



CIO Office

Global Markets Weekly Kickstart

Finding the Sweet Spot in Fixed Income

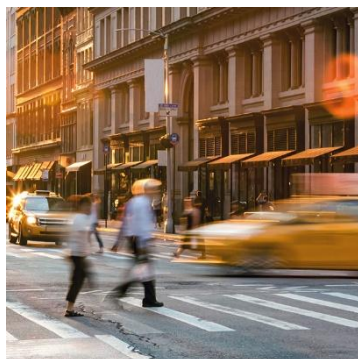
20 July 2026

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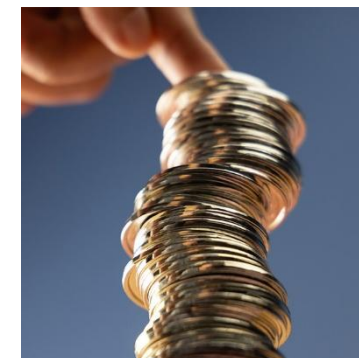
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Finding The Next Catalysts For Gold

► Central Bank Accumulation & Structural Diversification

A World Gold Council survey reveals that 45% of surveyed central banks plan to expand their gold holdings over the next year – the highest percentage since 2018. Driven by escalating geopolitical tensions and sanctions exposure, reserve managers are actively steering away from single-currency vulnerabilities, with 90% prioritizing gold's lack of default risk during crises.

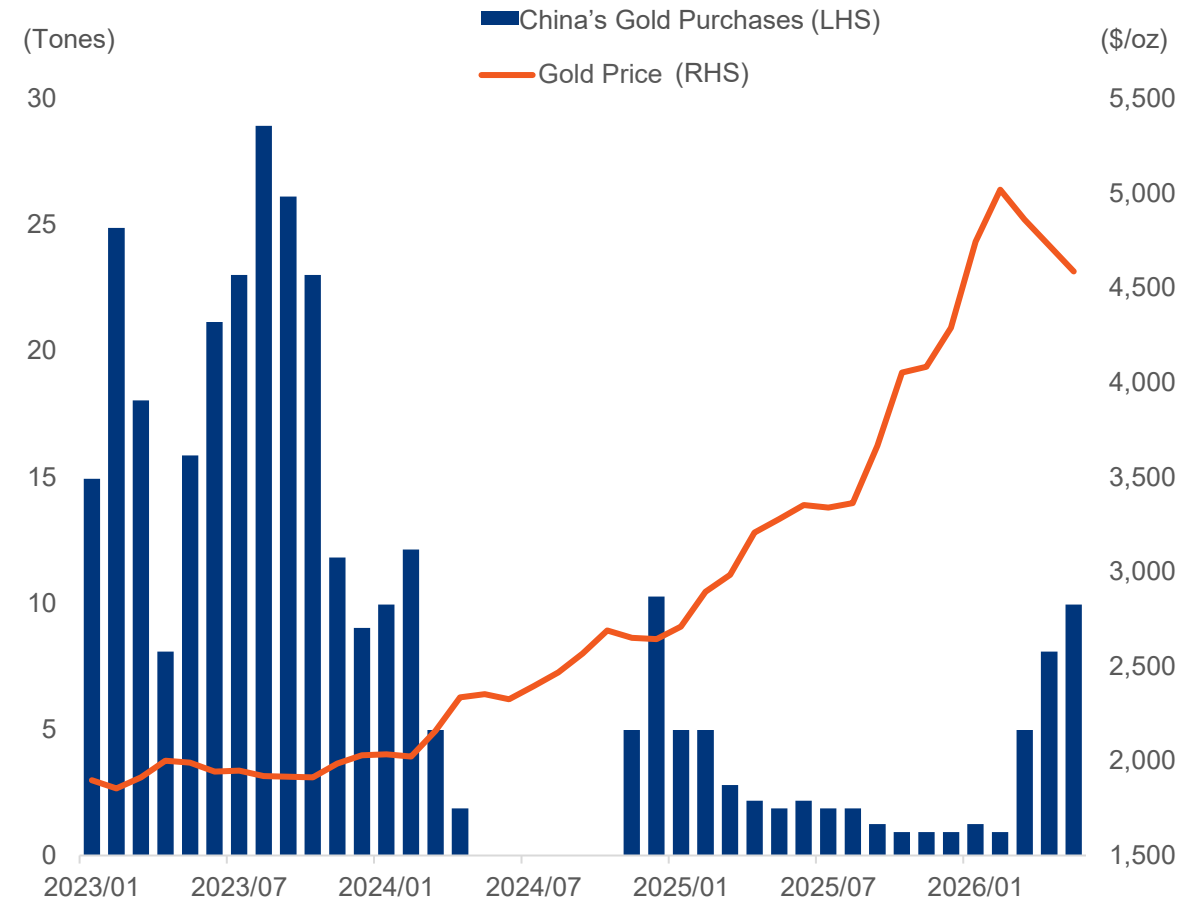
► Macro Shifts Restore Safe-Haven Status

Massive retail participation, which previously induced high price volatility and treated gold as a risky asset, has largely shifted toward global AI trades. We believe that any significant correction in this highly concentrated AI sector will prompt a defensive flight to quality, driving the Federal Reserve to lower interest rates and restoring gold as the ultimate safe-haven asset.

► Sovereign Revaluation & Geopolitics

While China curbs domestic paper-gold speculation to enforce clean physical price discovery, the US faces a mounting \$39.2 trillion national debt challenge. Although full debt backing is unrealistic, the potential long-term revaluation of US gold reserves to partially back outstanding Treasuries provides a structural, bullish demand floor for the metal.

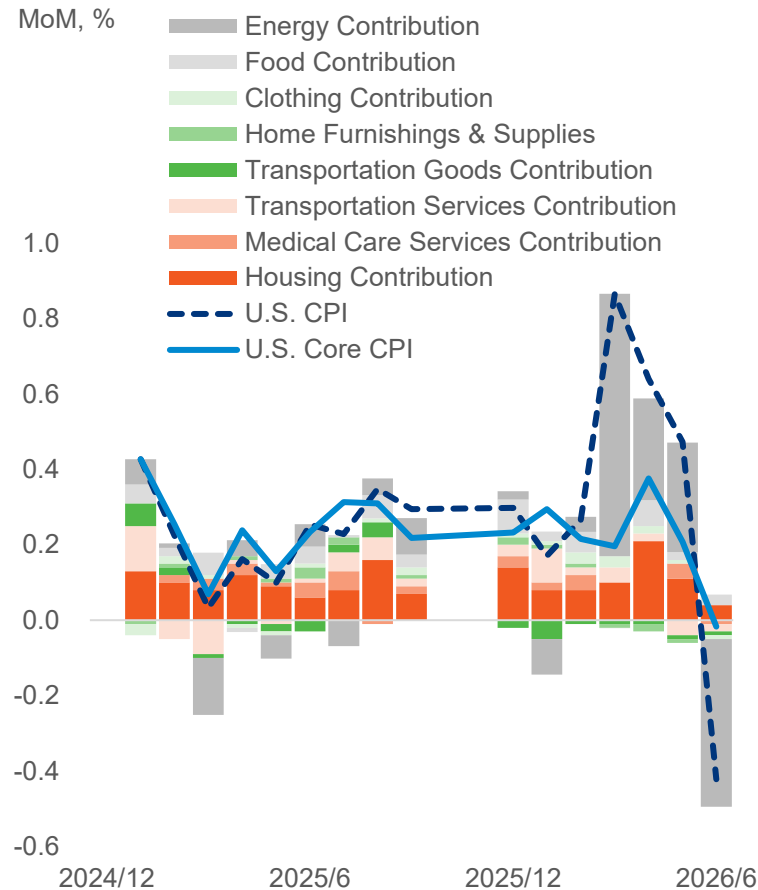
The Central Bank is Buying on Clearer Market Signals



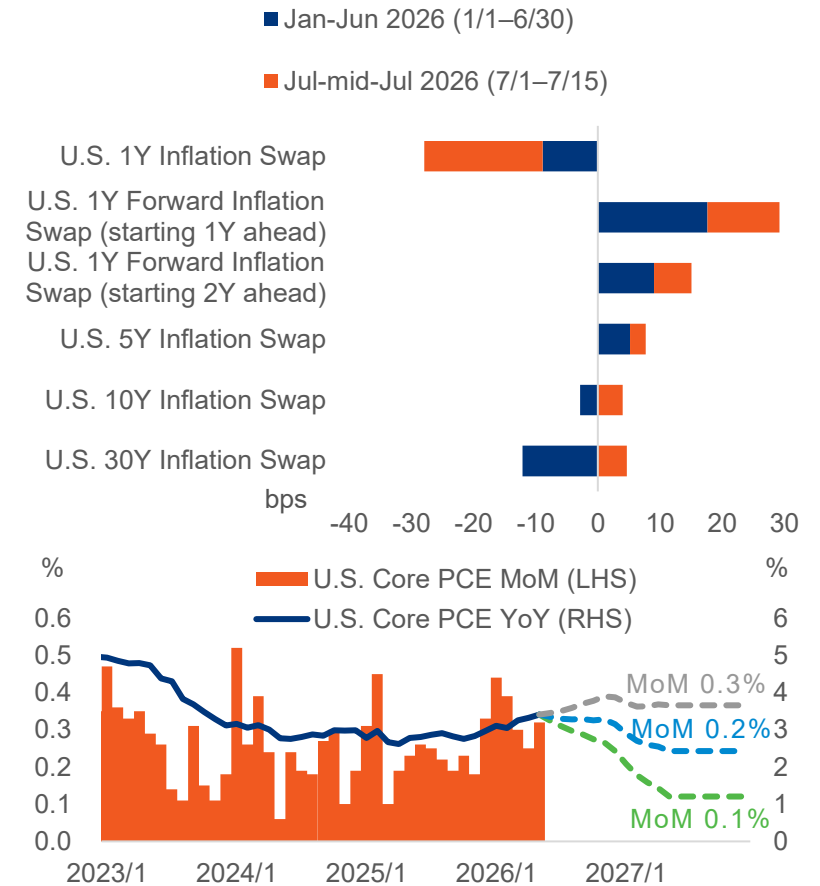
US CPI Eases on Oil, Focus on Core Inflation Slowdown

- ▶ U.S. June CPI fell 0.4% MoM, the largest monthly decline since April 2020, driven by lower energy prices. Annual CPI slowed from 4.2% to 3.5%. Despite the World Cup boosting demand, core CPI excluding housing also eased, with YoY growth down to 2.6%. Housing inflation moderated, while auto insurance, apparel, healthcare, and used car prices all declined. Both headline and core CPI came in below expectations, signaling broad cooling of inflationary pressures in June. However, the sharp disinflation may prove temporary.
- ▶ Since July, inflation swap markets have diverged: falling oil prices drove short-term inflation lower, while expectations beyond two years remain elevated. Fed Chair Warsh's firm stance in Congress reinforced the likelihood of maintaining high rates through year-end.
- ▶ The key question is when U.S. inflation will reach the Fed's 2% target. If housing costs continue to ease and tariff pass-through effects diminish, core PCE monthly growth could stay below 0.2%. In that case, annual core PCE may align with the Fed's target as early as next year.

US CPI Monthly Growth Slows on Energy Price Decline



Divergent Inflation Expectations, Focus on Core PCE in H2

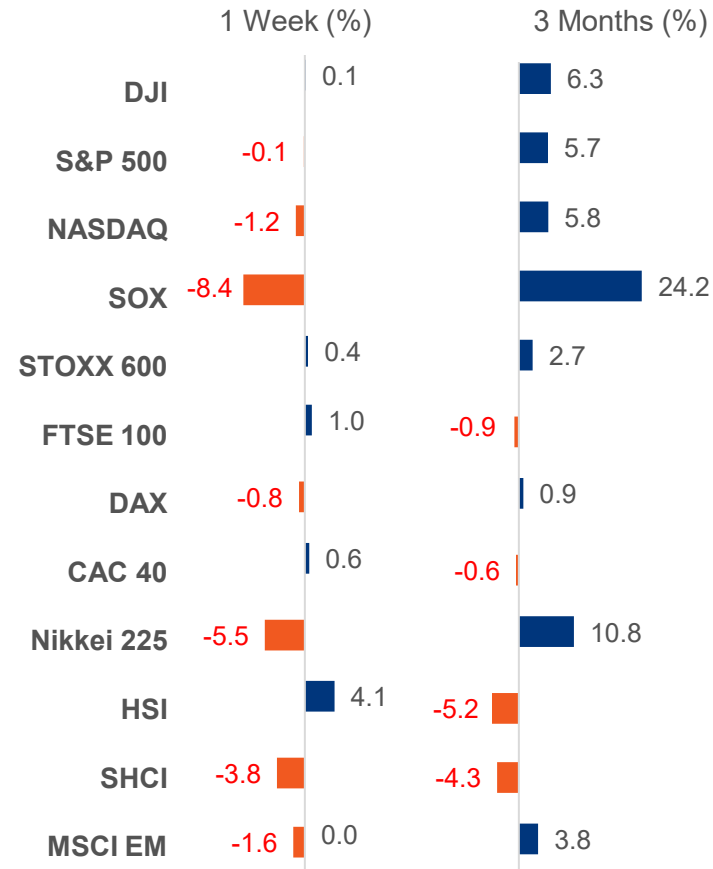


Market Recap

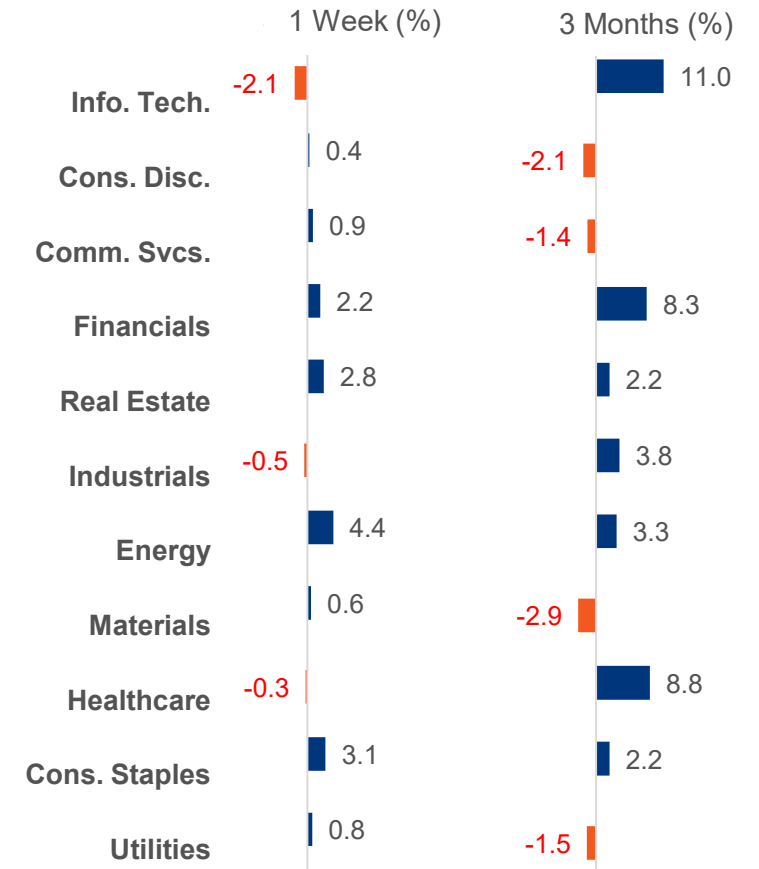
Semiconductor Selloff Persists, Investors Shift to Undervalued Stocks

- ▶ U.S. President Trump briefly announced a 20% fee on ships passing through the Strait of Hormuz, later rescinded, reigniting geopolitical risk concerns. In South Korea, a central bank rate hike and strong sales of leveraged equity products raised risks of deleveraging and liquidity tightening, leading to another market circuit breaker. Semiconductor stocks faced profit-taking pressure, while the Dow Jones Industrial Average showed relative resilience, highlighting that current market stress is concentrated in semiconductors and reflects ongoing sector rotation.
- ▶ AI-related equities remain under selling pressure, with Japanese stocks also correcting. China's Q2 GDP slowed to 4.3%, below both government targets and market expectations. Ahead of the mid-year Politburo meeting, Premier Li Qiang signaled structural support measures, spurring capital inflows and a rebound in Hong Kong equities, though mainland stocks stayed weighed down by weak domestic fundamentals.
- ▶ Despite upbeat earnings outlooks from ASML and TSMC, investor sentiment was mixed: Meta shifted focus from AI R&D to monetizing computing power, while Google's flagship Gemini 3.5 Pro model reportedly faced delays. Large-cap tech stocks showed divergent performance, with funds rotating toward undervalued sectors.

Regional Index Performance (%)



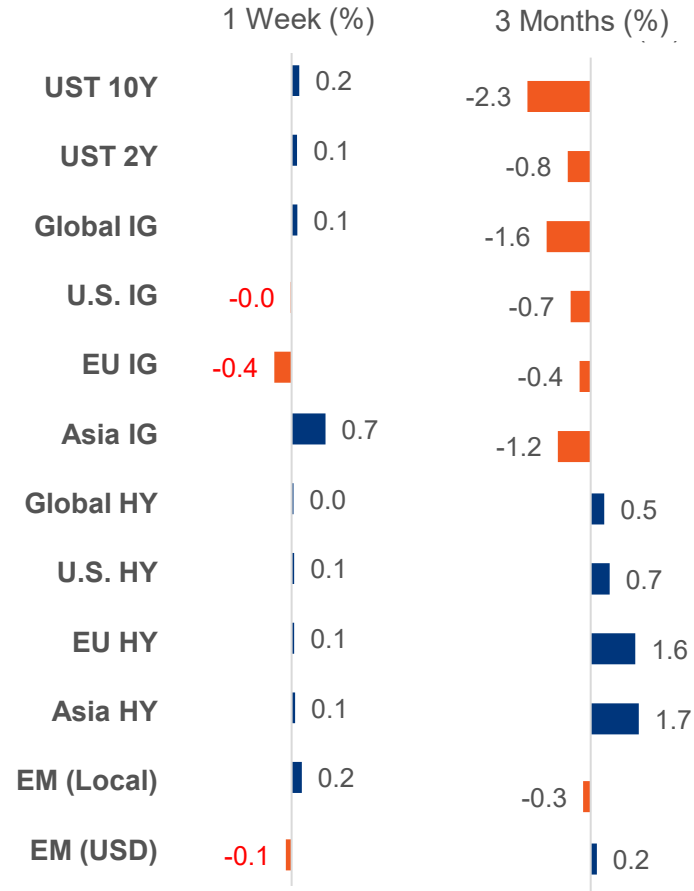
U.S. Sector Index Performance (%)



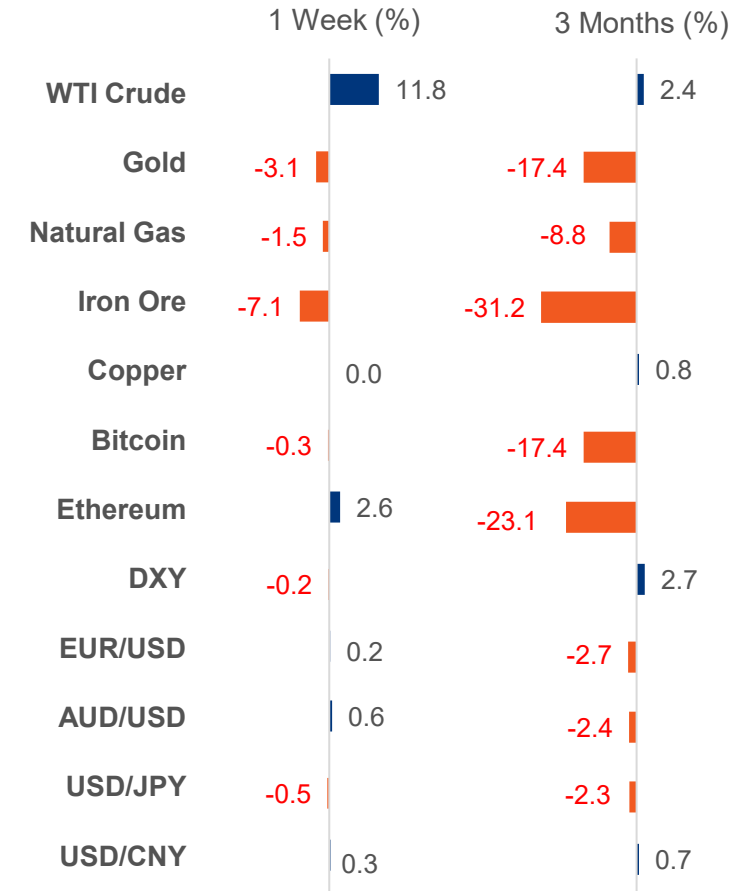
Fed Chair's Testimony and Data Jolt Bonds, U.S.–Iran Tensions Lift Oil Prices

- ▶ Fed Chair Warsh's debut testimony in Congress underscored a "zero tolerance" stance on high inflation and reaffirmed central bank independence, reinforcing a hawkish tone. Meanwhile, June CPI and PPI both eased below expectations, slightly delaying rate-hike bets. U.S. Treasury yields fell and the curve steepened, supporting credit markets. With inflation unlikely to reach the Fed's 2% target in H2, the near-term stance remains hawkish, while investors monitor the evolving U.S.–Iran conflict.
- ▶ The ceasefire gap in the Strait of Hormuz reignited tensions, raising energy supply concerns and pushing oil prices higher. Coupled with lingering Fed rate expectations, the high-rate backdrop weighed on gold prices.
- ▶ In FX, cooling CPI eased short-term Fed hike expectations, weakening the dollar and opening room for non-USD currencies. The Australian dollar rebounded on stronger oil and copper, while ECB Governing Council member Nagel warned of Middle East instability, pledging action if needed. Narrowing real yield spreads between U.S. and Europe supported a recovery in the euro.

Performance of Bonds (%)



Performance of Commodities and Currencies (%)

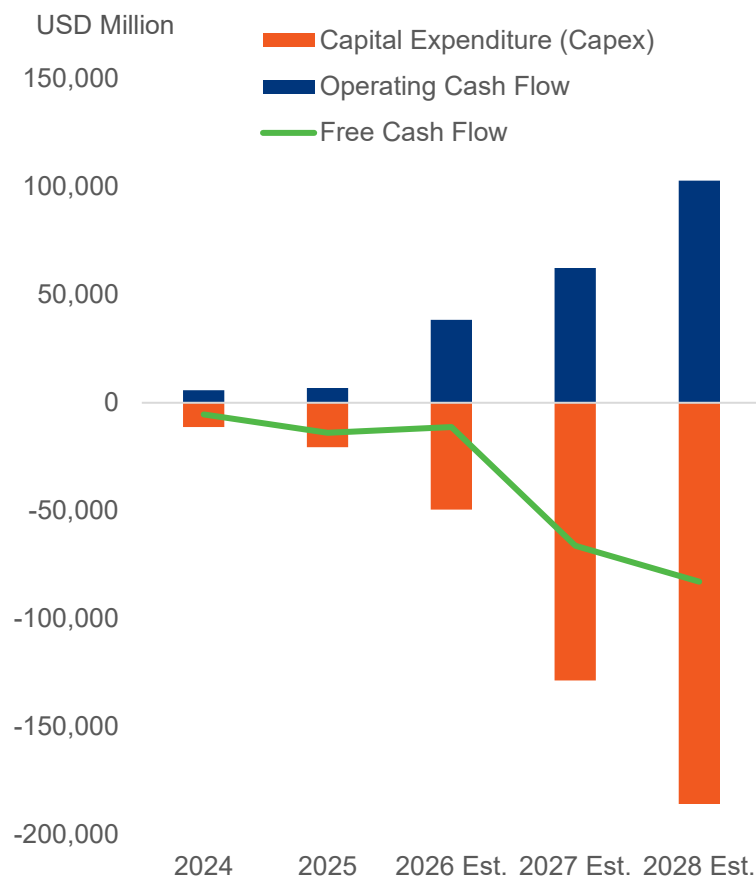


What's Trending

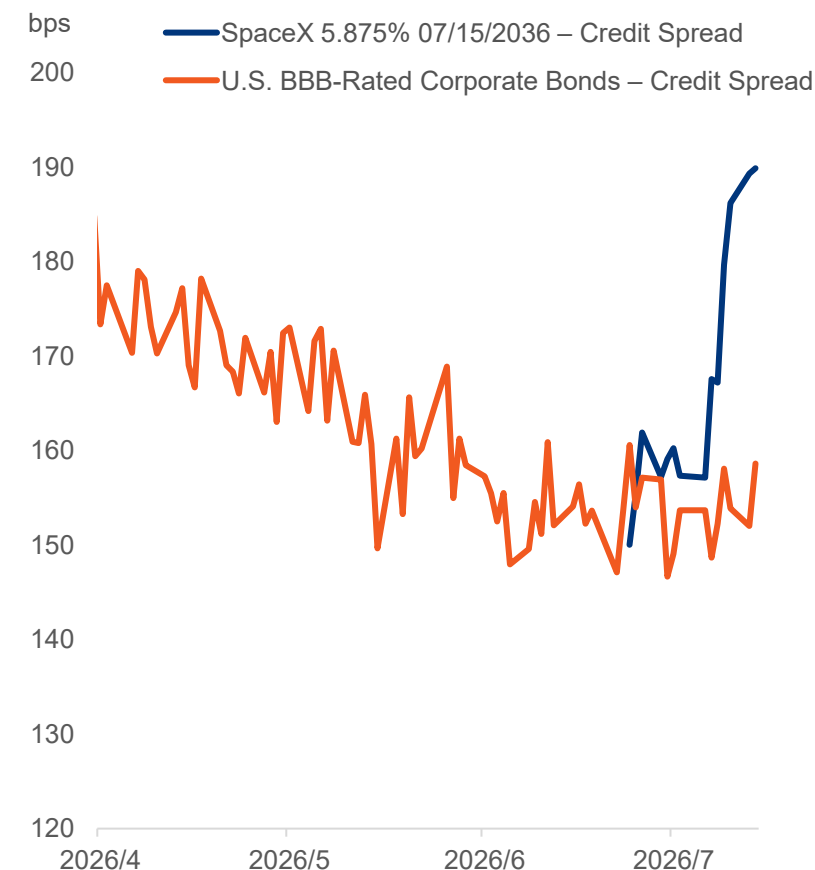
SpaceX Urgent Capital Needs, Large-Scale Financing Likely

- ▶ SpaceX's core businesses span rocket launches, satellite communications, and artificial intelligence. While rockets and satellites dominate current revenue, AI is positioned as the long-term growth engine, making computing power critical. To achieve ambitious milestones and tackle complex engineering challenges, the company faces exceptionally high capital needs.
- ▶ In June 2026, SpaceX went public, raising about \$89 billion in equity, followed by \$25 billion in bond financing — totaling roughly \$115 billion. These funds, combined with operating cash flow, are expected to support \$180 billion in capital expenditures across 2026–2027. However, cash requirements rise sharply in 2028.
- ▶ Beyond Starlink's cash inflows, further financing will be necessary. If operating cash flow underperforms or projects face delays, funding pressure could intensify. Long-term expansion requires massive capex, with future needs likely met through debt issuance. The company is projected to shift from net cash to net debt, consistent with its current BBB S&P rating, where credit spreads remain wider than the benchmark index.

SpaceX FCF Expected to Stay Negative



SpaceX Credit Spreads Wider Than Peers with Similar Ratings

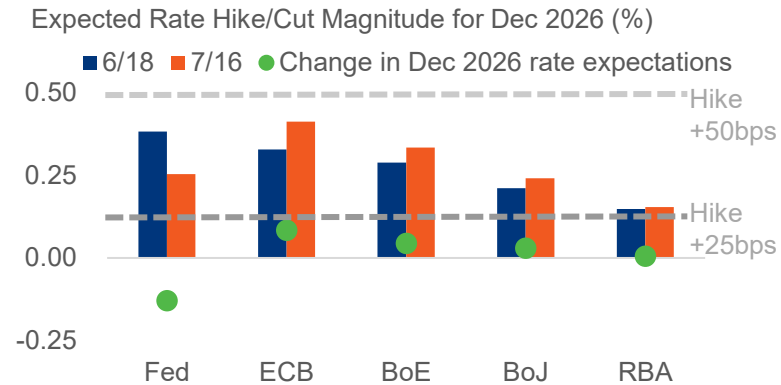


Source: Bloomberg, UBS, KGI

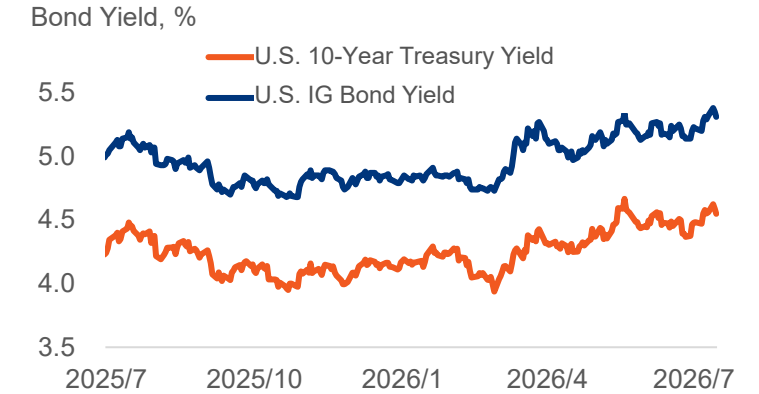
Central Bank Rates Stay Higher for Longer, Quality Bonds Offer More Yield

- ▶ Resilient U.S. labor data and sticky core PCE inflation kept the Fed hawkish at the June FOMC, while massive AI infrastructure and data-center investment bolstered productivity and economic fundamentals. This pushed real rates and Treasury yields to year-to-date highs. Major central banks in Europe, the UK, Japan, and Australia also maintained hawkish stances, reinforcing global rate-hike expectations and triggering broad bond-market sell-offs with spillover effects.
- ▶ U.S. investment-grade bonds saw yields rise passively alongside Treasuries, but credit spreads did not widen significantly thanks to healthy corporate balance sheets. This suggests credit risk remains contained, though short-term volatility may increase due to rate risk. In a “higher for longer” policy environment, positioning in short- to mid-term IG bonds helps lock in attractive yields while mitigating rate-driven price swings.

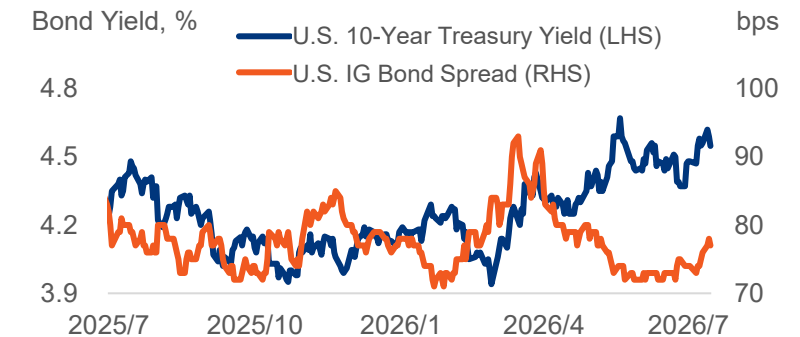
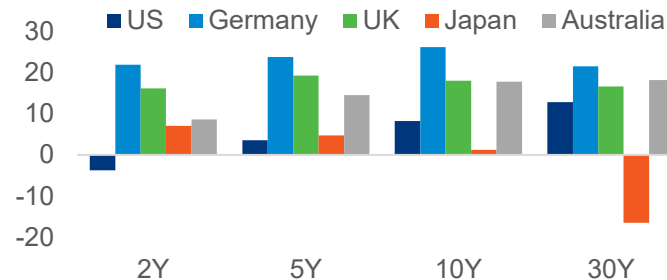
U.S. Year-End Rate Hike Expectations Persist, Driving Recent Treasury Yield Gains



U.S. Treasuries and IG Bond Yields Moving in Tandem Recently



Changes in Government Bond Yields of Major Countries, July 1–15, 2026 (bps)

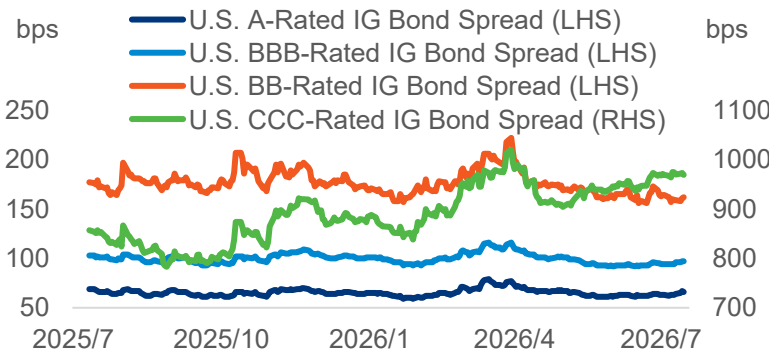
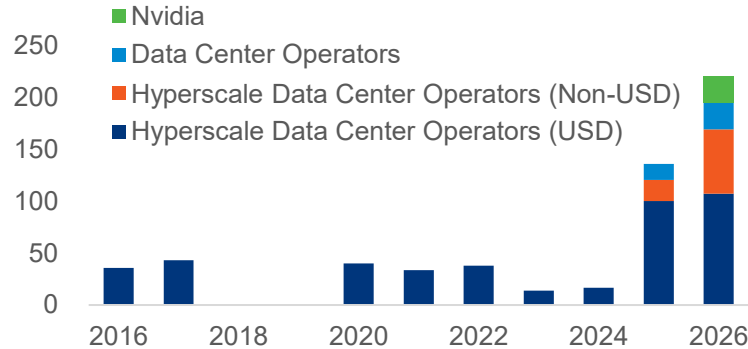


Large Bond Issuance Adds Price Volatility, Opportunity to Lock Yields in Investment-Grade Bonds

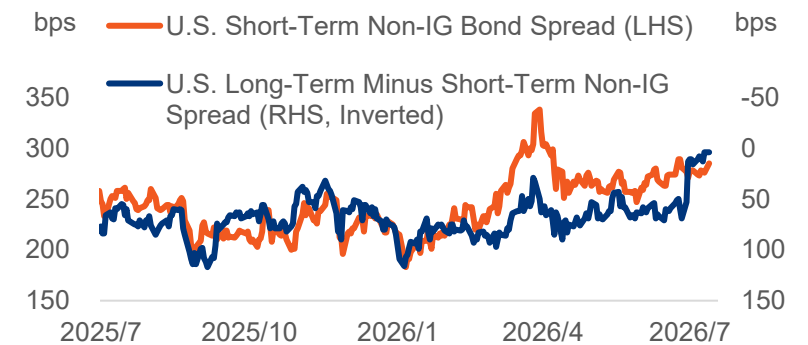
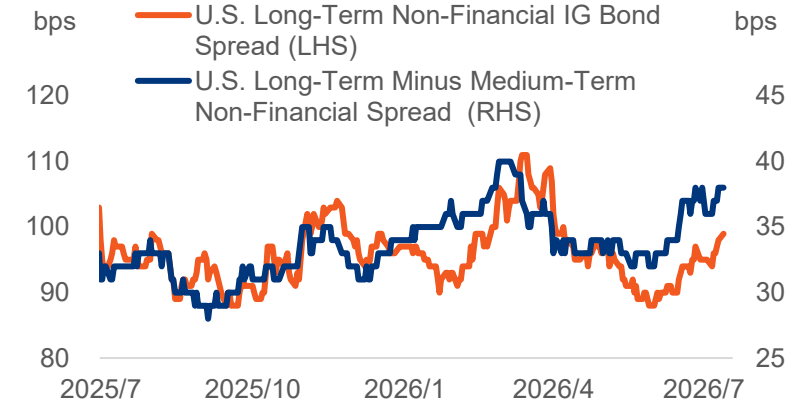
- ▶ AI data-center expansion has driven heavy bond issuance from major tech firms like Nvidia and Amazon. Since the start of 2026, issuance by data-center operators and related tech companies has risen 62% versus last year. Overall U.S. investment-grade tech issuance and leverage have edged higher, nudging credit spreads above the broader IG market. Yet spreads have not widened sharply, thanks to strong investor demand absorbing supply and dealers anticipating issuance, which dampened volatility.
- ▶ Looking at spread differentials, lower-rated bonds more widened than higher-rated. Meanwhile, rising U.S. real rates expanded long- vs. short-term IG spreads, while non-IG bonds saw narrowing due to their shorter maturities. With the Fed set to keep rates high for longer, IG bonds now offer average coupons above 5%. This makes it a favorable moment to lock yields, with BBB+ and above standing out as the preferred allocation tier.

If Credit Spreads Widen, High-Rated Bonds See Limited Upside

Bond Issuance Volume, USD Billion



Beyond Ratings, Watch if Short-Term Non-IG Spread Expansion Persists

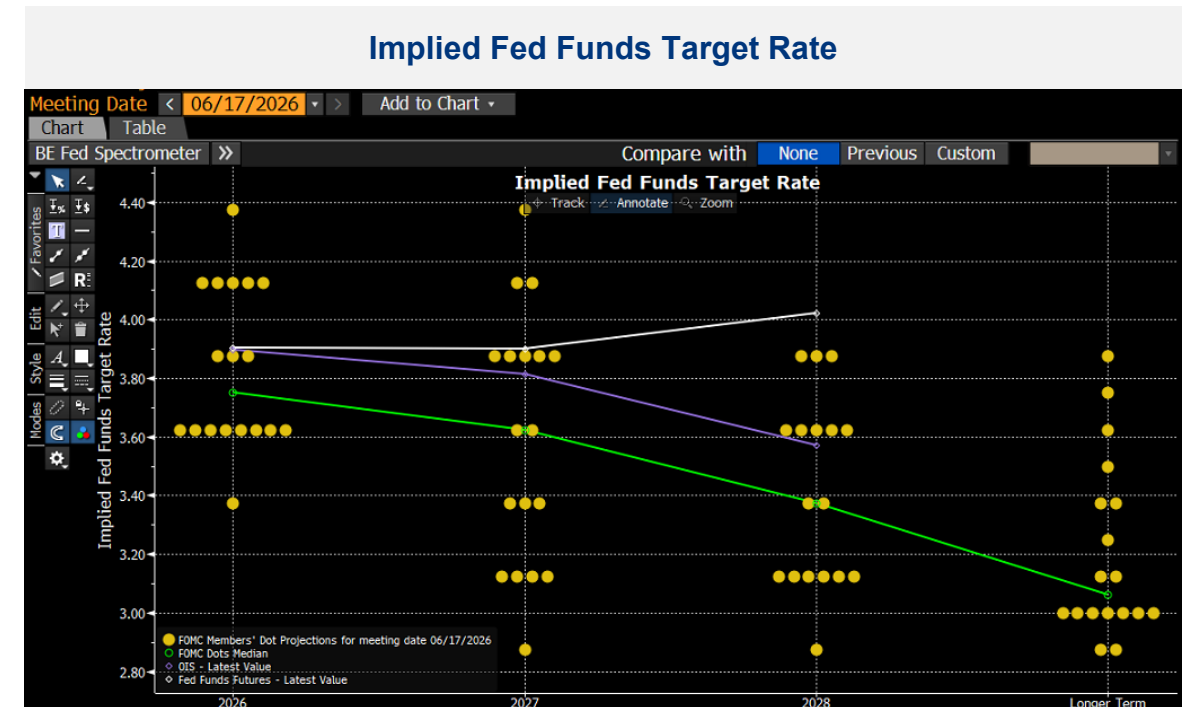


Asset Strategy

Asset Type	Market View	Preferred Assets
Equities	◆ Solid U.S. corporate earnings continue to provide fundamental support for equities, with room for market gains to broaden beyond AI. However, as investors focus more on AI capex returns, elevated valuations could trigger near-term profit-taking. Defensive sectors such as healthcare and utilities can help reduce risk, while technology and AI semiconductors remain favored over the medium to long term. Buy on pullbacks and diversify across regions and sectors. ◆ Japan and Europe remain preferred diversification markets. Japan offers stronger technology exposure, with semiconductor momentum intact, while rising JGB yields support bank stocks. Europe continues to benefit from defense spending, and U.K. equities provide defensive characteristics.	Strategy: Short term: defensive sectors. Medium to long term: AI themes including technology and semiconductors; Outside AI, Japanese banks are also attractive. Regions: Japanese banks, Japanese semiconductor stocks, UK equities, European defense
Bonds	◆ Oil prices have rebounded, while the U.S. 30-year Treasury yield remains relatively high. Avoid excessive duration risk and focus on short- to intermediate-duration bonds. High-quality corporate bonds remain resilient, particularly in financials, technology, communications, and utilities, where yields are attractive after recent adjustments. ◆ A stronger U.S. dollar supports diversification into non-USD investment-grade bonds, such as EUR- or AUD-denominated issues.	Types: Intermediate-term IG bonds, with a preference for financials, technology, telecoms, and utilities. Satellite : Non-USD IG bonds for diversification.
Forex	◆ The Fed's June meeting maintained a hawkish tone. Expectations for further rate hikes could steepen the yield curve, supporting the U.S. dollar in the near term. ◆ Although lower oil prices had eased inflation concerns earlier, the USD remains firm as markets continue to watch Fed policy. The JPY is likely to appreciate gradually on BOJ rate hikes and intervention, while the RMB is expected to strengthen modestly under policy support.	USD: Near-term strength remains supported. Gradual JPY appreciation; modest RMB appreciation.
Commodity	◆ Although the U.S.-Iran ceasefire memorandum initially pushed oil prices lower, renewed military exchanges have increased price volatility. ◆ Higher U.S. yields and a stronger dollar continue to pressure gold in the short term. However, geopolitical tensions, ongoing central bank purchases, and portfolio diversification demand should provide medium- to long-term support.	Gold: remains supported over the medium to long term.

U.S. Rates Hold Steady, Banks Deliver Strong Earnings

- ▶ U.S. June core CPI was flat MoM, below consensus 0.2% and prior 0.2%; YoY rose 2.6%, under consensus 2.8% and prior 2.9%. Headline CPI fell 0.4% MoM, sharper than expected -0.1% and prior +0.5%; YoY rose 3.5%, below consensus 3.8% and prior 4.2%.
- ▶ U.S. June Core PPI rose 0.2% MoM, below consensus 0.3% but above revised prior 0.1%; YoY rose 4.7%, under consensus 5.1% yet slightly above revised prior 4.6%. Headline PPI fell 0.3% MoM, weaker than consensus 0.0% and prior revised +0.6%; YoY rose 5.5%, below consensus 6.2% and prior revised 6.0%.
- ▶ U.S. June Retail sales in June rose 0.2% MoM, in line with consensus but below revised prior +1.0%.
- ▶ U.S. July Michigan consumer sentiment Index preliminary was 54.4, above consensus 51.0 and prior 49.5.
- ▶ Fed Chair Wash reiterated the 2% inflation target as the primary goal, stressing policy will not shift on single-month data and decisions remain data-dependent. He emphasized Fed independence from politics, announced reforms in policy framework, communication, and balance sheet management, and highlighted AI's long-term potential to boost productivity, improve supply, and ease structural inflation. Overall tone remained hawkish, signaling cautious stance until inflation returns to target, while AI development continues to receive positive policy endorsement.



JPMorgan Chase (JPM US)

Closing Price	US\$341.1	Target Price	US\$380		
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JPMorgan Chase provides both financial and retail banking services. Its offerings include investment banking, treasury and securities operations, asset management, private banking, credit card membership services, commercial banking, and home financing. The company serves corporations, institutions, and individuals worldwide.

Net Interest Income and Capital Markets Activity Support Earnings

JPMorgan remains a defensive core beneficiary among U.S. large banks, supported by resilient net interest income, recovering investment banking activity, and elevated trading volumes. While capital markets may normalize in H2 2026, its diversified revenue base across retail banking, trading, investment banking, and wealth management provides broader earnings support than peers reliant on single cycles.

Diversified Businesses and Credit Resilience Support Shareholder Returns

JPMorgan’s scale, capital strength, and asset quality make it a defensive core holding in U.S. bank stocks. Management raised FY2026 NII guidance to about USD 105.5B and lowered expected credit card net charge-off rates to 3.4%–3.6%, reflecting stronger-than-expected interest income and consumer credit performance. With robust profitability and a CET1 ratio of ~15%, the bank continues capital returns via dividends and buybacks, distributing about USD 10B in Q2 2026 alone.

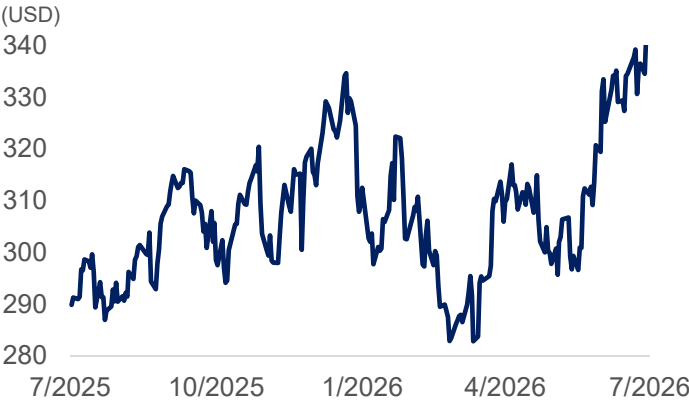
Strong Q2 FY2026 Performance and Higher NII Guidance

Managed revenue reached USD 58B (+27% YoY) with adjusted EPS of USD 6.14, beating consensus. Markets revenue rose 35%, equities surged 86%, investment banking fees grew 30%, and AUM expanded to USD 5.1T. Management lifted total NII guidance to USD 105.5B, excluding markets to USD 96.5B, though expense guidance also increased due to higher compensation and investment spending.

Valuation Consensus

Bloomberg’s 12-month consensus target price is USD 366.24, with a high of USD 420 and a low of USD 305.

1-Year Price



Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	22.3	12.3	2.6	12.1	2.5
EBITDA (%)	40.0	42.8	40.0	46.8	46.9
EPS(USD)	16.68	20.02	20.14	23.89	24.60
Net Profit Margin(%)	31.0	32.4	30.7	31.5	30.8

Source: Bloomberg; 2026/27F are market estimates

FY2026 Guidance

- 1

Expect FY2026 net interest income of ~\$105.5B, market dependent

Expect FY2026 net interest income excluding Markets of ~\$96.5B, market dependent
- 2

Expect FY2026 adjusted expense² of ~\$107.5B, market dependent

– Increase relative to prior outlook primarily due to higher volume- and revenue-related expenses driven by the activity levels and associated revenue outperformance
- 3

Expect FY2026 Card Services NCO rate of ~3.2%

P/E & P/B



Source: Bloomberg, Company

Goldman Sachs (GS US)

Closing Price	US\$1,065.22	Target Price	US\$1,200		
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Goldman Sachs operates as a bank holding company and a global investment banking and securities firm. It focuses on investment banking, trading and principal investments, asset management, and securities services. The company serves corporations, financial institutions, governments, and high-net-worth individuals.

IPO, M&A and Trading Recovery Drive Earnings Momentum

Goldman Sachs is highly leveraged to capital markets recovery, benefiting from stronger equity trading, M&A advisory, and underwriting activity. If IPO issuance, deal completions, and AI-related financing remain active in H2 2026, Goldman should continue to gain from increased client activity and fee income. However, its earnings are more sensitive to market volumes, asset prices, and trading conditions, resulting in higher share price volatility and downside risk compared with JPMorgan.

Business Momentum and Shareholder Returns Enhance Earnings Sustainability

Q2 FY2026 results showed broad strength across Global Banking & Markets and Asset & Wealth Management. Global Banking & Markets revenue rose 47% YoY to USD 14.8B, while Asset & Wealth Management revenue grew 20% YoY to USD 4.6B. Investment banking backlog expanded, supported by fee income up 55% YoY to USD 3.4B. Wealth management scale and stronger capital returns, including USD 5.36B returned to shareholders this quarter, improved earnings stability versus past trading-driven cycles. Even if capital markets normalize in H2 2026, Goldman's optimized business mix and expanding recurring fee base should sustain structurally higher profitability and shareholder returns.

Strong Q2 FY2026 Performance Driven by Capital Markets Strength

Revenue reached USD 20.34B (+39% YoY) with EPS of USD 20.98, well above consensus. Equity trading revenue surged 72% YoY to a record USD 7.42B, FICC revenue rose 32% to USD 4.59B, and investment banking fees climbed 55% to USD 3.40B. Asset & Wealth Management revenue also grew 20% to USD 4.60B. The company raised its quarterly dividend 11% to USD 5.00 per share and returned USD 5.36B to shareholders through buybacks and dividends.

Valuation Consensus

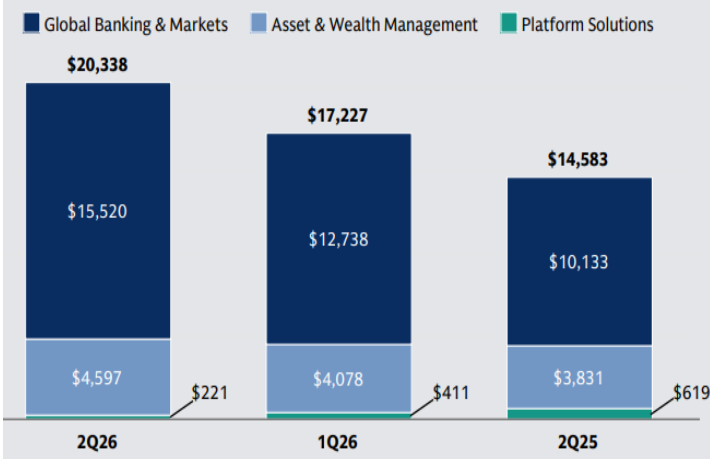
Bloomberg's 12-month consensus target price is USD 1,139.27, with a high of USD 1,325 and a low of USD 834.

Source: Bloomberg, Company

1-Year Price



Revenue by Business Segment



Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	-2.3	15.7	8.9	19.6	2.5
EBITDA (%)	23.5	34.7	37.9	41.8	42.2
EPS(USD)	23.13	40.94	51.86	67.37	71.55
Net Profit Margin(%)	17.3	25.5	28.3	30.0	29.9

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B





TSMC Rally Fades, Market Volatile; AWS T3 Shipments Benefit Taiwan Suppliers

TSMC Earnings Catalyst Fades, Index Under Pressure

TSMC's Q2 results beat guidance, yet international equity volatility triggered a "sell-the-news" reaction, weighing on the index last Friday. The market slipped below short-term averages and may consolidate near the quarterly line. Strategy: avoid chasing; focus on TSMC expansion plays, low-base recovery stocks, and names with strong revenue/earnings momentum supported by volume and price stability.

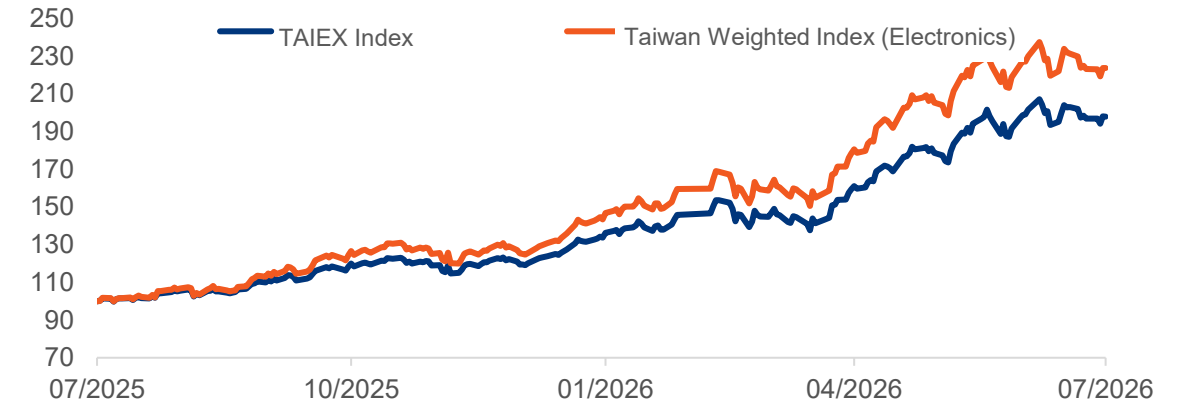
AWS Trainium 3 Shipments Boost AI Growth in 2H26

AWS began upgrading from Trainium 2 to Trainium 3 at end-Q2 2026. KGI expects T3 shipments to grow 30–50% over T2 in 2H26–2027, reaching 3.3–3.4M chips in 2027. T3 doubles performance and improves energy efficiency by 40%, meeting surging demand. Anthropic pledged USD 100B investment in AWS over 10 years, expanding T2/T3 combined compute to 1GW by end-2026; OpenAI also plans AWS 2GW Trainium capacity for generative AI.

Trainium shipments are projected to rise from 1.6M units in 2025 to 2.4M in 2026 and 3.3–3.4M in 2027. Taiwan suppliers to watch: Alchip Technologies Ltd (3661 TT) for T3 ASIC design, and Wiwynn Corp (6669 TT) for L11 AI server assembly, both positioned to benefit from expanding Trainium volumes.

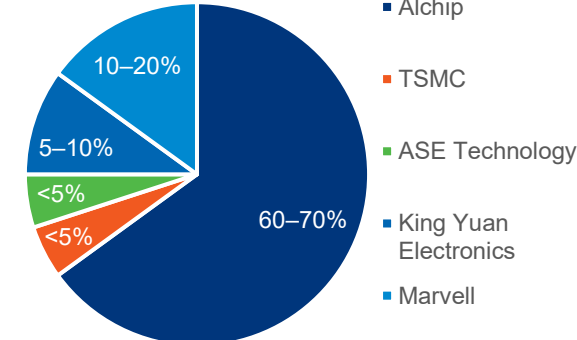
TAIEX Index and Taiwan Electronics Sector Trends

Index, 9 July 2025 = 100

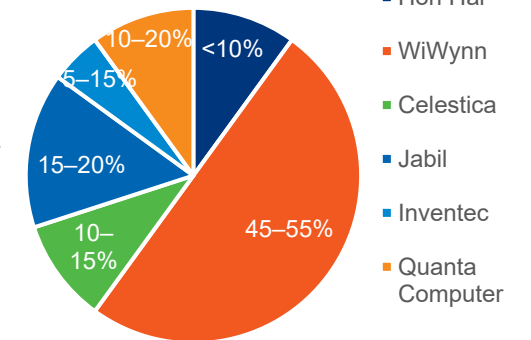


2026 Estimated AWS Contribution to Supply Chain Revenue

Revenue Share of Companies in the Chip Supply Chain



Revenue Share of Companies in the ODM Supply Chain



Alchip Technologies Ltd (3661 TT)

Alchip provides silicon design and manufacturing services. The company offers a range of system-on-chip (SoC) design solutions tailored for low-power, high-performance, and cost-efficient applications.

2H26 Revenue Breakout, Profit Expansion

With U.S. hyperscaler 3nm AI projects entering mass production, July revenue is expected to show strong monthly growth, peaking in 3Q26. For FY2026, revenue will be heavily back-loaded, as most mass-production shipments are recognized in the second half once 3nm AI chips ramp.

Core Drivers 2026–2027: Multiple Projects Enter Harvest Phase

U.S. hyperscaler AI projects remain the backbone, contributing an estimated 63.2% of revenue in 2026 and 70.2% in 2027. A 3nm networking project will add incremental growth in 2027, while a 2nm networking project is expected to contribute meaningfully from 2028. The company is also pursuing additional ASIC projects with potential new clients, which could further lift the growth curve beyond 2027.

Financials

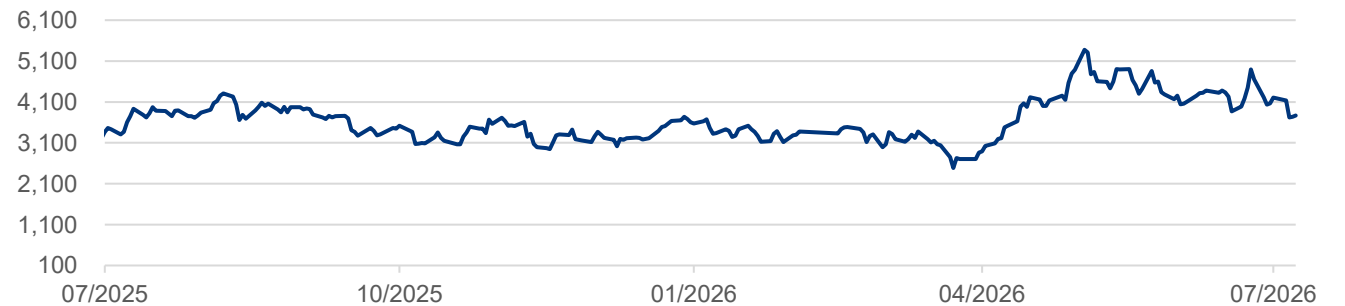
	2023	2024	2025	2026F	2027F
EPS (NTD)	45.47	81.34	69.18	128.95	171.78
EPS Growth (%)	77.0	78.9	-14.9	86.4	33.2
P/E Ratio	107.5	60.1	70.7	37.9	28.5
ROE (%)	21.4	22.4	14.0	23.5	26.4

Source: Company data, estimates of KGI analyst

Valuations

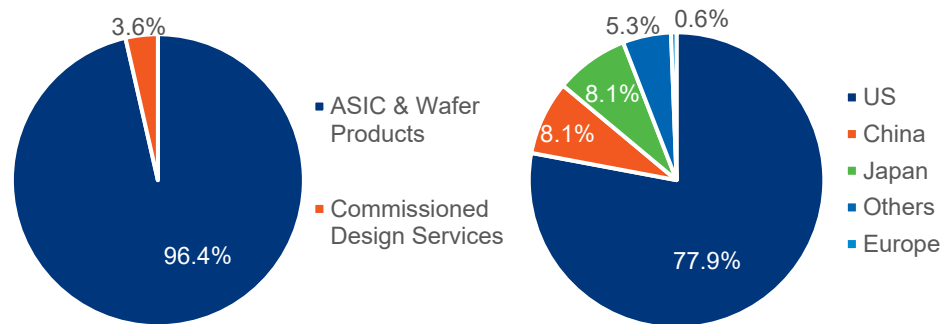
		5Y Avg.	Current	
Price	553.00			5,375
P/E	23.29			97.67
P/B	3.26			18.27

1-Year Price



As of 16 July 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	-7.26	-12.63	8.49	12.87	7.41	4.72

Revenue Sources and Regions



Source: Bloomberg

Wiwynn Corp (6669 TT)

Wiwynn Corporation manufactures computer data storage devices. The company develops and sells servers, storage systems, networking equipment, and data center infrastructure products.

1Q26 Highlights

Wiwynn reported EPS of NT\$75.95 in 1Q26 (+2% QoQ, +44% YoY), beating KGI and market expectations. Gains were driven by margin improvement and non-operating income. Gross margin was 7.6% in line with forecasts, operating margin 6.3% above estimates, and FX gains of over NT\$1B further supported solid profitability.

AI Servers Add Growth Momentum

Management expects GPU and ASIC AI servers to be the main revenue drivers from 2H26 through 2027. AWS Trainium 3 cabinet shipments are projected to grow over 50% versus T2, with WiWynn supplying more than 80% of volumes, significantly boosting revenue in 2H26–1H27. Additionally, shipments of AMD MI450 Helios cabinets to Meta begin in 4Q26, while Nvidia VR200 AI servers will be delivered to Oracle, adding further growth momentum in 2027.

Financials

	2023	2024	2025	2026F	2027F
EPS (NTD)	68.88	126.57	275.06	325.58	436.17
EPS Growth (%)	-15.0	83.7	117.3	18.4	34.0
P/E Ratio	70.8	38.6	17.7	15.0	11.2
ROE (%)	29.7	34.9	48.0	43.8	47.6

Source: Company data, estimates of KGI analyst

Valuations

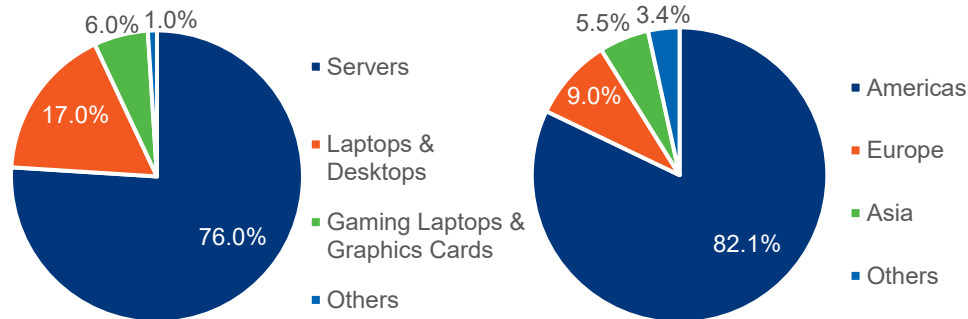
		5Y Avg.	Current	
Price	617.00			5,790
P/E	8.40			38.53
P/B	2.95			10.68

1-Year Price



As of 16 July 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	1.29	4.82	38.24	33.73	14.05	104.19

Revenue Sources and Regions



Source: Bloomberg

Higher-for-Longer Rates: Lock in Opportunities Amid Volatility

► PIMCO GIS Income Fund

- One of the world's largest actively managed funds.
- Despite multiple market swings, it has consistently captured opportunities after shocks—for instance, a decline of 8.79% in 2020 was followed by a rebound of 10.63% within six months.
- Attractive Yield Advantage Estimated yield-to-maturity of 7% offers a competitive edge.
- The fund flexibly manages duration (generally 0–8 years) to navigate economic uncertainty. Recent tactical positioning favors U.S. rates, focusing on short- and medium-term bonds with compelling opportunities.
- Proven Long-Term Performance – Winner of the Lipper Fund Awards Hong Kong 2023 – Best Global Bond USD Fund (10 Years).
- Experienced Management Team – Led by Group CIO Dan Ivascyn, alongside Alfred Murata and Josh Anderson, with nearly 30 years of average investment experience. Supported by a global credit research team of 80+ analysts.
- Duration: 6.38 years; Average credit rating: AA-
- Latest annualized distribution yield: 6.25% (Class E-USD)

Product	PIMCO GIS Income Fund	
Features	■ Global Diversified Allocation Helps Mitigate Risk and Capture Income Opportunities ■ Fund size is substantial, with an average credit rating of AA- and a Morningstar 4-Star rating.	
AUM	USD 124.7 billion	
3M/YTD Return	-0.28% / 0.39%	
Allocation(%)	Mortgage-Backed Securities (MBS)	54.00
	Corporate Bonds	18.35
	Government Treasuries	19.90
	Cash and Others	7.77
Maturity(%)	Under 3 years	21.00
	3–5 years	12.30
	5–10 years	41.80
	10–20 years	26.50
	Over 20 years	-1.70
Holdings (%)	FNMA TBA 6.5% JUN 30YR	4.9
	FNMA TBA 6.0% JUN 30YR	4.3
	FNMA TBA 5.0% MAY 30YR	2.8
	FNMA TBA 6.0% JUL 30YR	2.3
	FNMA TBA 5.5% MAY 30YR	1.8

Source: Bloomberg, KGI

PIMCO GIS Income Fund

Profile

Primarily invests in fixed income instruments across varying maturities, aiming to deliver high and stable income without compromising long-term capital appreciation.

Global Diversification

Invests across IG, HY, EM debt, and MBS, enabling diversification and capturing income opportunities across markets, providing stable and diversified return sources.

Professional Management

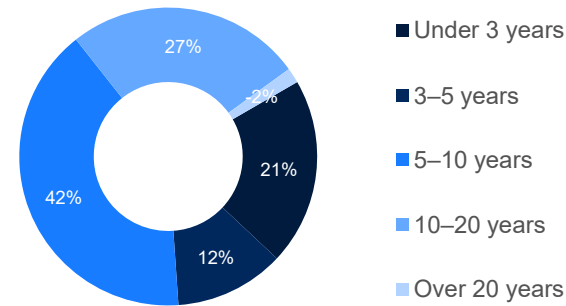
Actively managed by PIMCO, with flexible asset allocation to adapt to market conditions, delivering relatively stable long-term performance.

Morningstar Rating

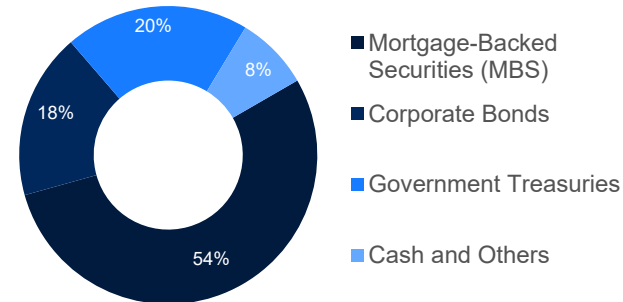
Large fund size, average credit rating AA-, rated 4 stars by Morningstar.

Inception	2012/11/30	AUM	USD 124.7 bn
Morningstar Category	Global Bonds	Fund Type	Fixed Income
Morningstar Rating	★★★★	3Y SD (Ann.)	4.50%

Sectors



Asset



Top-5 Holdings (%)

FNMA TBA 6.5% JUN 30YR	4.9
FNMA TBA 6.0% JUN 30YR	4.3
FNMA TBA 5.0% MAY 30YR	2.8
FNMA TBA 6.0% JUL 30YR	2.3
FNMA TBA 5.5% MAY 30YR	1.8

1Y NAV



As of 14 July 2026	1M	3M	YTD	1Y	2Y	3Y
Cumulative Return(%)	-0.33	-0.28	0.39	5.43	11.69	19.45
Ranking	4	4	4	1	2	3

Sources: PIMCO Asset Management Fund Monthly Report, Morningstar, Bloomberg; monthly report as of May 31, 2026; data class used: Class E USD Accumulation

Higher-for-Longer Rates: Lock in Opportunities Amid Volatility

► Vanguard Intermediate-Term Corporate Bond ETF (VCIT.US)

- Tracks the performance of the Bloomberg U.S. 5–10 Year Corporate Bond Index.
- The index includes USD-denominated, investment-grade, fixed-rate taxable bonds issued by U.S. and non-U.S. industrial, utility, and financial companies, with maturities between five and ten years.
- The portfolio is highly diversified, holding over 2,200 bonds, with the top 10 positions accounting for only 2.7%.
- Its expense ratio is 0.03%, relatively low.

Product	Vanguard Intermediate-Term Corporate Bond ETF (VCIT.US)	
Features	■ Focus on medium-term corporate bonds rated BBB or above ■ Holding over 2,000 bonds	
AUM	USD 67.65 billion	
Tracking Index	Bloomberg U.S. 5-10 Year Corporate Bond Index	
Exchange	NASDAQ	
Currency	USD	
Expense Ratio	-0.52% / 0.18%	
Credit Ratings (%)	BBB	46.13
	A	45.71
	AA	6.02
	BB	1.70
	AAA	0.34
Holdings (%)	AMZN 4 7/8 03/13/36	0.31
	BA 6.528 05/01/34	0.28
	BAC 5.015 07/22/33	0.28
	SPCX 5.65 07/15/33	0.27
	META 4 7/8 11/15/35	0.27

Source: Bloomberg

Vanguard Intermediate-Term Corporate Bond ETF (VCIT.US)

Profile

This ETF tracks the Bloomberg U.S. 5–10 Year Corporate Bond Index, seeking to replicate the performance of its constituent securities.

■ Focus on High-Quality Intermediate Corporate Bonds

The index mainly invests in USD-denominated corporate bonds with maturities of 5–10 years and an average duration of about six years. Sector exposure is concentrated in financials and industrials, with most holdings rated BBB or higher, providing moderate interest rate and credit risk.

■ Diversified Portfolio

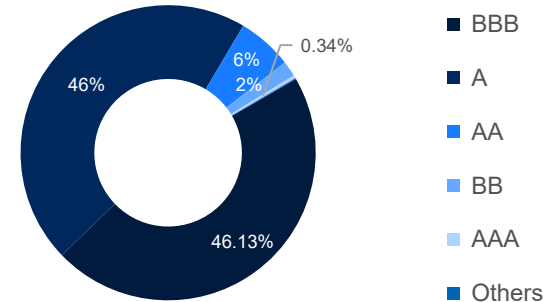
The ETF holds more than 2,200 bonds, with the top 10 positions accounting for only about 2.7% of the portfolio, helping reduce concentration risk.

■ Low Expense Ratio

The fund's expense ratio is 0.03%, relatively low among comparable ETFs, offering strong cost efficiency for investors.

Inception	2009/11/19	AUM	USD 67.65 bn
ETF Category	Bonds	Holdings	2,345
Expense Ratio	0.03%	3Y SD (Ann.)	6.08%

Sectors



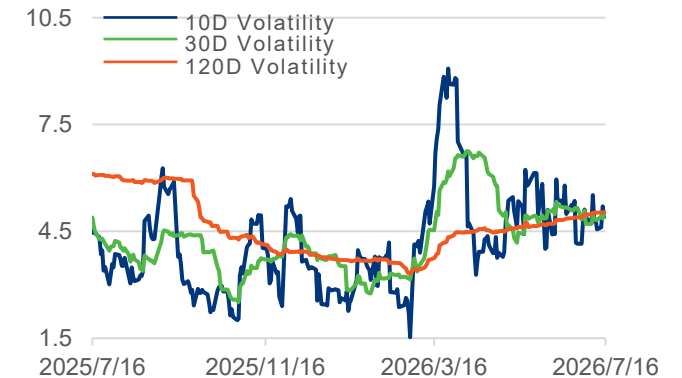
Top-5 Holdings (%)

AMZN 4 7/8 03/13/36	0.31
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SPCX 5.65 07/15/33	0.27
META 4 7/8 11/15/35	0.27

Price Trend (Past 1 Year)



Volatility (Past 1 Year)



As of 15 July 2026	1M	3M	YTD	1Y	3Y	5Y
Cumulative Return(%)	-0.29	-0.52	0.18	5.10	5.92	0.92

Source: Bloomberg



2026 Q2 Strong Results, GBM Net Revenue Hits Record High

► **GS 5.218% 04/21/2031 (Goldman Sachs) (USD)**

- Goldman Sachs is one of the most powerful players in global trading and investment banking. The firm operates through three major divisions: Global Banking & Markets, Asset & Wealth Management, and Platform Solutions.
- Since 2020, Goldman has made significant progress on strategic goals, including expanding GBM and AWM businesses and strengthening its deposit base. In 2025, return on equity (ROE) reached 15.0%, up from 12.7% in 2024, landing within its cyclical target range of 14–16%.
- In 2Q26, results exceeded market expectations: EPS was USD 20.98 (+92% YoY), net income rose to USD 6.63B. Growth was broad-based, with GBM as the standout: (1) Net revenue hit a record USD 15.52B (+53% YoY). (2) Strong investment banking fees and equity business performance. (3) FICC also beat forecasts, with rate-related trading revenue at USD 4.59B.
- Asset & Wealth Management net revenue grew 20% YoY to USD 4.6B, driven by larger AUM and consistent long-term inflows. The firm has now achieved 34 consecutive quarters of net inflows into fee-based assets.
- Credit quality remains solid: provisions for credit losses fell 73% YoY to USD 102M, reflecting a stable credit environment.

Bond	GS 5.218 04/21/2031 (Goldman Sachs) (USD)
ISIN	US38141GC936
Features	GS delivered across-the-board upside in 2Q26, with net profit showing significant growth. Provisions for credit losses dropped sharply by 73% to USD 102 million, underscoring a stable credit environment.
Maturity	2031/4/21
Next Call Date	2030/4/23
Coupon(%)	Float/5.218/Semi-Annual
Currency	USD
Years to Maturity	4.76
Credit Rating (Moody's/Fitch/S&P)	A2/A/BBB+
Seniority	Senior Unsecured
YTM/YTC (%)	4.98/4.92

Source: Bloomberg

GS 5.218 04/21/2031 (Goldman Sachs) (USD)

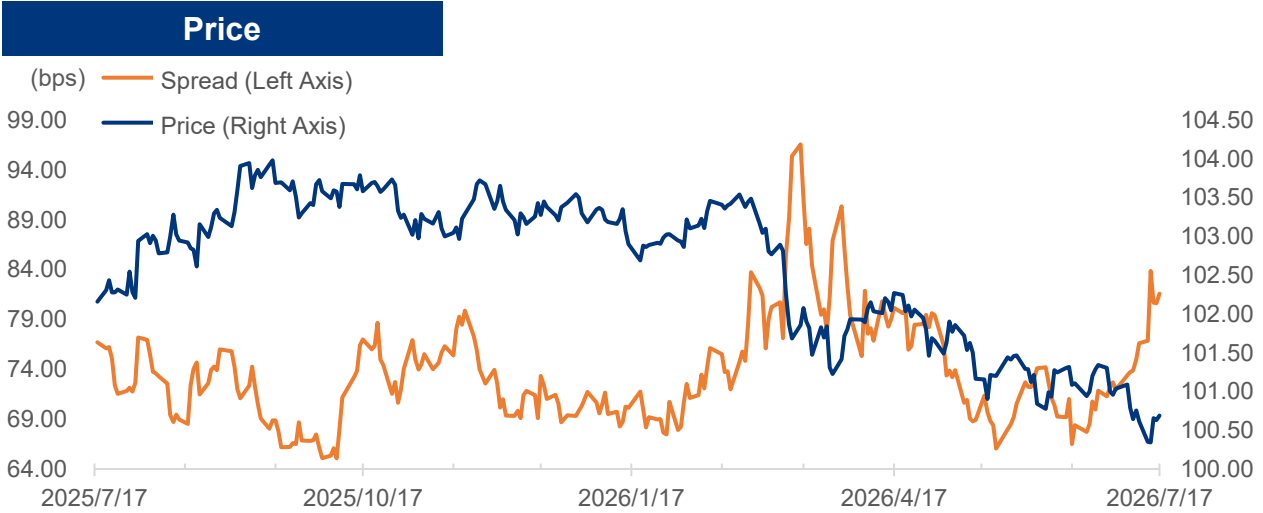
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- Credit quality remains solid: provisions for credit losses fell 73% YoY to USD 102M, reflecting a stable credit environment.

Financials	2025Q4	2026Q1	2026Q2
Return on Equity (ROE)	14.92	15.69	18.31
GBM Net Revenue (Million USD)	10,411	12,738	15,520
Interest Coverage Ratio	1.38	1.41	1.50

Source: Bloomberg

Overview			
Name	GS 5.218 04/23/31	ISIN	US38141GC936
Maturity Date	2031/4/23	Remaining Maturity	4.76
Coupon(%)	Float/5.218/Semi-Annual	YTM/YTC(%)	4.98/4.92
Currency	USD	Min. Subscription/ Increment	1,000/1,000
Ratings (Moody's/Fitch/S&P)	A2/A/BBB+	Seniority	Senior Unsecured



Appendix

Key Economic Data / Events

► JUL 2026

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Monday

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Tuesday

- U.S. Jun CPI YoY
(Act:3.5% Est:3.8% Prev:4.2%)
- U.S. Jun Core CPI YoY
(Act:2.6% Est:2.8% Prev:2.9%)
- Japan May Industrial Production MoM (final)
(Act:0.1% Prev:0.5%)
- China Jun Exports YoY
(Act:27.0% Est:19.0% Prev:19.4%)

15

Wednesday

- U.S. Jun PPI YoY
(Act:5.5% Est:6.2% Prev:6.0%)
- Japan May Core Machinery Orders MoM
(Act:-4.2% Est:-12.4% Prev:8.7%)
- China Q2 GDP YoY
(Act:4.3% Est:4.5% Prev:5.0%)
- China Jun Retail Sales YoY
(Act:1.0% Est:-0.1% Prev:-0.6%)
- China June Industrial Production YoY
(Act:5.3% Est:4.6% Prev:4.5%)

16

Thursday

- U.S. Initial Jobless Claim (weekly)
(Act:208k Est:217k Prev:216k)
- U.S. Jun Retail Sales MoM
(Act:0.2% Est:0.2% Prev:1.0%)

17

Friday

- U.S. Jun Industrial Production MoM
(Est:0.2% Prev:0.1%)
- U.S. Jul Michigan Consumer Sentiment Index (prelim.)
(Est:51.0 Prev:49.5)
- Eurozone June CPI YoY (final)
(Est:2.8% Prev:3.2%)

20

Monday

21

Tuesday

- Earnings: DHR US, SCHW US

22

Wednesday

- Japan Jun Nationwide CPI YoY
(Est:1.7% Prev:1.5%)
- Earnings: IBKR US, COF US, CB US, PM US, T US, GEV US

23

Thursday

- U.S. Initial Jobless Claim (weekly)
(Prev:208k)
- Eurozone Jul ECB Main Refinancing Rate
(Est:2.40% Prev:2.40%)
- Earnings: TXN US, TSLA US, IBM US, GOOGL US, BX US, HON US, RTX US, LMT US

24

Friday

- U.S. Jul S&P Global Manufacturing PMI (prelim.)
(Est:54.4 Prev:53.9)
- U.S. Jun New Home Sales
(Est:615k Prev:580k)
- Eurozone Jul S&P Global Manufacturing PMI (prelim.)
(Est:51.7 Prev:51.4)
- Japan Jul S&P Global Manufacturing PMI (prelim.)
(Prev:54.8)
- Earnings: NEM US, INTC US, VZ US, AXP US, NEE US

Source: Bloomberg

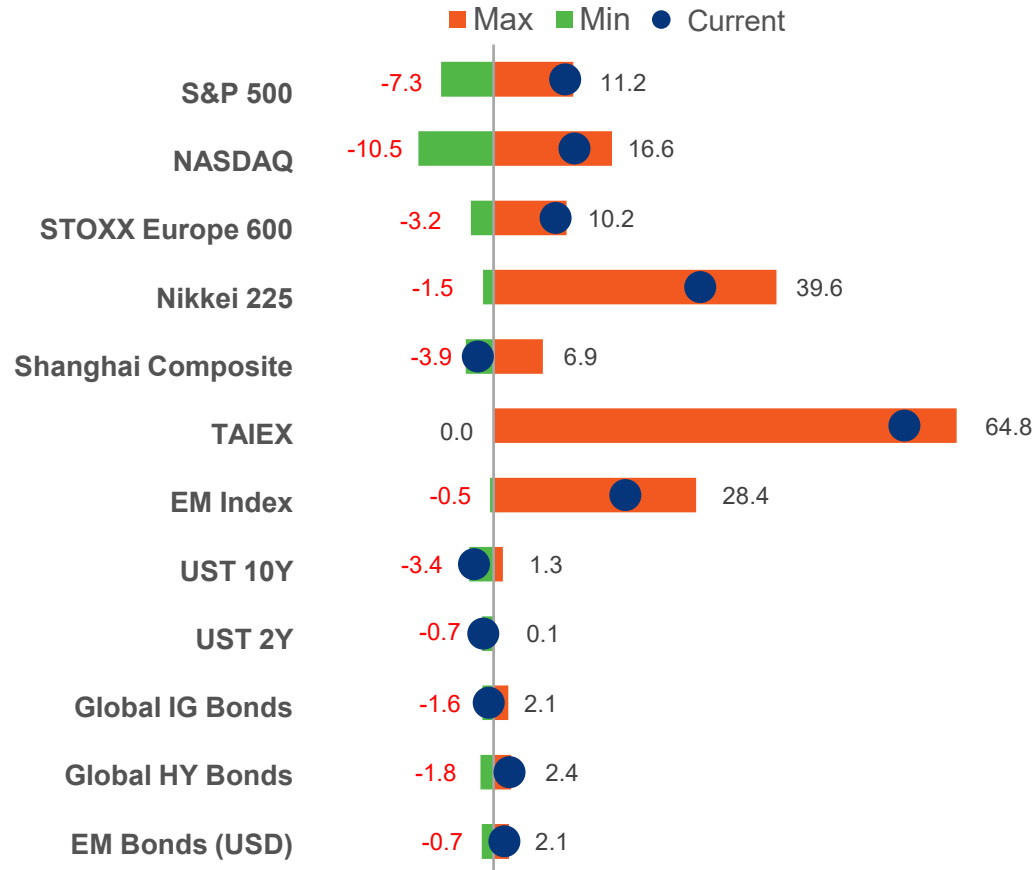
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation Revenue	EPS
2026/7/14	Wells Fargo (WFC US)	21.8B	22.62B	1.71	2.00	V	V
2026/7/14	JPMorgan Chase (JPM US)	51.39B	58.02B	5.73	7.70	V	V
2026/7/14	Bank of America (BAC US)	30.81B	31.56B	1.13	1.21	V	V
2026/7/14	Goldman Sachs (GS US)	16.35B	20.34B	14.49	20.98	V	V
2026/7/14	Citigroup (C US)	23.7B	24.77B	2.74	3.15	V	V
2026/7/15	BlackRock (BLK US)	6.82B	7.08B	12.66	13.91	V	V
2026/7/15	Johnson & Johnson (JNJ US)	25.04B	25.31B	2.87	2.90	V	V
2026/7/15	Morgan Stanley (MS US)	19.58B	21.35B	2.93	3.46	V	V
2026/7/15	Progressive (PGR US)	23.58B	23.61B	4.85	4.85	V	
2026/7/16	UnitedHealth Group (UNH US)	110.67B	112.03B	4.89	6.38	V	V
2026/7/16	General Electric (GE US)	11.86B	12.63B	1.86	2.02	V	V
2026/7/16	Intuitive Surgical (ISRG US)	2.82B	2.89B	2.50	2.80	V	V
2026/7/16	Abbott Laboratories (ABT US)	12.54B	12.59B	1.28	1.31	V	V
2026/7/16	Prologis (PLD US)	2.32B	2.43B	1.55	1.63	V	V
2026/7/17	Netflix (NFLX US)	12.58B	12.56B	0.79	0.80		V

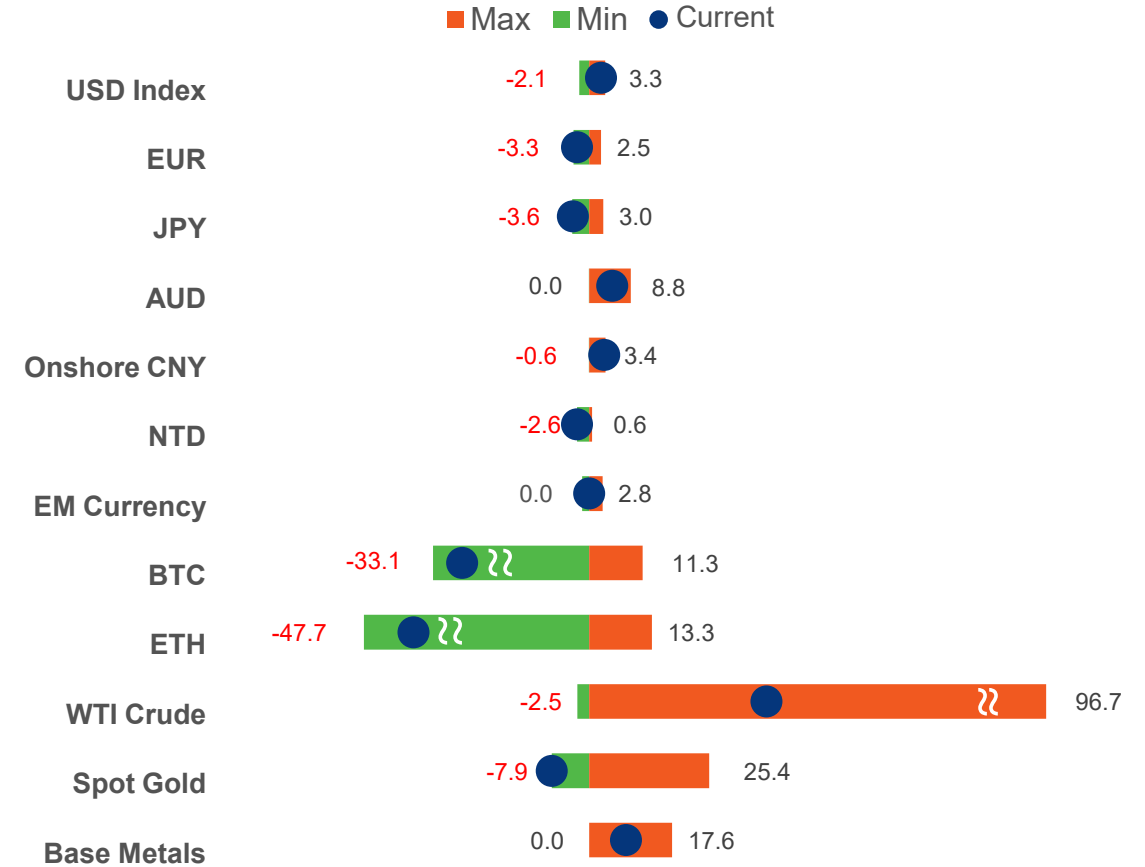
Source: Investing.com

Major Market / Asset YTD Performance

Equities & Bond Markets YTD Performance (%)

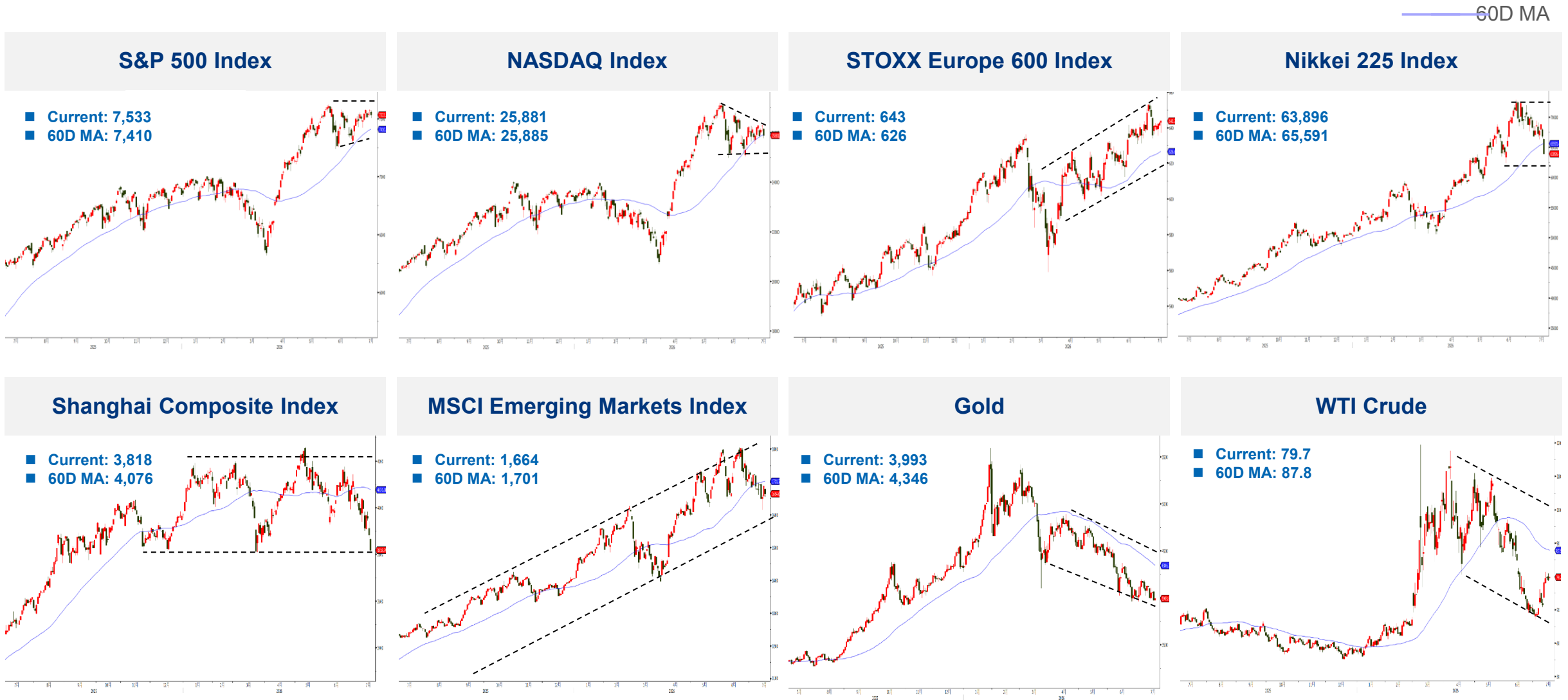


Currencies and Commodities Market YTD Performance (%)



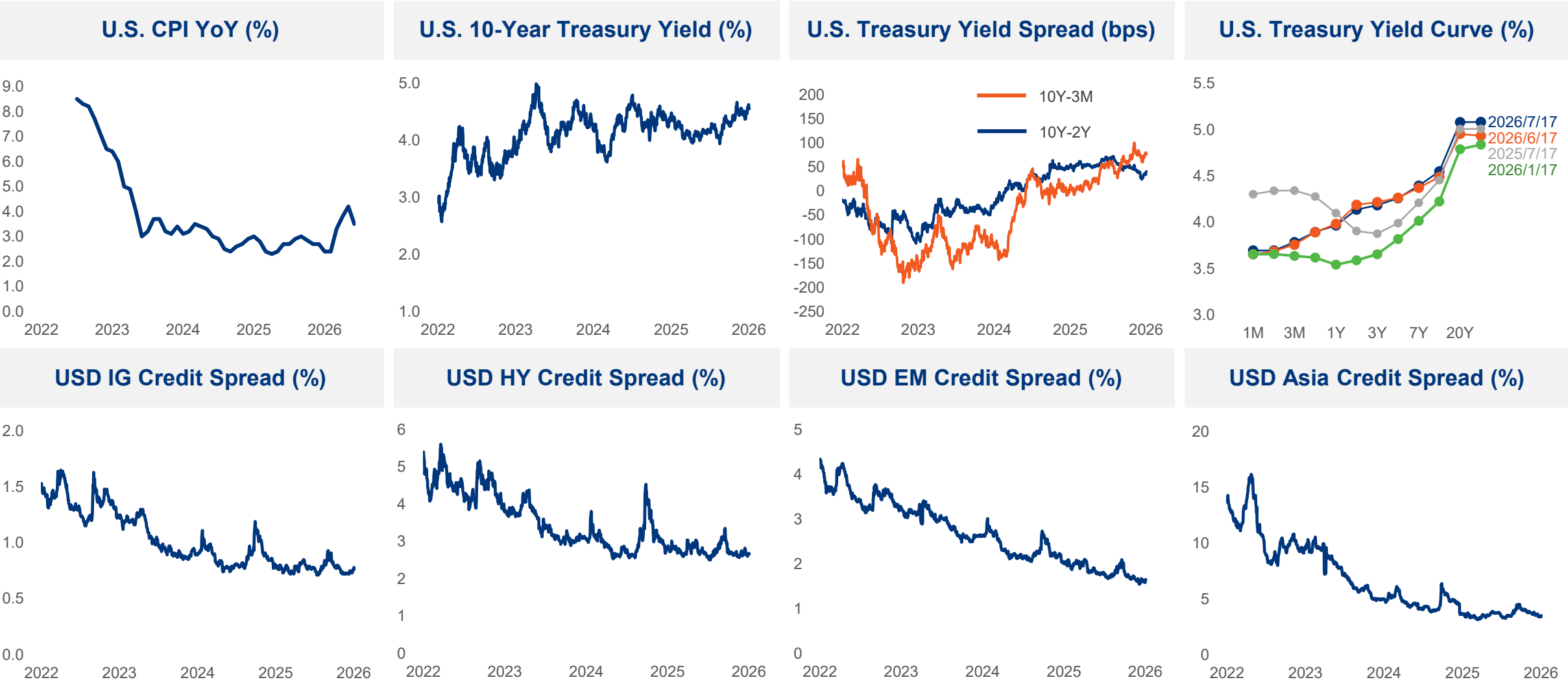
Source: Bloomberg

Technical Analysis



Source: Bloomberg

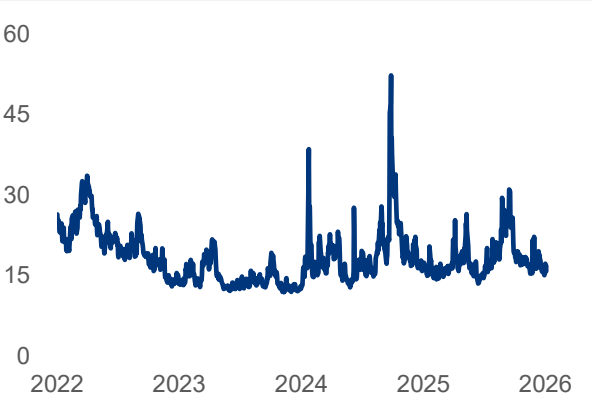
Market Monitor



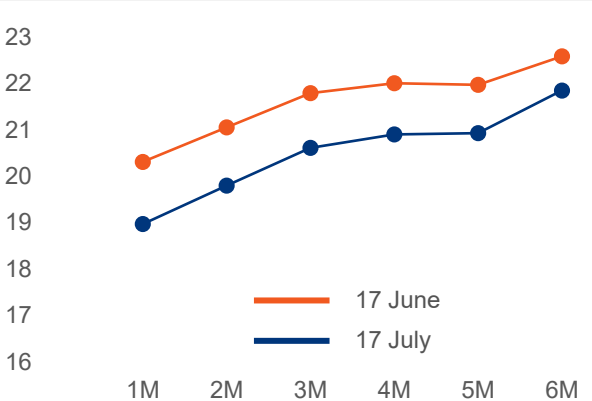
Source: Bloomberg

Market Monitor

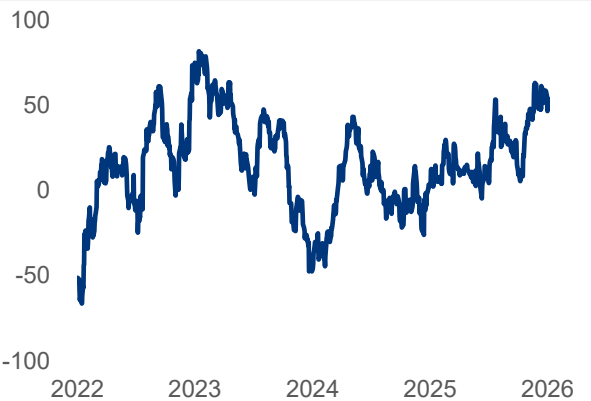
VIX Index



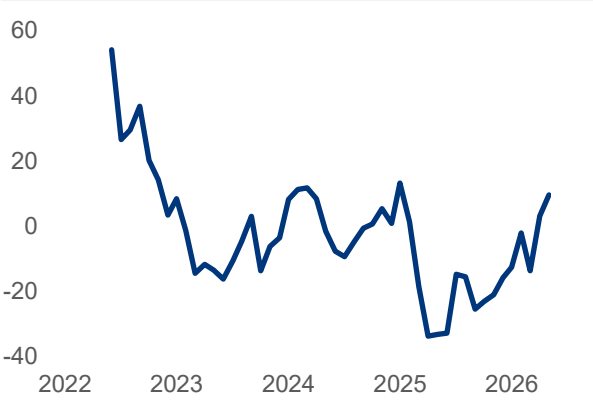
VIX Term Structure



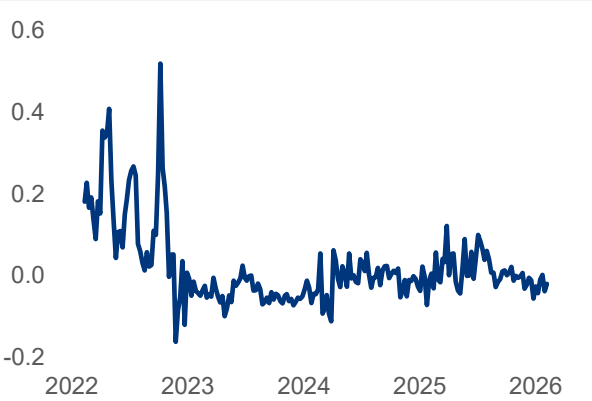
U.S. Citi Economic Surprise Index*



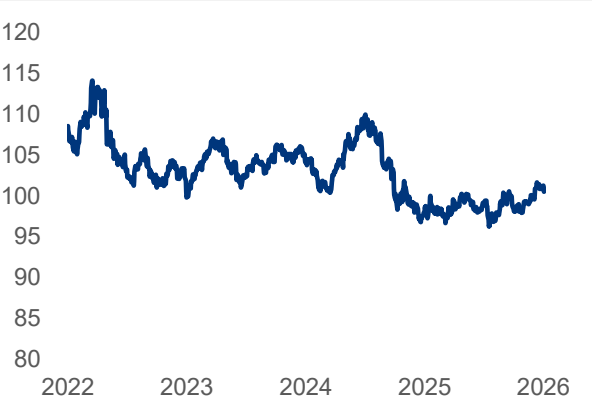
U.S. Citi Inflation Surprise Index*



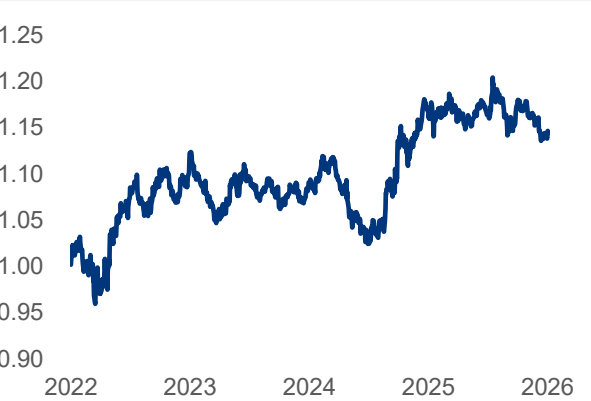
TED Spread (bps)



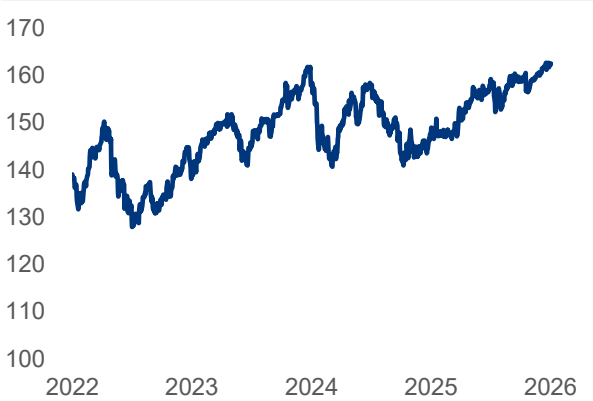
U.S. Dollar Index



EUR to USD



USD to JPY



Source: Bloomberg

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