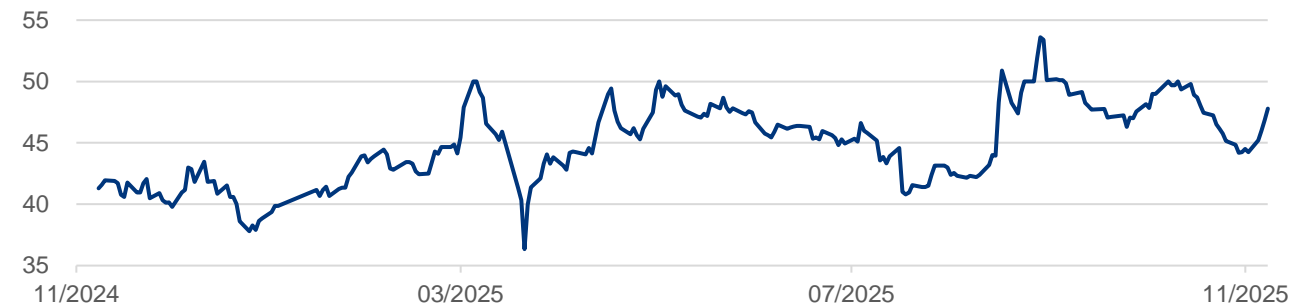
As of 27 Nov 2025	1Wk	1M	3M	6M	YTD	1Y
Return (%)	7.42	-4.40	13.14	-2.35	14.33	15.77

Hiyes International (2348 TT)

Focuses on real-estate agency services, covering pre-sale, new-build, remaining inventory, offices, land, and parking spaces, along with integrated marketing and transaction services.

Key Features

Agency Business Has Passed the Trough; New Launches Support 4Q25

After nearly a year of weakness, agency revenue has posted three straight months of MoM growth since August 2025. For 4Q25, major new projects—Hanshin RiverSky Phase 1 and Zhonghe Bao-Ya—are scheduled to launch, with combined sales of NT$25–35bn, marking the biggest quarterly launch volume this year and supporting agency growth.

Construction Business Entering Harvest Phase

In 2026, six projects are expected to obtain use permits and begin handovers: A3 Light Point, Dali Yecui, Dali Future City, Dunyang, Smile Highwealth 2, and Taiwan Hidden Fortune. Total attributable sales reach NT$8.13bn with a 93.5% sell-through rate, estimated to contribute EPS of NT$8.6.
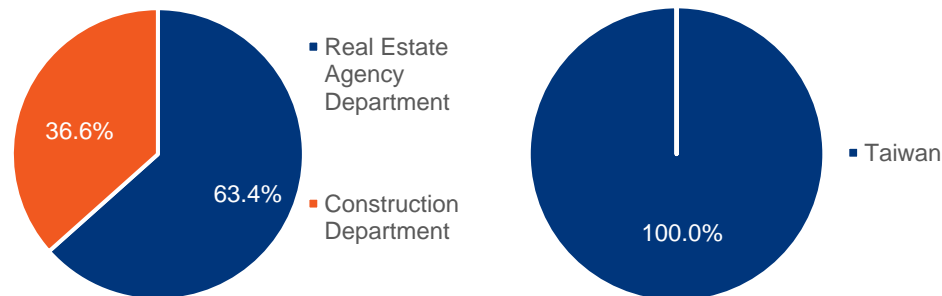
Financials

	2022	2023	2024	2025	2026F
EPS (NTD)	7.88	13.86	14.43	4.93	13.14
EPS Growth (%)	-49.4	76.0	4.1	-65.8	166.6
P/E Ratio	10.5	6.0	5.7	16.8	6.3
ROE (%)	17.3	27.1	29.3	9.3	22.5

Source: Company data, estimates of KGI analyst

Valuations

● 5Y Avg.   ◆ Current

Price	44.1		312.5
P/E	5.01		18.26
P/B	1.25		6.24

1-Year Price
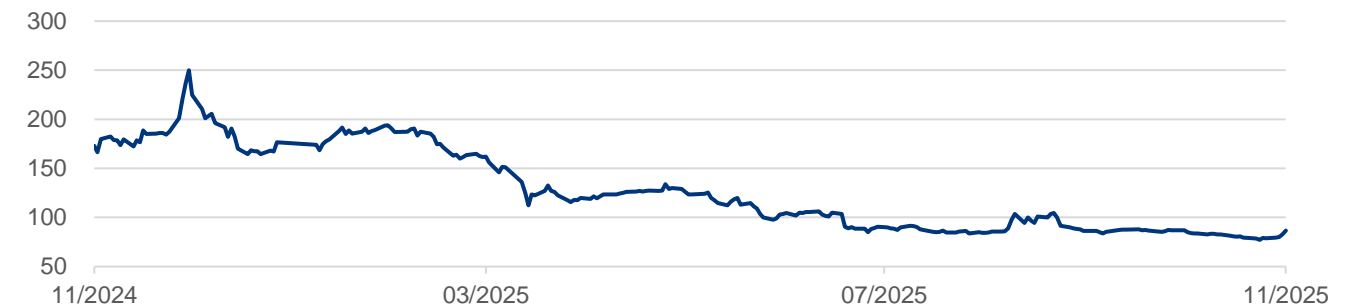
As of 27 Nov 2025	1Wk	1M	3M	6M	YTD	1Y
Return (%)	9.49	-0.57	2.73	-31.35	-56.97	-50.00

Revenue Sources and Regions

- Real Estate Agency Department: 63.4%
- Construction Department: 36.6%
- Taiwan: 100.0%

Source: Bloomberg

Mutual Funds/ ETFs

Where to Allocate? Blended Defensive Equity Strategies

▶ BlackRock Global Funds - Systematic Global Equity High Income Fund

- Enhances income through global dividend stocks and index-call overwriting.
- Uses forward-looking signals and quant analysis to build a diversified global dividend portfolio targeting higher yield with lower risk.
- Managed by BlackRock's Systematic Active Equity team with 38+ years of big-data and quant-investing experience, integrating AI and data analytics.
- Screens 3,000+ securities daily, continually refining ML-driven signals to identify income and outperformance opportunities.
- Latest annualized distribution yield: 7.46% (A6 USD).

▶ Fidelity Funds - Global Dividend Plus Fund

- Invests in quality dividend stocks and employs an active covered-call strategy to enhance income.
- Focuses on value and defensive names resilient across cycles.
- One of the few global equity funds with low U.S. correlation; holds no M7 exposure and adheres to value investing, with heavier weights in Europe and the U.K.
- Managed by seasoned portfolio managers with 15+ years of experience.
- Latest annualized distribution yield: 8.53% (A – C Monthly Distribution (G) – USD Hedged).

Product	BlackRock Global Funds - Systematic Global Equity High Income Fund		Fidelity Funds - Global Dividend Plus Fund	
Features	■ Hold ~339 stocks; diversification helps reduce single-company and regional concentration risk ■ AI + Big Data portfolio construction; identifies leading-performing securities		■ Invest in quality dividend stocks; active covered call strategy to enhance incomeU.S. allocation <10%; suitable for investors seeking regional diversification	
AUM	USD 11.665 billion		USD 1.728 billion	
3M/YTD Return	-1.51% / 9.94%		1.12% / 12.16%	
Sectors (%)	Information Technology	29.40	Financials	27.40
	Financials	15.02	Industrials	17.70
	Communication Services	13.26	Information Technology	12.50
	Healthcare	10.65	Consumer Staples	11.00
	Consumer Staples	9.98	Consumer Discretionary	11.00
Regions(%)	U.S.	62.03	United Kingdom	21.10
	Japan	7.56	Spain	11.70
	China	5.86	France	8.20
	Italy	3.03	Finland	6.90
	France	2.64	United States	6.70
Top 5 Holdings (%)	Microsoft Corp.	4.37	Inditex Group	3.60
	NVIDIA Corp.	4.33	TSMC	3.50
	JPMorgan Chase & Co.	2.48	Reckitt Benckiser Group Plc	3.40
	CME Group Inc.	2.20	Samsung Electronics Co. Ltd.	3.30
	Verizon Communications Inc.	2.03	Ferrari N.V.	3.10

Source: Bloomberg

KGI

BlackRock Global Funds - Systematic Global Equity High Income Fund

Profile

The fund targets high income, investing at least 70% of assets in global equities without country or regional limits.

Global Diversification

The portfolio is broadly diversified across the U.S., Japan, China, Switzerland, France and more, holding ~339 stocks with the top 10 at ~23% weight—helping reduce single-name and regional concentration risk.

Experienced Systematic Team

Managed by BlackRock's Systematic Active Equity team with 38+ years of big-data and quant-investing experience. The team integrates AI and data analytics, continuously refining machine-learning signals to identify securities with strong return potential.
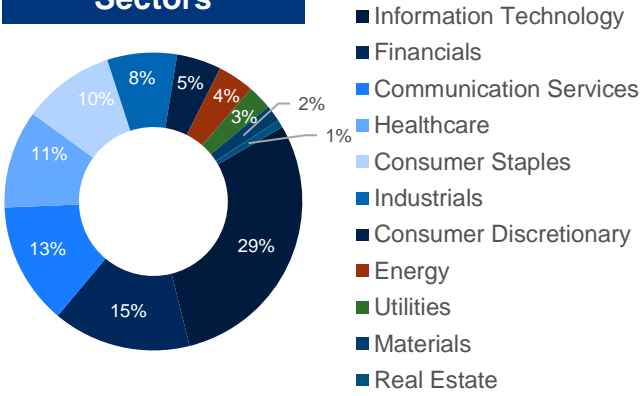
Monthly Distribution Option

The fund offers a monthly-distribution share class. A6 USD's latest annualized distribution yield is 7.46%.
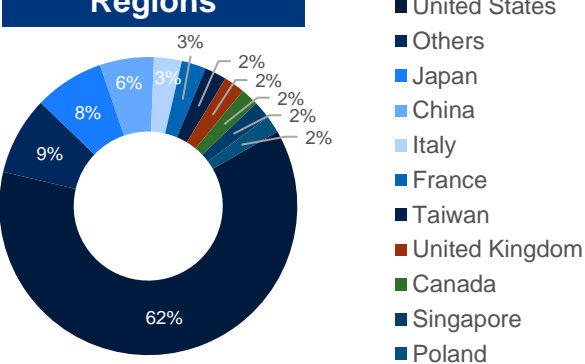
Inception Date	2014/10/8	AUM	USD 11.665 bn
Morningstar Category	Global Equities Income	**Fund Category**	Equities
Morningstar Rating	★★★	**3Y Stand. Dev. (Ann.)**	13.14%

Source: BlackRock

Sectors

Sector	%
Information Technology	29%
Financials	15%
Communication Services	13%
Healthcare	11%
Consumer Staples	10%
Industrials	8%
Consumer Discretionary	5%
Energy	4%
Utilities	3%
Materials	2%
Real Estate	1%

Regions

Region	%
United States	62%
Others	9%
Japan	8%
China	6%
Italy	3%
France	3%
Taiwan	2%
United Kingdom	2%
Canada	2%
Singapore	2%
Poland	2%

Top-5 Holdings (%)

Microsoft Corp.	4.37
NVIDIA Corp.	4.33
JPMorgan Chase & Co.	2.48
CME Group Inc.	2.20
Verizon Communications Inc.	2.03

3 Year NAV

As of 25 Nov 2025	1M	3M	YTD	1Y	3Y	5Y
USD Cumulative Return (%)	-0.78	-1.51	9.94	8.93	33.07	45.08
Quartile Ranking Within Category	3	3	4	4	3	2

KGI

Fidelity Funds - Global Dividend Plus Fund

Profile

The fund targets income above benchmark, investing at least 70% in global equities and up to 30% in China A/B shares (combined).

Global Diversification

Sector allocation leans defensive, overweight diversified financials, insurance, pharma, and staples—industries less tied to economic cycles. The globally diversified approach suits investors seeking regional balance.

Dividend Focus with Strategy-Driven Income

The portfolio invests in high-quality dividend stocks and enhances income through an actively managed covered-call strategy.
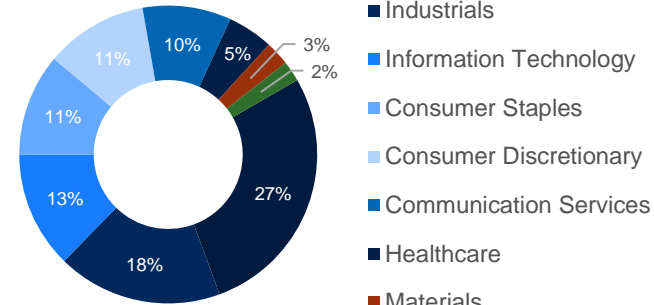
Monthly Distribution & Multiple Currency Classes

Offers monthly payouts and various currency classes. A – C Monthly Distribution (G) – USD (Hedged) currently delivers an annualized yield of 8.53%.
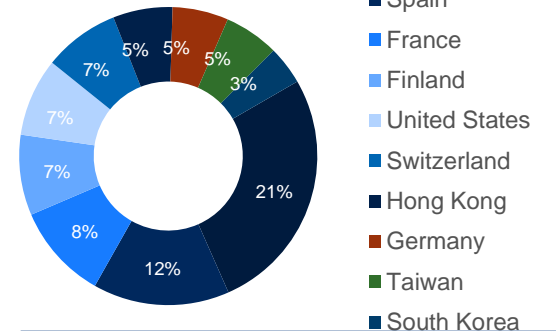
Inception Date	2024/6/26	AUM	USD 1.728 bn
Morningstar Category	Global Large-Cap Equities	Fund Category	Equities
Morningstar Rating	★★★★	3Y Stand. Dev. (Ann.)	12.50%

Source: Fidelity

Sectors

- Financials
- Industrials
- Information Technology
- Consumer Staples
- Consumer Discretionary
- Communication Services
- Healthcare
- Materials
- Utilities

Regions

- United Kingdom
- Spain
- France
- Finland
- United States
- Switzerland
- Hong Kong
- Germany
- Taiwan
- South Korea

Top-5 Holdings (%)

Inditex Group	3.60
TSMC	3.50
Reckitt Benckiser Group Plc	3.40
Samsung Electronics Co. Ltd.	3.30
Ferrari N.V.	3.10

3 Year NAV

2024/6/26 — 2025/11/25

As of 25 Nov 2025	1M	3M	YTD	1Y	3Y	5Y
USD Cumulative Return (%)	-1.26	1.12	12.16	11.19	-	-
Quartile Ranking Within Category	2	3	3	3	-	-
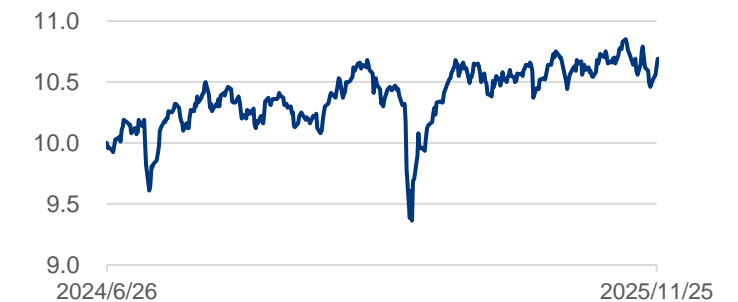
Bonds | **Weight-Loss Drug Outlook Brightens; Favor High-Quality Pharma Bonds**

► PFE 4 12/15/36 (Pfizer Inc.) (USD)

- Pfizer develops and markets a broad range of medicines, including vaccines, oncology, cardiovascular, rare-disease treatments, and emerging obesity therapies such as MET-097i. Key products include Prevnar and Ibrance.

- 3Q25 revenue beat at US$16.7bn, with strong non-COVID products and acquired assets offsetting fading COVID demand, limiting the YoY decline to 7%. The U.S. contributed ~64.2% of revenue, while international markets (Europe & APAC) grew 6% and accounted for 35.8%.

- Supported by cost-optimization and portfolio adjustments, operating cash flow reached US$6.4bn for the first nine months, +10% YoY. Management targets US$7.2bn in cumulative cost savings by 2027, enhancing free-cash-flow generation and helping manage net leverage.

- Pfizer recently completed a US$10bn acquisition of Metsera, expanding into obesity treatments and accelerating its weight-loss pipeline. First launches are expected in 2028, helping offset COVID normalization and patent-expiry risk. Pfizer's revenue mix is more diversified than peers, with its largest product contributing only ~12% of sales vs Bristol Myers at 28% and Merck at 46%.

- As of 3Q25, the debt ratio stood at 55%. Net debt/EBITDA was 2.29x, with JPM expecting a decline to 1.9x in 2026 and 1.7x in 2027. The current ratio of 1.28x signals no liquidity issues, while an interest-coverage ratio of 5.91x reflects solid debt-servicing capacity.

Product	PFE 4 12/15/36 (Pfizer Inc.) (USD)
ISIN	US717081EC37
Features	Rated A2/A by Moody's and S&P, respectively, and the diversified product portfolio effectively mitigates the impact of patent expiration and competition.
Maturity Date	2036/12/15
Next Call Date	-
Coupon (%)	Fixed/ 4 /Semi-annual
Currency	USD
Years to Maturity	11.05
Credit Rating (Moody's/Fitch/S&P)	A2/A/A
Seniority	Senior Unsecured
YTM/YTC (%)	4.60/-

Source: Bloomberg

KGI

PFE 4 12/15/36 (Pfizer Inc.) (USD)

Pfizer develops and markets a broad range of medicines, including vaccines, oncology, cardiovascular, rare-disease treatments, and emerging obesity therapies such as MET-097i. Key products include Prevnar and Ibrance.

- 3Q25 revenue beat at US$16.7bn, with strong non-COVID products and acquired assets offsetting fading COVID demand, limiting the YoY decline to 7%. The U.S. contributed ~64.2% of revenue, while international markets (Europe & APAC) grew 6% and accounted for 35.8%.

- Supported by cost-optimization and portfolio adjustments, operating cash flow reached US$6.4bn for the first nine months, +10% YoY. Management targets US$7.2bn in cumulative cost savings by 2027, enhancing free-cash-flow generation and helping manage net leverage.

- Pfizer recently completed a US$10bn acquisition of Metsera, expanding into obesity treatments and accelerating its weight-loss pipeline. First launches are expected in 2028, helping offset COVID normalization and patent-expiry risk. Pfizer's revenue mix is more diversified than peers, with its largest product contributing only ~12% of sales vs Bristol Myers at 28% and Merck at 46%.

- As of 3Q25, the debt ratio stood at 55%. Net debt/EBITDA was 2.29x, with JPM expecting a decline to 1.9x in 2026 and 1.7x in 2027. The current ratio of 1.28x signals no liquidity issues, while an interest-coverage ratio of 5.91x reflects solid debt-servicing capacity.

Financials	2025Q1	2025Q2	2025Q3
Net Debt/ EBITDA (x)	2.36	2.25	2.29
Liquidity Ratio (%)	1.26	1.16	1.28
Interest Coverage Ratio (%)	5.72	5.78	5.91

Source: Bloomberg

Overview

Name	PFE 4 12/15/36	ISIN	US717081EC37
Maturity Date	2036/12/15	Remaining Maturity	11.05
Coupon(%)	Fixed/4.00/Semi-annual	YTM/YTC(%)	4.54/-
Currency	USD	Min. Subscription/ Increment	2,000/1,000
Ratings (Moody's/Fitch/S&P)	A2/A/A	Seniority	Senior Unsecured

Price (New Issued Bond)
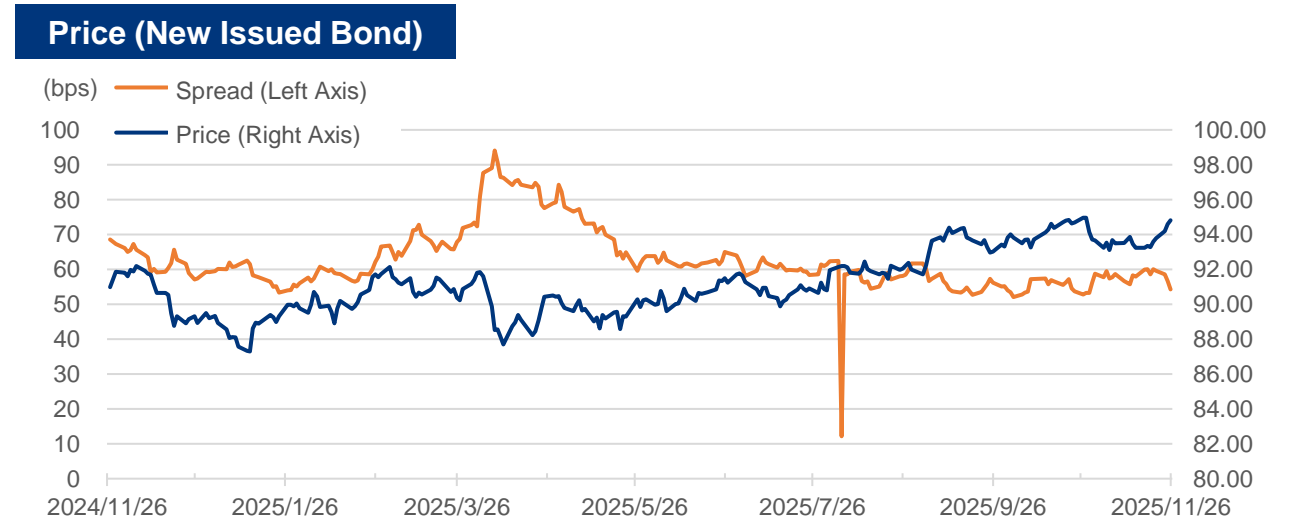
Appendix ◣◗ **Key Economic Data / Events**

► **Nov 2025**

24 Monday	25 Tuesday	26 Wednesday	27 Thursday	28 Friday
• Taiwan Oct Unemployment Rate (Act:3.33% Est:3.35% Prev:3.35%)	• U.S. Sep Retail Sales MoM (Act:0.2% Est:0.4% Prev:0.6%) • U.S. Sep PPI YoY (Act:2.7% Est:2.6% Prev:2.7%) • U.S. Nov Conference Board Consumer Confidence (Act:88.7 Est:93.3 Prev:95.5)	• U.S. Weekly Initial Jobless Claims (Act:216k Est:225k Prev:222k) • U.S. Sep Durable Goods Orders MoM (Prelim) (Act:0.5% Est:0.5% Prev:3.0%) • Japan Oct Machine Tool Orders YoY (Final) (Act:17.1% Prev:11.0%)	• Eurozone Nov Consumer Confidence (Final) (Act:-14.2 Prev:-14.2) • Eurozone Nov Economic Sentiment (Act:97.0 Est:97.0 Prev:96.8)	• Japan Oct Unemployment Rate (Act:2.6% Est:2.5% Prev:2.6%) • Japan Oct Job-to-Applicant Ratio (Act:1.18 Est:1.20 Prev:1.20) • Japan Oct Tokyo CPI YoY (Act:2.7% Est:2.7% Prev:2.7%) • Japan Oct Industrial Production MoM (Prelim) (Act:1.4% Est:-0.6% Prev:2.6%) • Taiwan 3Q GDP YoY (Prelim) (Est:7.60% Prev:7.64%)

► **Dec 2025**

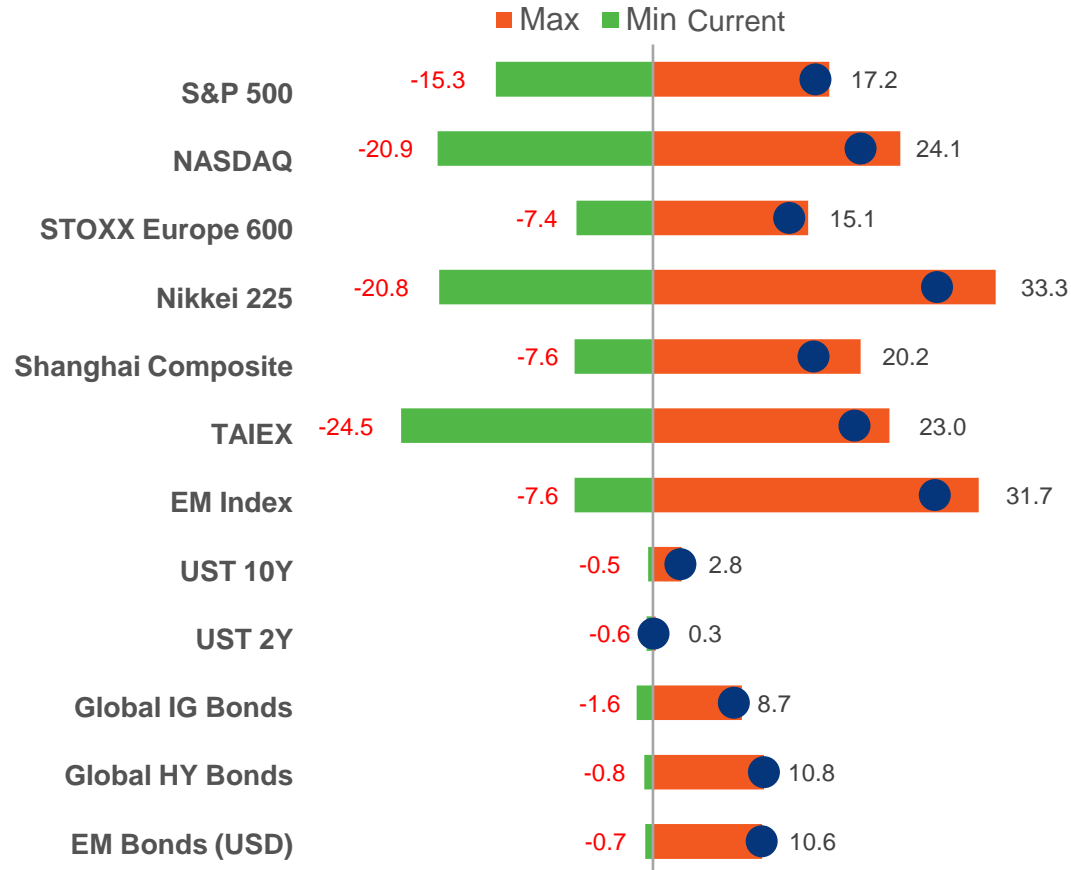| 1 Monday	2 Tuesday	3 Wednesday	4 Thursday	5 Friday
• U.S. Nov S&P Global Manufacturing PMI (Final) (Prev:52.5) • U.S. Nov ISM Manufacturing PMI (Est:49.0 Prev:48.7) • Eurozone Nov Manufacturing PMI (Final) (Est:49.7 Prev:50.0) • Japan Nov S&P Global Manufacturing PMI (Final) (Prev:48.2) • China Nov S&P Global Manufacturing PMI (Est:50.5 Prev:50.6)	• Eurozone Oct Unemployment Rate (Est:6.3% Prev:6.3%) • Eurozone Nov CPI YoY (Flash) (Est:2.2% Prev:2.1%)	• U.S. Nov ADP Employment Change (Est:20k Prev:42k) • U.S. Sep Industrial Production MoM (Est:0.1% Prev:-0.1%) • U.S. Nov ISM Services PMI (Est:52.0 Prev:52.4) • Eurozone Nov Services PMI (Final) (Est:53.1 Prev:53.0) • Eurozone Oct PPI YoY (Prev:-0.2%) • China Nov S&P Global Services PMI (Est:51.9 Prev:52.6) • Earnings: Crowdstrike (CRWD)	• U.S. Weekly Initial Jobless Claims (Prev:216k) • Earnings: Salesforce (CRM)	• U.S. Sep PCE YoY (Est:2.8% Prev:2.7%) • U.S. Sep Core PCE YoY (Est:2.8% Prev:2.9%) • U.S. Dec Univ. of Michigan Sentiment (Prelim) (Est:52.0 Prev:51.0) • Eurozone 3Q GDP YoY (Final) (Est:1.4% Prev:1.5%) • Taiwan Nov CPI YoY (Est:1.50% Prev:1.48%)

Source: Bloomberg

◆ KGI

Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	EPS
2025/11/26	Deere & Company (DE)	9.82B	12.39B	3.85	3.93	V	V

Source: Investing.com

KGI

YTD Major Market / Asset Performance

Equities & Bond Markets YTD Performance (%)

■ Max ■ Min ● Current

	Max	Current
S&P 500	-15.3	17.2
NASDAQ	-20.9	24.1
STOXX Europe 600	-7.4	15.1
Nikkei 225	-20.8	33.3
Shanghai Composite	-7.6	20.2
TAIEX	-24.5	23.0
EM Index	-7.6	31.7
UST 10Y	-0.5	2.8
UST 2Y	-0.6	0.3
Global IG Bonds	-1.6	8.7
Global HY Bonds	-0.8	10.8
EM Bonds (USD)	-0.7	10.6

Currencies and Commodities Market YTD Performance (%)

■ Max ■ Min ● Current

	Max	Current
USD Index	-10.9	1.4
EUR	-1.1	14.6
JPY	-0.7	11.6
AUD	-3.7	8.0
Onshore CNY	-0.6	3.2
NTD	-1.3	13.7
EM Currency	-0.5	8.4
BTC	-17.8	33.7
ETH	-55.8	44.9
WTI Crude	-16.9	3.8
Spot Gold	0.0	66.0
Base Metals	-6.0	17.8

Source: Bloomberg, 28 Nov 2025

KGI
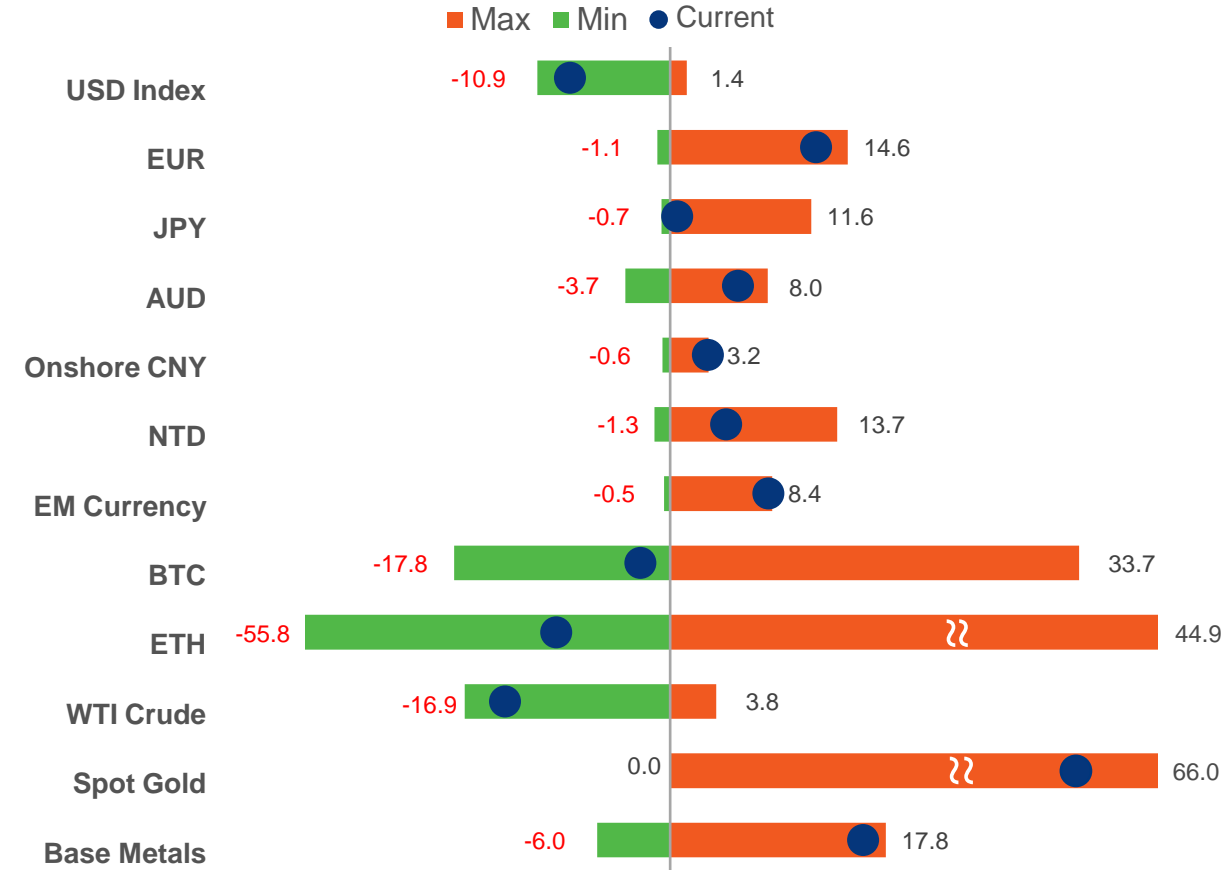
Technical Analysis

S&P 500 Index

- **Current: 6,812**
- **60MA: 6,692**

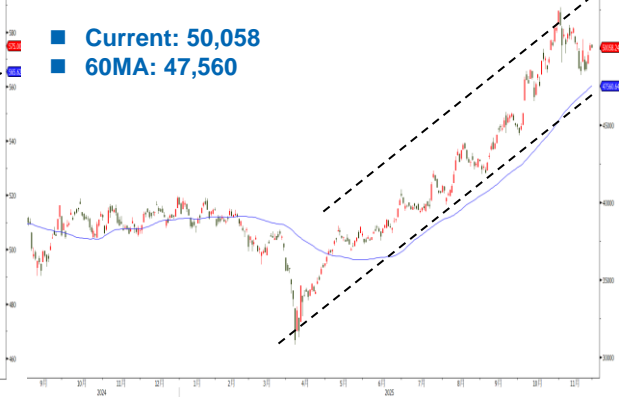

NASDAQ Index

- **Current: 23,214**
- **60MA: 22,772**

STOXX Europe 600 Index

- **Current: 575**
- **60MA: 565**

Nikkei 225 Index

- **Current: 50,058**
- **60MA: 47,560**

Shanghai Composite Index

- **Current: 3,866**
- **60MA: 3,900**

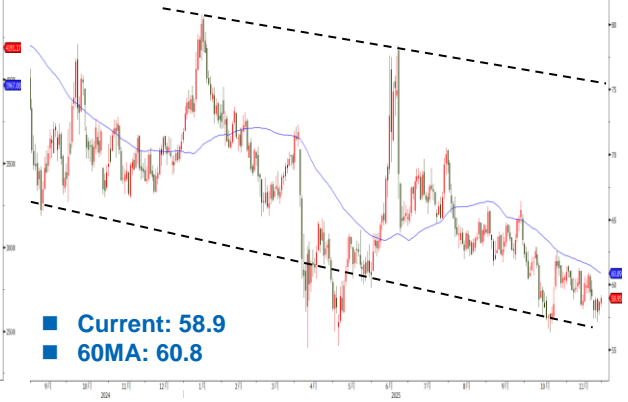### MSCI Emerging Markets Index

- **Current: 1,370**
- **60MA: 1,363**

Gold

- **Current: 4,191**
- **60MA: 3,967**

WTI Crude

- **Current: 58.9**
- **60MA: 60.8**

Source: Bloomberg, 28 Nov 2025

KGI

Market Monitor

U.S. CPI YoY (%)

U.S. 10-Year Treasury Yield (%)

U.S. Treasury Yield Spread (bps)
- 10Y-3M
- 10Y-2Y

U.S. Treasury Yield Curve (%)
- 2025/5/28
- 2025/11/28
- 2025/10/28
- 2024/11/28

USD IG Credit Spread (%)

USD HY Credit Spread (%)

USD EM Credit Spread (%)

USD Asia Credit Spread (%)

Source: Bloomberg, 28 Nov 2025

KGI

Market Monitor

VIX Index

VIX Term Structure

U.S. Citi Economic Surprise Index*

U.S. Citi Inflation Surprise Index*

— 28 Oct
— 28 Nov

TED Spread (bps)

U.S. Dollar Index

EUR to USD

USD to JPY
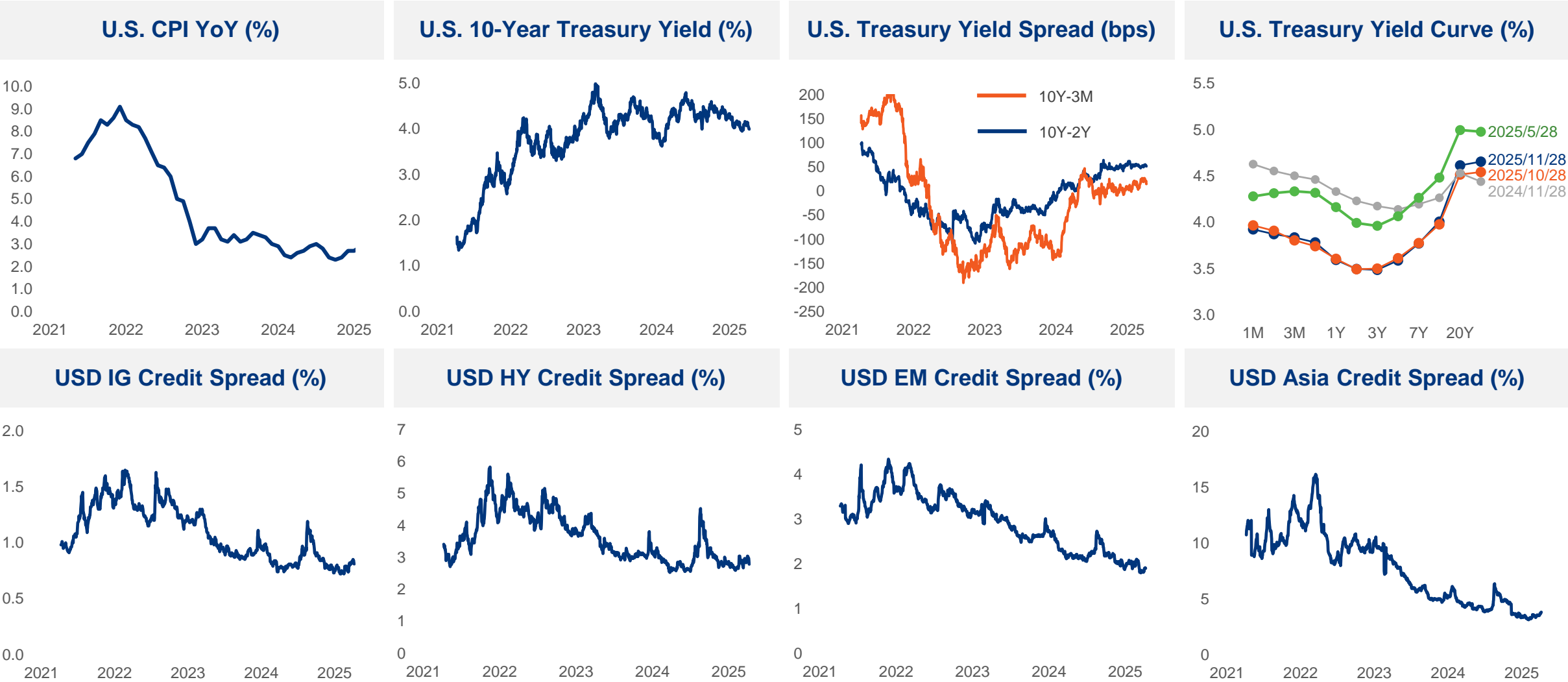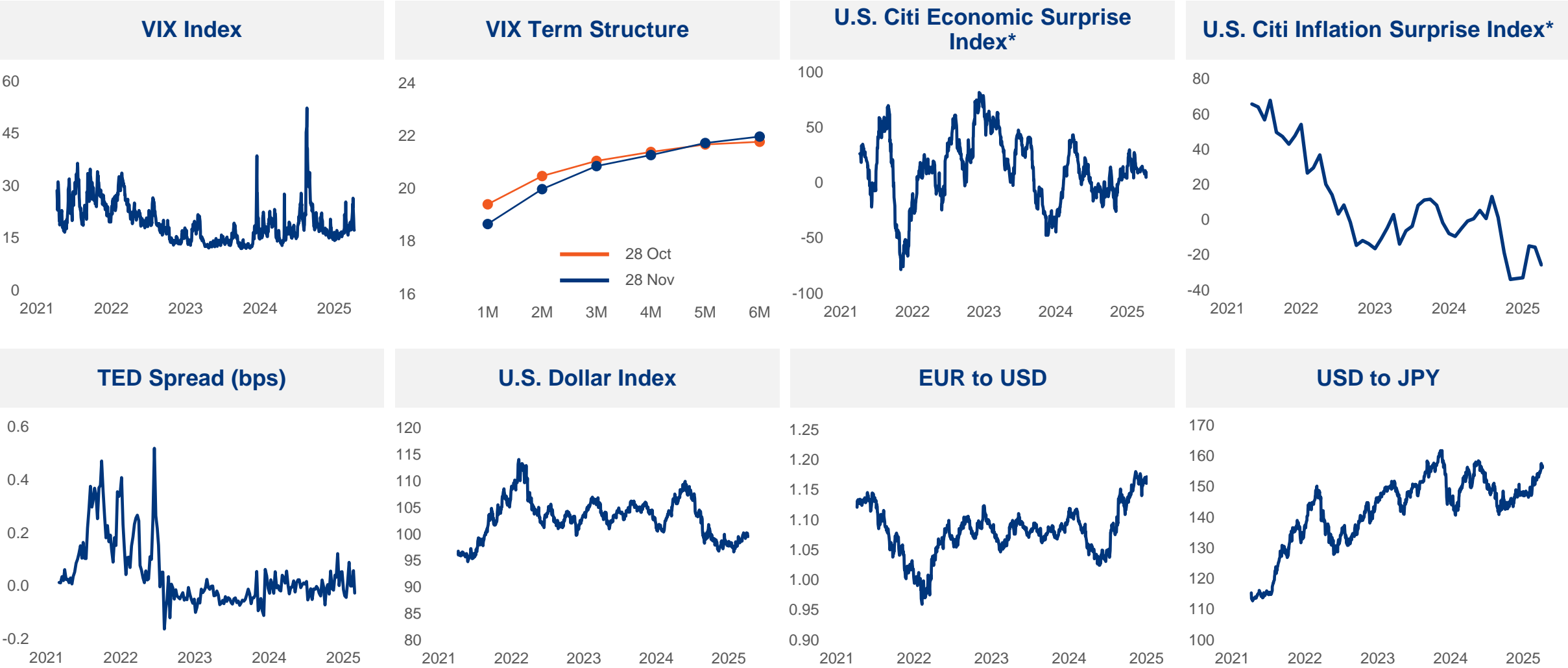
Source: Bloomberg, 28 Nov 2025 *The Citi Economic/Inflation Surprise Index measures the deviation between economic data/actual inflation and market expectations. A rising index indicates economic improvement/inflation exceeding market expectations.

KGI

Disclaimer and Important Notice

Hong Kong: The information contained in the document herein is confidential and is not intended for general public distribution or for use by any person or entity located or residing in any jurisdiction which restricts the distribution of such information by KGI Asia Limited ("KGI") or any affiliate of KGI. Re-distribution of the document herein and any part thereof by any means is strictly prohibited. Such information shall not be regarded as an offer, invitation, solicitation or recommendation to invest in or sell any securities or investment products to any person or entity in any jurisdiction. The above information (including but not limited to general financial and market information, news services, market analysis and product information) is for general information and reference purpose only and may not be reproduced or published (in whole or in part) for any purpose without the prior written consent of KGI Asia Ltd. Such information is not intended to provide investment advice and should not be relied upon in that regard. You are advised to exercise caution, and if you are in any doubt about such information, you should seek independent professional advice.

You are advised to exercise caution and undertake your own independent review, and you should seek independent professional advice before making any investment decision. You should carefully consider whether investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

No representation or warranty is given, whether express or implied, on the accuracy, adequacy or completeness of information provided herein. In all cases, anyone proposing to rely on or use the information contained herein should independently verify and check the accuracy, completeness, reliability and suitability of the information. Simulations, past and projected performance may not necessarily be indicative of future results. Information including the figures stated herein may not necessarily have been independently verified, and such information should not be relied upon in making investment decisions. None of KGI, its affiliates or their respective directors, officers, employees and representatives will be liable for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered or incurred by any person or entity due to any omission, error, inaccuracy, incompleteness or otherwise, or any reliance on such information. Furthermore, none of KGI, its affiliates or their respective directors, officers, employees and representatives shall be liable for the content of information provided by or quoted from third parties.

Complex Products refers to an investment product whose terms, features and risks are not reasonably likely to be understood by a retail investor because of its complex structure. Investors should exercise caution in relation to complex products. Investors may lose the entire amount or more than the invested amount. For complex products with offering documents or information not reviewed by the Hong Kong Securities and Futures Commission (SFC), investors should exercise caution regarding the offer. For complex products described as SFC-approved, such approval does not imply official endorsement, and SFC recognition does not equate to a recommendation or assurance of the product's commercial viability or performance. Past performance data, if provided, is not indicative of future performance. Some complex products are only available to professional investors. Before making any investment decisions, investors should review the offering documents and other relevant information to understand the key nature, features, and risks of the complex products. Independent professional advice should be sought, and investors should have sufficient net assets to bear the potential risks and losses associated with the product. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers, employees and representatives may from time to time have a position in any securities mentioned herein.

Bond investment is NOT equivalent to a time deposit. It is NOT protected under the Hong Kong Deposit Protection Scheme. Bondholders are exposed to a variety of risks, including but not limited to: (i) Credit risk - The issuer is responsible for payment of interest and repayment of principal of bonds. If the issuer defaults, the holder of bonds may not be able to receive interest and get back the principal. It should also be noted that credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the issuer; (ii) Liquidity risk - some bonds may not have active secondary markets and it would be difficult or impossible for investors to sell the bond before its maturity; (iii) Interest rate risk – When the interest rate rises, the price of a fixed rate bond will normally drop, and vice versa. If you want to sell your bond before it matures, you may get less than your purchase price. Do not invest in bond unless you fully understand and are willing to assume the risks associated with it. Please seek independent advice if you are unsure.

All investments involve risks. The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. Prices of securities and fund units may go up as well as down and past performance information presented is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein (in particular those associated with investments in emerging markets for funds investing in emerging markets)) in detail before making any investment decision. You are advised to exercise caution and undertake your own independent review, and you should seek independent professional advice before making any investment decision. You should carefully consider whether investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

Singapore: This document is provided for general information and circulation only, and is not an offer or a solicitation to deal in any securities or to enter into any legal relations, nor an advice or a recommendation with respect to any financial products mentioned herein. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. You should ensure that you understand the risk(s) involved and should independently evaluate particular investments and consult an independent financial adviser before making any investment decisions. All information and opinions contained herein is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice.

KGI