CIO Office

Global Markets Weekly Kickstart

Beneficiaries of Sector Rotation!

24 August 2026

01 CIO Insights
Turning Market Momentum Into Portfolio Broadening

02 Market Recap

Higher Global Bond Yields Drive Greater Equity Volatility

03 What’s Trending

What Are the Impacts of Rising U.S. Long-Term Treasury Yields?

Software Stocks Diverge; Buy Cybersecurity on Dips

04 In Focus

Weaker USD Favors Copper Miners and Gold

05 Strategic Viewpoint

Equity Rotation and Correction; Focus on Strong Fundamentals

06 Product Spotlight
Selection of Equities, Bonds, Funds/ETFs

CIO Insights

Turning Market Momentum Into Portfolio Broadening

► **Leverage the Recovery for Diversification**

The July correction proved that over-concentration in AI hardware and high-momentum growth stocks left portfolios highly vulnerable when valuations stretched. Investors should view the current rebound as an opportunity to broaden factor exposure and build resilience rather than chasing pure growth beta. Key safe harbors like large-cap value, low volatility, healthcare, and quality styles acted as effective shock absorbers during the pullback and remain prudent additions alongside selective cyclicals.

► **Risk-On Rebound Driven by Rate-Hold Expectations**

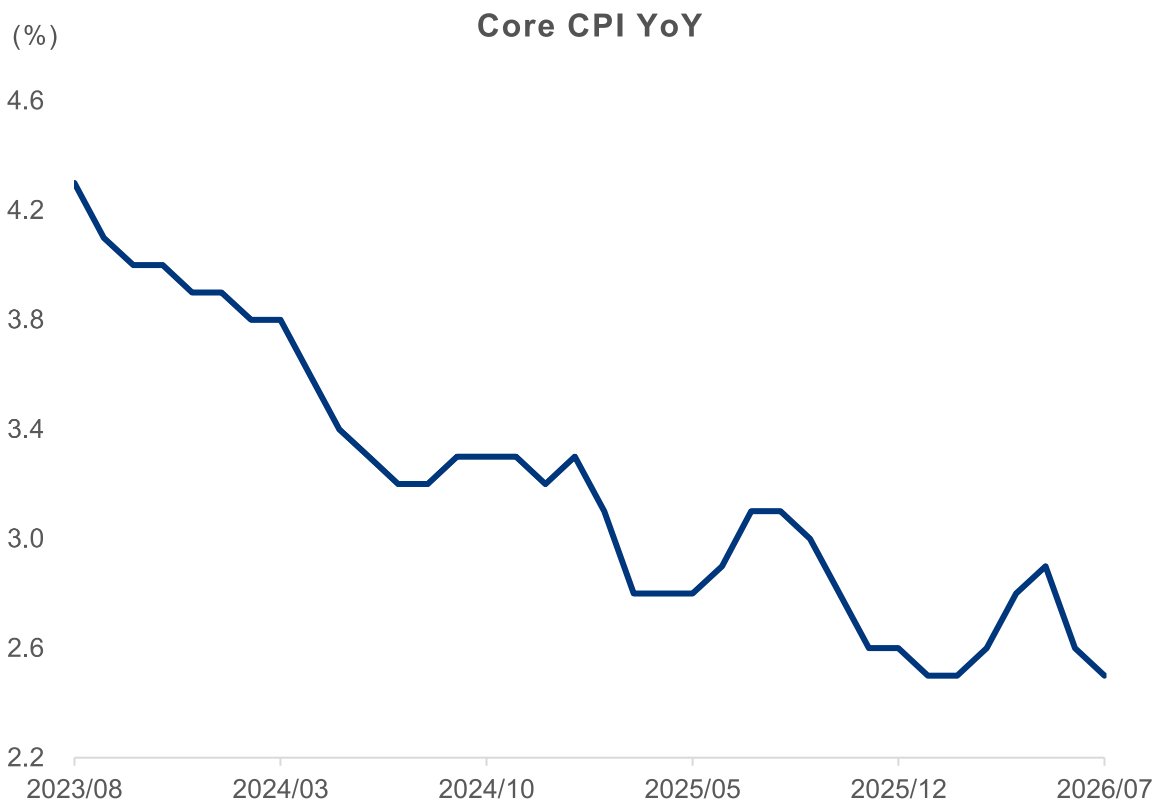
A sequence of benign inflation figures and softer economic indicators eased near-term Fed policy pressure, driving a shift in market expectations. Odds of a September rate hike dropped significantly from 55% to 31%, anchoring a hold as the base-case scenario and sparking a risk-on window. Additionally, minor geopolitical de-escalation surrounding Iran and the Strait of Hormuz has temporarily lifted overall risk appetite.

► **Medium-Term Overhangs and Caution Over Technical Rebounds**

Despite the short-term relief, underlying structural headwinds remain firmly intact. The market faces a massive $690–800bn AI capex funding gap, margin pressure from falling inference prices, sticky long-term Treasury yields, and incoming policy volatility from the November midterms. Historical precedents—such as the 1987 crash, the 1999–2000 dot-com bubble, and the 2008 financial crisis—demonstrate that technical relief rallies after a broader corrections averaged 6-12%.

Benign July Core Inflation Sparks A Risk-on Window

A Data-dependent View On Rates Implies Limited Visibility Into The Long-term Outlook



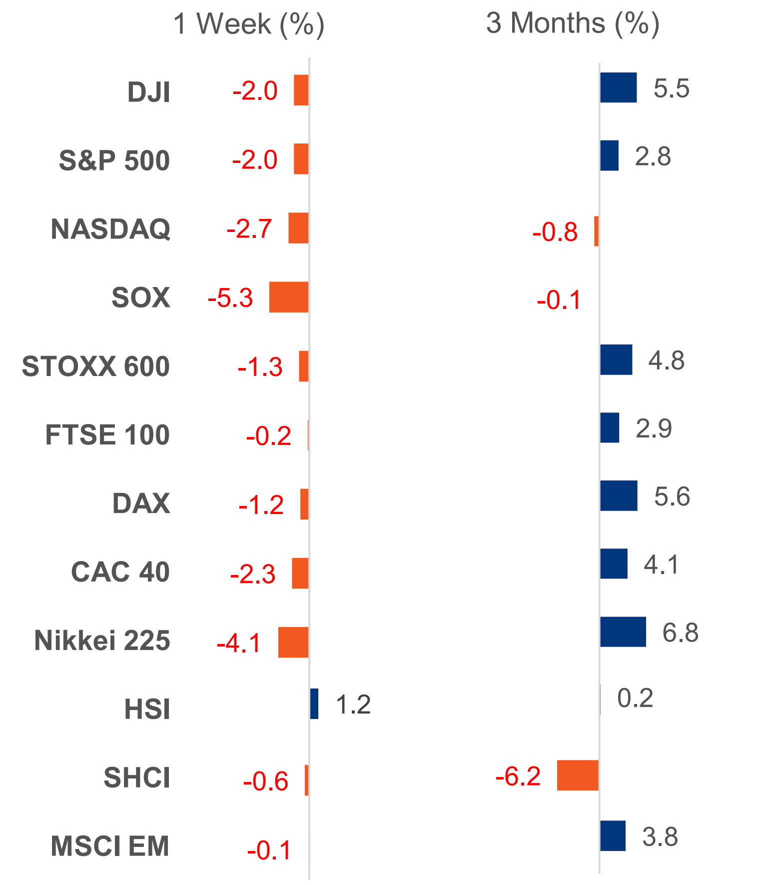
Source: Bloomberg, KGI

Market Recap

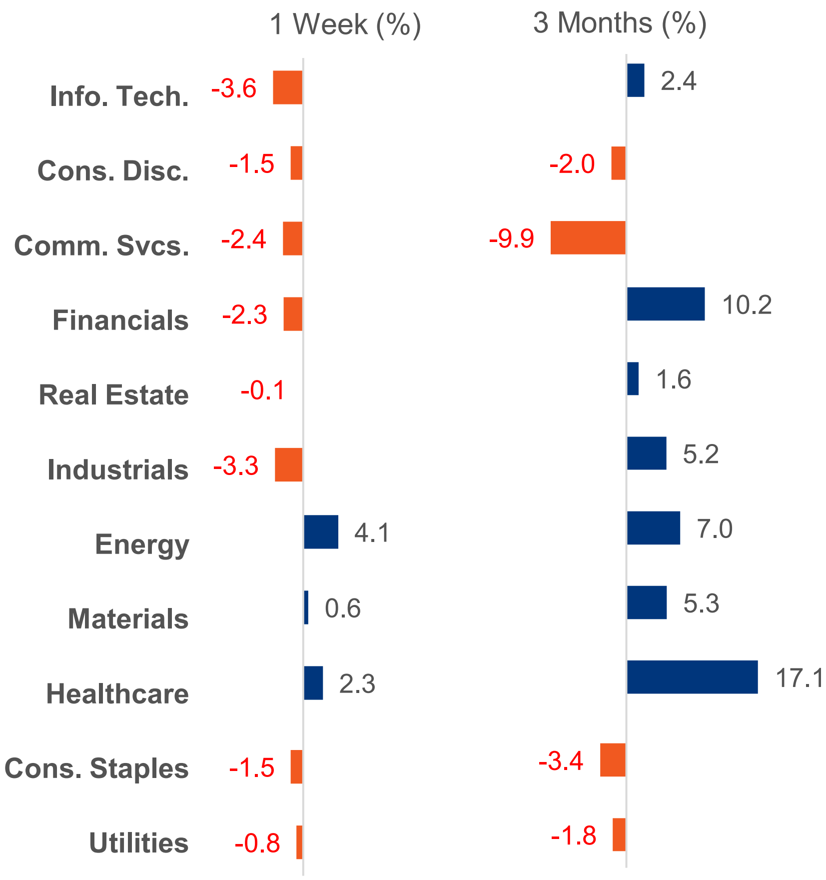
U.S.-Iran Tensions Resurface, Fueling Equity Volatility and Pressuring Tech

- The 60-day U.S.-Iran ceasefire expired without further negotiations, prompting Trump to take a tougher stance while the Strait of Hormuz remains partially blockaded. U.S. Vice President Vance said: 1) the U.S. will no longer pursue intensive strikes and does not expect a swift ceasefire; 2) the priority has shifted to stabilizing U.S. oil prices rather than reopening the Strait of Hormuz; and 3) preventing Iran from obtaining nuclear weapons remains a strategic, but not immediate, priority. This suggests economic containment may replace military strikes, pushing global oil prices higher. The U.S. 30Y Treasury yield rose to 5.3%, the highest since 2007, while the 10Y yield reached its highest since Jan 2025. Meanwhile, heavy debt issuance by tech giants to fund AI capex has increased valuation-reset and rebalancing risks for growth stocks. High-valuation tech and semiconductor stocks sold off sharply, driving greater global equity volatility.
- Escalating U.S.-Iran tensions and higher oil prices continued to support energy stocks. Sector rotation favored software stocks, which had underperformed in 1H and now trade at more attractive valuations, along with defensive healthcare and utilities. Positive clinical trial results for the skin cancer vaccine jointly developed by Moderna and Merck boosted Moderna shares and helped lift the healthcare sector.

Regional Index Performance (%)



U.S. Sector Index Performance (%)



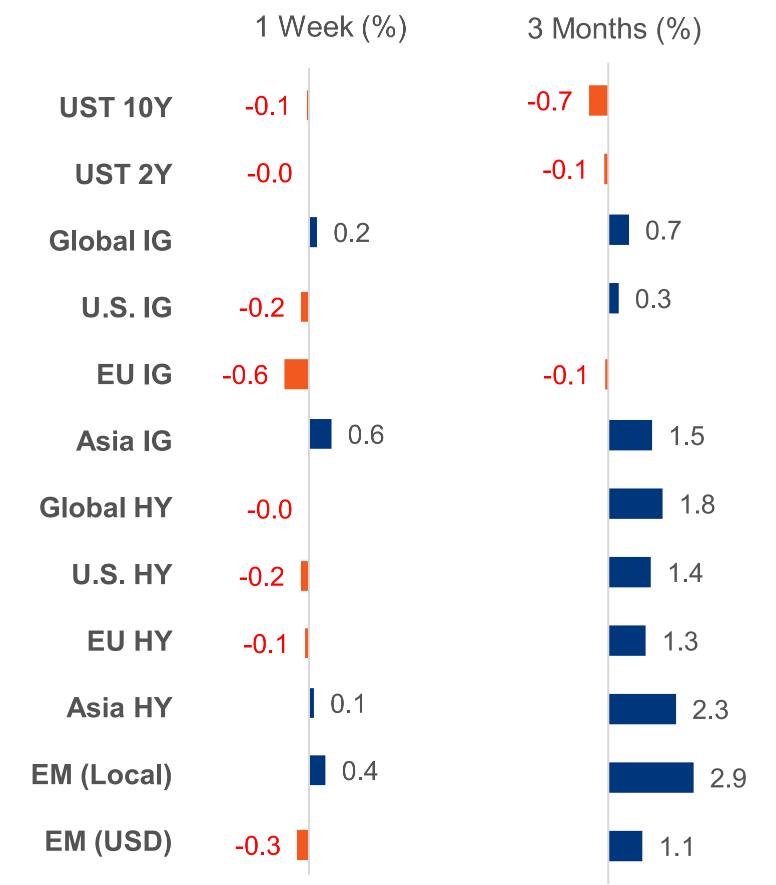
Source: Bloomberg

Market Recap

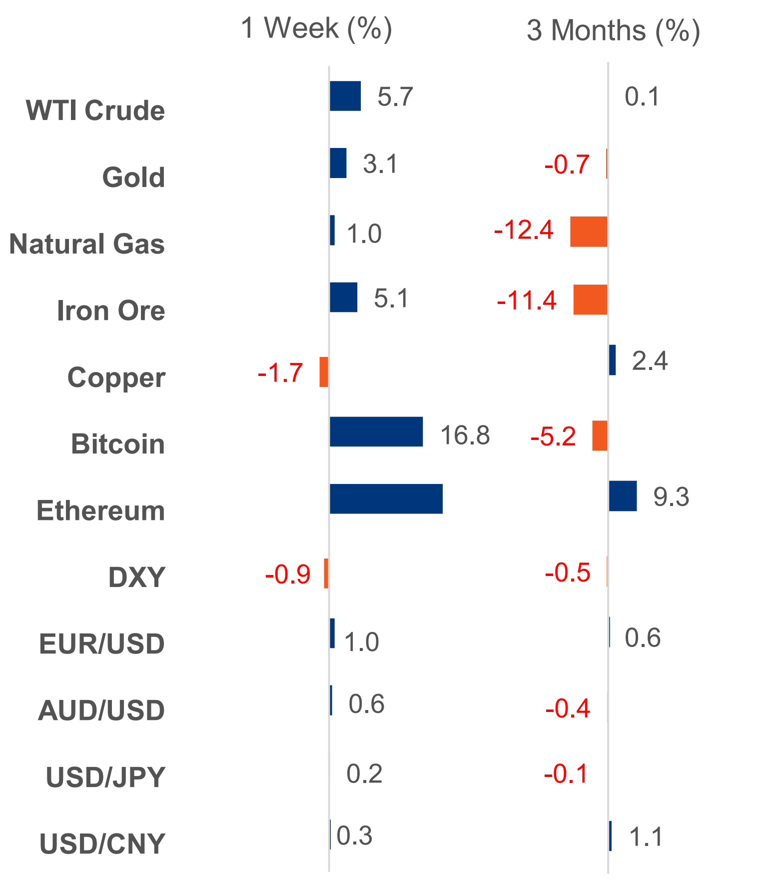
Global Bond Yields Surge; Trump Pushes Crypto Bill as Digital Assets Rebound

- A U.S. Treasury selloff drove global government bond yields higher, with Japan's 30Y yield briefly reaching 4.16% and Germany's 30Y yield hitting 3.76%, the highest since 2011. Amid the global bond selloff, U.S. Treasury Secretary Bessent announced plans to increase long-term Treasury buybacks from US$2bn to at least US$4bn, targeting 10Y–30Y bonds to stabilize market confidence. Global yields subsequently eased but remained elevated as U.S. debt concerns persisted. Asian IG bonds and EM local-currency bonds gained.
- The U.S. Dollar Index fell 1% to 98.9, supporting non-USD currencies and gold. President Trump urged Congress to pass a "fair version" of the CLARITY Act by year-end. On Aug. 18, the SEC also proposed crypto-asset rules, including exemptions for certain crypto-related investment contracts and a conditional safe harbor, aimed at providing greater regulatory clarity. Rising expectations that the Senate could pass the CLARITY Act on Sep. 15 drove a strong rebound in digital assets this week.

Performance of Bonds (%)



Performance of Commodities and Currencies (%)

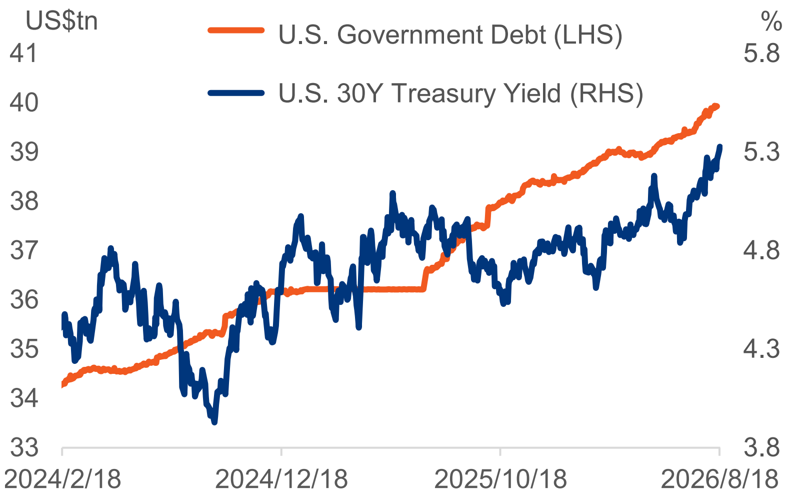


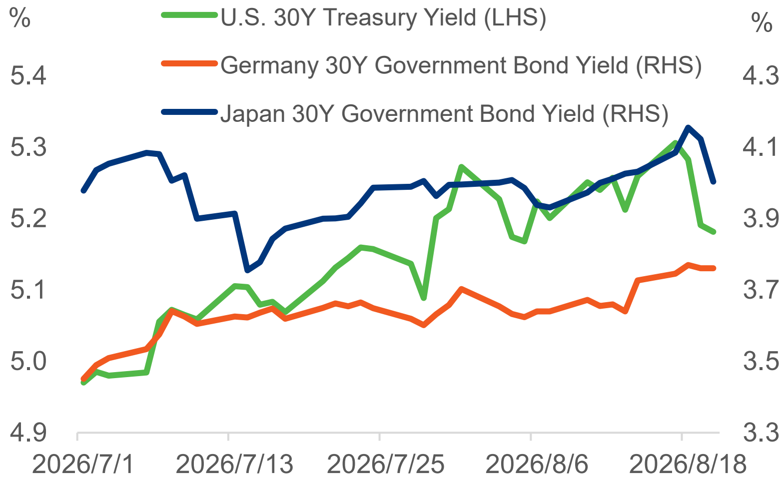
Source: Bloomberg

What's Trending | What Are the Impacts of Rising U.S. Long-Term Treasury Yields?

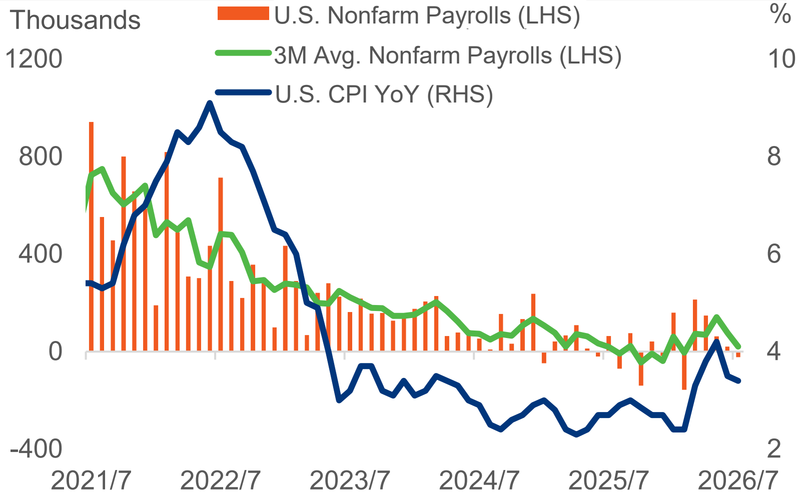
- The U.S. federal deficit surged to US$432.3bn in July, the highest monthly level in over five years. Outstanding government debt has reached about US$40tn, with annual interest expense at US$1.2tn. Rising Treasury supply and fiscal deficits have pushed investors to demand higher term premiums. Key drivers of higher long-term yields include: 1) worsening U.S. fiscal conditions, 2) heavy debt issuance by AI tech giants creating a crowding-out effect, and 3) renewed Middle East tensions lifting oil prices.
- Higher Treasury yields have also pushed up long-term yields in Japan and Germany, raising tech companies' funding costs and pressuring valuations, adding to equity volatility. Longer term, however, earnings fundamentals remain key. With U.S. employment and inflation cooling, Fed hike risks remain manageable. Short-term yields have been relatively stable, while long-term yields have risen, steepening the yield curve. We therefore favor short- to intermediate-duration bonds over long-duration exposure. U.S. corporate credit spreads have widened slightly, but tech spreads remain below their six-year average, indicating low default risk.

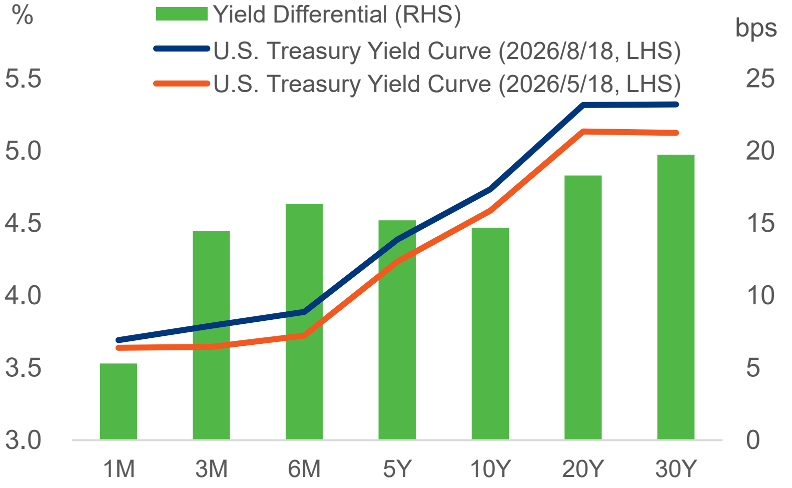
Record U.S. Government Debt Drives Long-Term Yields Higher





Yield Curve Steepens; Short/Medium Duration Preferred





Source: Bloomberg

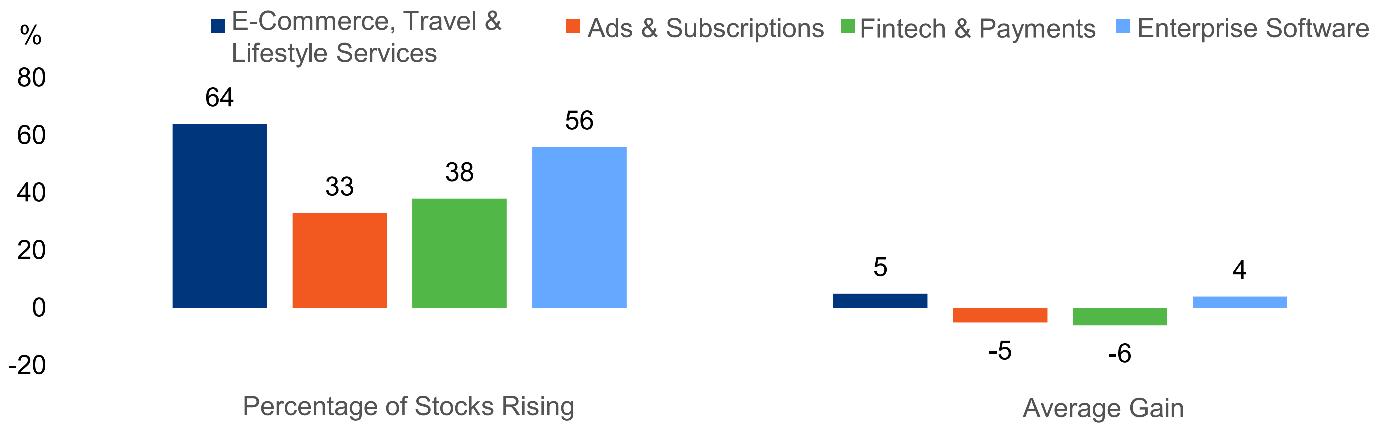
What's Trending

Software Earnings Diverge; Buy Cybersecurity and Data Infrastructure on Dips

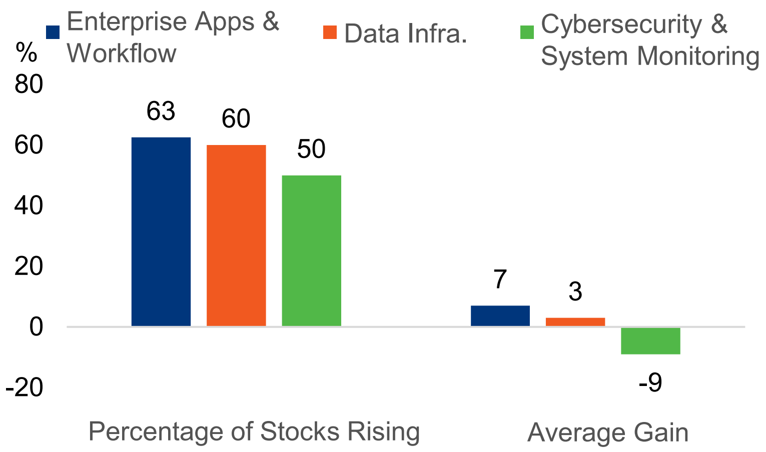
- 2Q software earnings were mixed. Beyond booming cloud demand at the four major CSPs, 64% of non-CSP e-commerce, travel and lifestyle services stocks and 56% of enterprise software stocks gained post-earnings, averaging +5% and +4%, respectively, outperforming ad/subscription and fintech/payment names. Stock selection should increasingly shift from AI themes toward companies delivering sustainable growth and measurable AI benefits.
- Enterprise software can be divided into enterprise applications, data infra. and cybersecurity. Post-earnings, 63% of enterprise application stocks gained, averaging +7%, versus 60% and +3% for data infra. and 50% and -9% for cybersecurity. Amid concerns over AI disruption to enterprise applications, companies sustaining growth and demonstrating quantifiable AI benefits, such as Frog, received stronger market reactions. However, only two cybersecurity firms have reported, leaving room for upside as more results arrive. Cybersecurity revenue growth in 2027 is expected to trail only data infra. , while its higher valuation multiples reflect more durable demand. As AI adoption increases data and system protection needs and earnings show improving profitability, we favor buying cybersecurity leaders on dips, complemented by data infra. names with attractive growth and valuations.

Source: Bloomberg

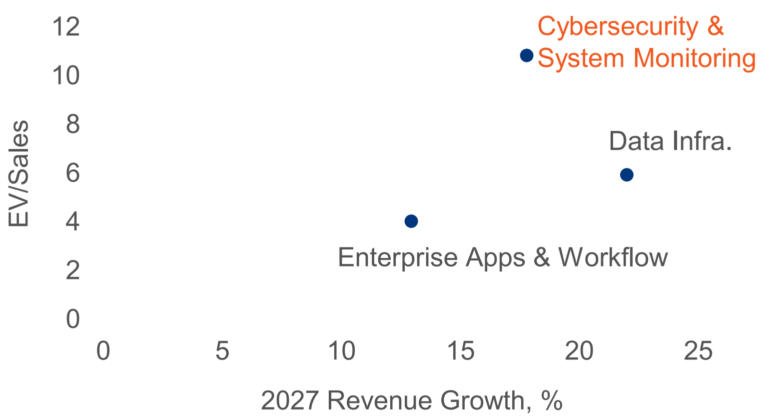
2Q26 Software Post-Earnings Performance Diverges; E-Commerce/Travel/Lifestyle Services and Enterprise Software Average +5%/+4%



Enterprise Apps & Workflow Lead 2Q26 Earnings Performance



Cybersecurity and Data Infrastructure Expected to Lead 2027 Revenue Growth



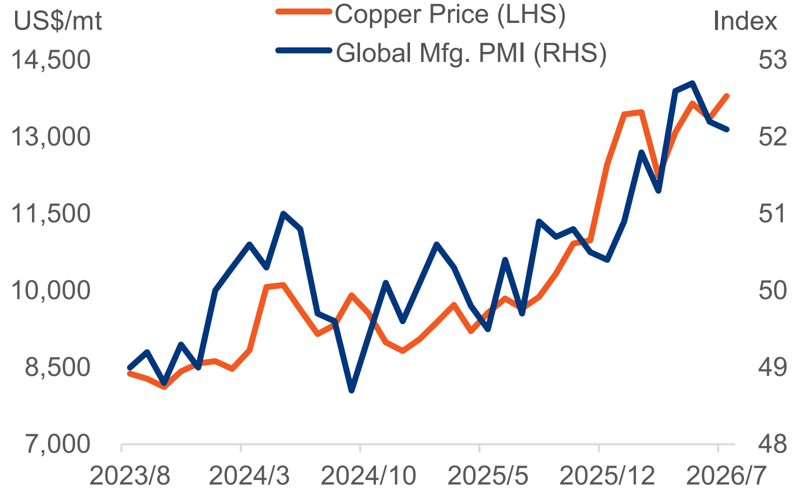
In Focus

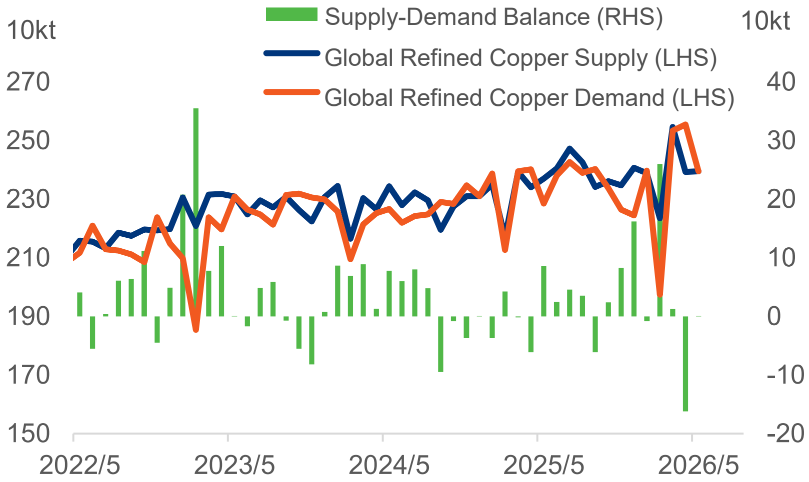
AI Infrastructure Expansion Boosts Copper Demand and Mining Profits

- Rapid AI infrastructure expansion is driving strong copper demand as large data centers, cloud platforms and high-performance computing capacity continue to scale. Demand for copper foil, high-speed copper cables, connectors and related materials is rising, alongside sustained copper consumption in electronics and energy storage. Coupled with improving global mfg. PMI, tight refined copper supply-demand conditions are keeping copper prices elevated and supporting strong mining earnings.
- Mining giant BHP, for example, reported a 30% surge in 2Q profit to US$13.2bn, while EBITDA rose 27% YoY to US$32.9bn, both beating expectations. BHP also raised its dividend, with the payout ratio reaching 66%. Copper revenue surpassed iron ore for the first time, a company record, making copper a key earnings driver. With most U.S. 2Q earnings now reported, attention is shifting to 3Q. Against still-elevated inflation, a weaker USD and resilient economic growth, ROE for metals/mining, gold miners and even energy companies continues to rise sharply, supporting recent share-price gains. Mining stocks have outperformed spot copper YTD, though with notably higher volatility.

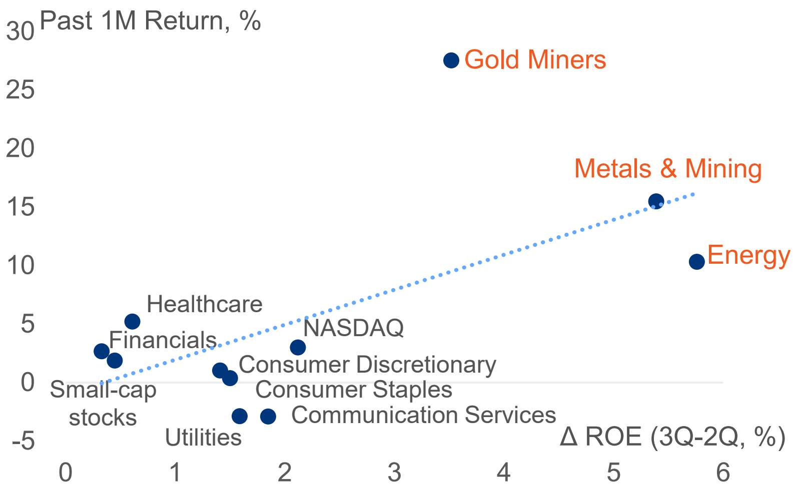
Source: Bloomberg, KGI

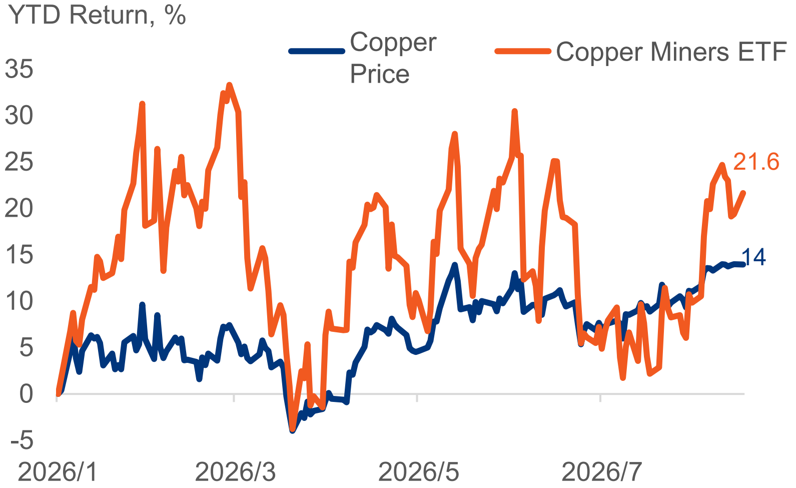
AI Demand and Global Mfg. Recovery Tighten Refined Copper Supply





Strong Mining Earnings and ROE Outlook Drive Share Gains

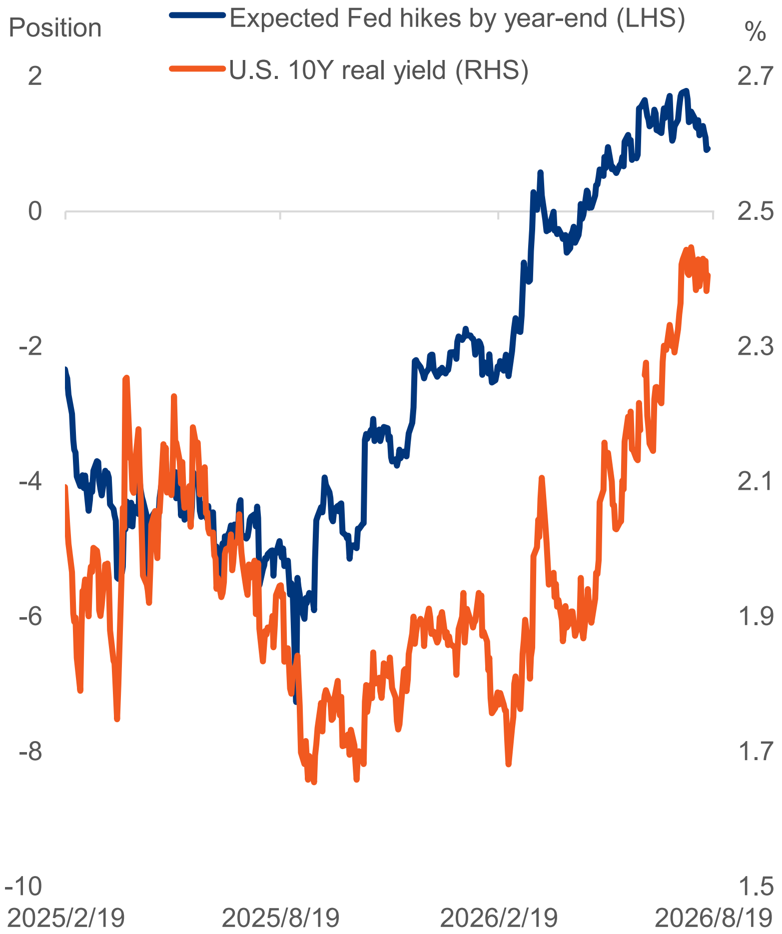




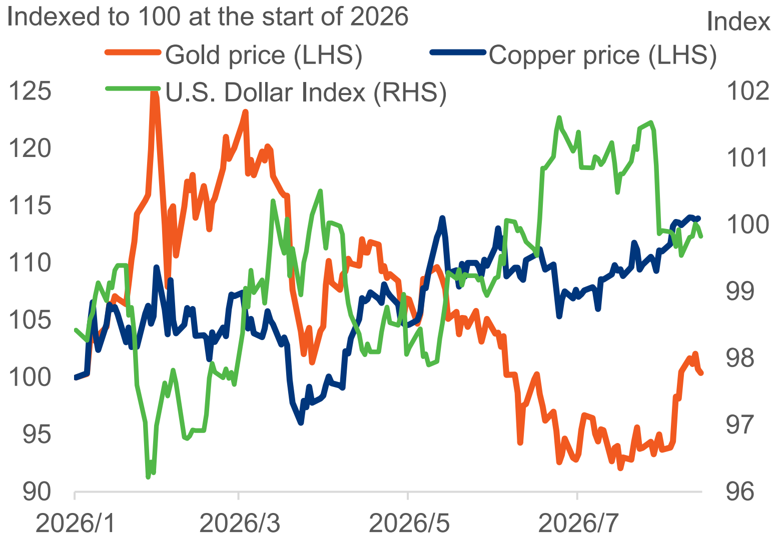
Cooling Inflation and Jobs Ease Fed Hike Expectations, Favoring Range Trading in Gold

- Gold has fallen nearly 30% from its YTD high of US$5,599/oz to US$4,000/oz, mainly reflecting a shift in rate-futures pricing from Fed cuts to hikes this year. However, with U.S. inflation easing and employment cooling, expectations for further Fed hikes by year-end have declined. Rate futures now imply at most one 25 bps hike, with a possibility of no hike. Headwinds for gold are therefore fading. Recent liquidity provision by the U.S. Treasury has also pushed U.S. real yields lower and weakened the dollar. As the dollar typically moves inversely with most commodities, gold prices have rebounded.
- Central-bank demand provides key downside support for gold. According to the World Gold Council, despite the sharp decline in gold prices in 2Q, global central-bank purchases surged to 289 tonnes, five times the 1Q level and up 62% YoY, helping gold hold around US$4,000/oz. Global central banks have continued to increase gold reserves in recent years to diversify FX reserves, reduce concentration in U.S. dollar assets, and hedge geopolitical risks. As central-bank gold purchases are strategic and long term, they are less sensitive to short-term rate fluctuations. Investors can range-trade gold in the near term while maintaining it as part of long-term asset allocation.

U.S. Rate-Hike Expectations Ease; Real Yields Fall Despite No Hikes



Weaker U.S. Dollar Supports Gold and Copper; Central-Bank Buying Provides Support



Unit: tonnes	2Q25	1Q26	2Q26	YoY, %	
Gold jewelry	354	332	310	-12	▼
Technology	79	82	80	2	▲
Bar & ETF investment	487	539	262	-46	▼
Central banks & official institutions	**178**	**57**	**289**	**62**	▲
Gold demand	1,097	1,009	942	-14	▼
OTC & other	171	244	327	91	▲
Gold price (US$/oz)	3,280	4,873	4,506	37	▲

Source: Bloomberg, KGI

Strategic Viewpoint

Stay Selective as Volatility Rises and Sector Rotation Continues

Asset Type	Market View	Preferred Assets
Equities	◆ Rising global government bond yields increase equity valuation correction risks, while heavy capex by tech companies raises concerns over future earnings and monetization. With U.S.-Iran tensions resurfacing, defensive sectors such as healthcare and utilities can help reduce market volatility. Long-term trends in technology, AI and semiconductors remain intact, supported by solid earnings fundamentals. Favor selective dip-buying and diversification across countries and sectors. ◆ European and Japanese equities remain key diversification plays. Higher global rates benefit banks, while European and Japanese banks have solid fundamentals. Japanese semiconductor stocks offer relatively resilient opportunities on pullbacks, while European defense stocks remain attractive.	**Strategy:** Near-term sector rotation; medium-to-long term favor AI-related technology and semiconductors, while non-AI exposure should focus on cyclical sectors **Regions**: Japanese banks, Japanese semiconductors, European financials and defense
Bonds	◆ U.S. 30Y Treasury yields remain relatively high; avoid long-duration bonds. We expect the U.S. 10Y Treasury yield to trade around 4.5–5.0% through year-end. Favor intermediate- and short-duration bonds as yields rebound. High-quality corporate bonds offer relatively strong defensive characteristics and stable cash flow, with sectors such as financials, technology, communication services and utilities attractive after spread adjustments. ◆ Non-USD investment-grade bonds, including EUR- and AUD-denominated bonds, can diversify single-currency risk.	**Types:** Intermediate- and short-duration high-quality bonds; sectors including financials, technology, communication services and utilities **Satellite :** Non-USD bonds to diversify currency risk
Forex	◆ U.S. inflation has eased, but rebounding oil prices should keep the dollar range-bound at elevated levels, albeit with weakening momentum. ◆ U.S.-Japan joint intervention has supported the yen, while the BoJ has turned hawkish. A September rate hike is increasingly likely, supporting further JPY appreciation.	**USD:** USD to remain range-bound at elevated levels **JPY:** JPY has further upside potential
Commodity	◆ Middle East and Russia-Ukraine conflicts continue to tighten global energy supply. Combined with seasonal summer demand and low oil inventories, energy supply is expected to remain below demand this year. ◆ U.S. fiscal pressures and de-dollarization remain long-term structural themes, while central-bank buying provides medium-to-long-term support for gold.	**Oil**: Middle East tensions keep oil prices elevated **Gold**: Range trading in gold

Product Spotlight HK Equities

Under Heavy CapEx, Balance Sheets and Cash Flow Matter

▶ **Tech Giants Expand CapEx**

In recent years, global tech has entered a new wave of revolution driven by Generative AI. Cloud and internet giants have sharply raised CapEx, channeling funds into compute data centers, high-performance AI chip procurement, and large language model R&D. Market research and earnings data show AI-related investment surging with no short-term slowdown. This “tech arms race” compels leading firms to keep pouring massive capital to secure compute reserves, accelerate model iteration, and strengthen AI ecosystems.

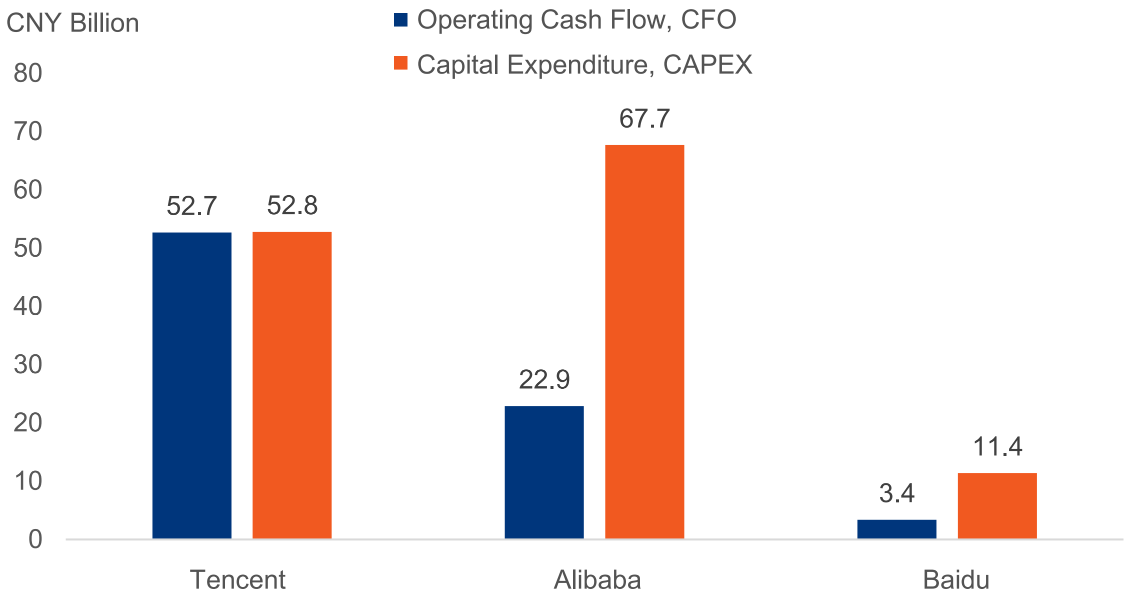
▶ **Core Businesses Fuel Cash Flow to Support Intensive R&D**

Examining the financials of major tech and cloud peers, their strong operating cash flow mainly comes from mature core businesses such as digital advertising, e-commerce, online entertainment, and enterprise cloud services. These “cash cow” segments continue to generate substantial net inflows even amid macroeconomic swings or industry cycles. Steady cash flow not only provides a safety cushion for daily operations but also serves as the primary funding source for sustained high-intensity R&D and infrastructure upgrades, ensuring firms retain resilience through technology transitions.

▶ **Under Heavy CapEx, Strong Balance Sheets and Cash Flow Are Crucial**

AI infrastructure and model training are high-investment, long-cycle strategic plays. With CapEx elevated, firms lacking reserves and stable cash flow face mounting financial pressure and liquidity risk. By contrast, those with strong balance sheets and ample cash can withstand prolonged R&D battles and steadily fund commercialization. Robust cash flow and solid capital strength have become decisive resources for success in the long AI race..

Latest Quarterly Operating Cash Flow and Capital Expenditure



KGI

Alibaba (9988 HK)

Closing Price HK $126.2 **Target Price** HK $165

Alibaba is a global leader in technology and e-commerce. Its businesses include Taobao, Tmall, Alibaba Cloud, and Cainiao, spanning digital retail, cloud computing, and smart logistics.

Core Business Performance Meets Expectations

Alibaba posted CNY 269B revenue (+9% YoY) and adjusted EBITA of CNY 27.3B (-30% YoY), both in line with forecasts. Domestic e-commerce CMR grew 1% after subsidies, while instant retail revenue surged 45% with narrowing losses. Management also reorganized AI segment reporting to improve transparency.

Cloud Momentum Driven by MaaS and Chips

The AI division delivered four key highlights. First, AI cloud and compute services revenue accelerated 45% YoY to CNY 48.4B, with AI products contributing CNY 12.4B (35% of external cloud revenue), marking 12 consecutive quarters of triple-digit growth. Second, MaaS platform ARR doubled from CNY 8B in May to CNY 16B in August, on track toward the year-end CNY 30B target. Third, higher-margin MaaS and rising adoption of in-house “T-Head” chips expanded cloud EBITA margin from 7% last year to nearly 12%. Fourth, while “AI Labs and Applications” remain loss-making, management expects efficiency gains to narrow losses in coming quarters, reducing impact on overall financials.

CapEx Volatility, AI Payback in Three Years

This quarter’s sharp rise in capital expenditure was attributed to hardware delivery cycles, increased CPU procurement, and component price hikes—non-linear fluctuations rather than structural change. The three-year CNY 380B CapEx plan remains intact. Management emphasized that current efficiency allows AI investments to break even within three years; with margin expansion, the payback period could shorten to 2.5 years, followed by strong positive cash flow. This clear outlook helps improve market expectations.

Investor Concerns Eased, Maintain Buy Rating

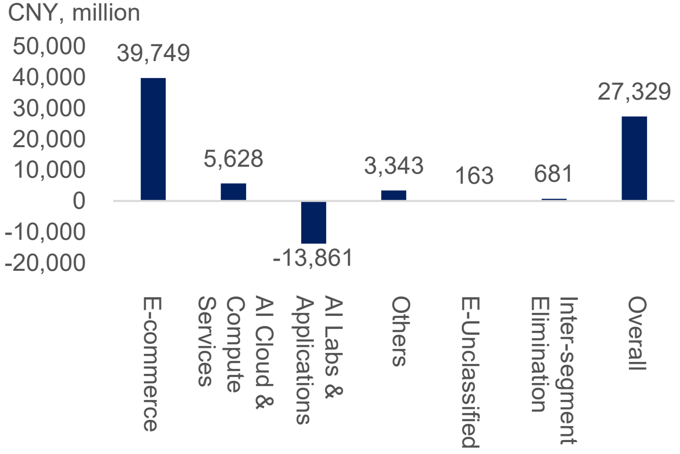
This quarter’s results brought no major surprises but helped ease investor concerns. Key positives include narrowing instant retail losses, sustained high growth in the AI division, clear visibility on AI CapEx payback, and transparent disclosure of capital expenditure plans. Based on these factors, the recommendation remains Buy.

Financials

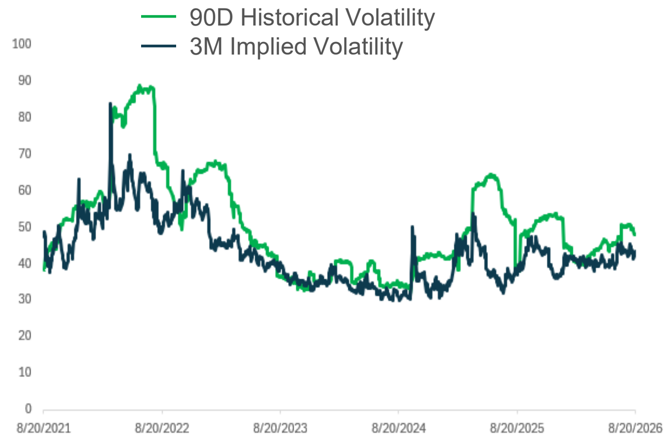
	2025	2026	2027F	2028F	2029F
Revenue (CNY b)	996	1023	1126	1261	1424
Revenue YoY	5.8	2.7	10.0	12.0	12.9
EPS (CNY)	8.2	3.4	5.7	7.7	9.4
EPS YoY	5.1	-59.0	68.7	36.9	22.1
RoE (%)	12.9	10.2	8.9	11.2	13.3

Estimate P/E

Adjusted EBITA



Historical Volatility



Source: Bloomberg

Baidu (9888 HK)

Closing Price HK $92.15	**Target Price** HK $N/A

China's leading technology giant. The company began with search engines and has recently transformed into artificial intelligence development. Core businesses now include the "ERNIE Bot" large language model, cloud computing services, and Apollo autonomous driving technology.

Overall Performance in Line, but Details Raise Concerns

Baidu's Q2 total revenue was CNY 31.325B, slightly below market expectations of CNY 31.587B. On a Non-GAAP basis, operating profit and net profit diverged: operating profit came in at CNY 3.78B, above consensus of CNY 3.67B, while net profit was dragged down by expanded FX losses to CNY 2.57B, well below the expected CNY 3.19B. Although headline performance showed no major gap, the sharp rise in capital expenditure has triggered market concern.

AI Infra Short-term Concerns, GPU Cloud Demand Still Strong

As Baidu's primary valuation driver, AI Cloud Infrastructure underperformed market expectations in Q2, sparking investor doubts. The weakness is largely seen as a temporary effect from the transition between legacy and new cloud services. In fact, demand for AI accelerator services remains robust: GPU cloud revenue growth accelerated from 184% YoY last quarter to 283% YoY in Q2, reflecting strong release of demand. Nevertheless, the segment's weaker-than-expected performance is likely to weigh on the company's valuation.

Operating Cash Flow Insufficient for CapEx, Valuation Pressure Ahead

Beyond AI Cloud Infrastructure as a key valuation driver, net cash levels are also a critical component of Baidu's market value—indeed the largest portion. By Q2, net cash stood at about HKD 171.8B (CNY 147.5B), representing 65% of market capitalization. However, net cash is expected to face ongoing challenges as operating cash flow cannot support surging capital expenditure, with quarterly free cash outflow reaching CNY 7.95B. Management has clearly stated its commitment to intensifying AI CapEx, a stance that is likely to exert pressure on the share price.

Transition Pains Between Old and New Businesses, Stock Trend Weak

Overall, Baidu's operations are in a transition phase between legacy and new businesses, creating short-term growing pains. Near-term performance will revolve around capital expenditure pressures and the progress of "Kunlunxin" spin-off, though management has not provided a clear timetable. The stock is expected to remain volatile with a weak bias in the short term.

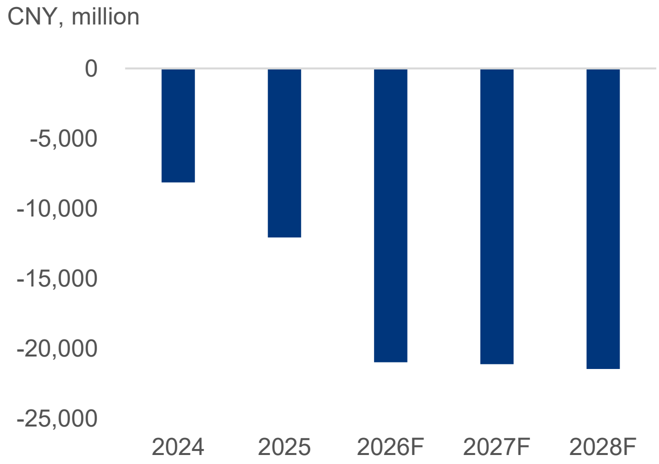
Source: Bloomberg

Financials

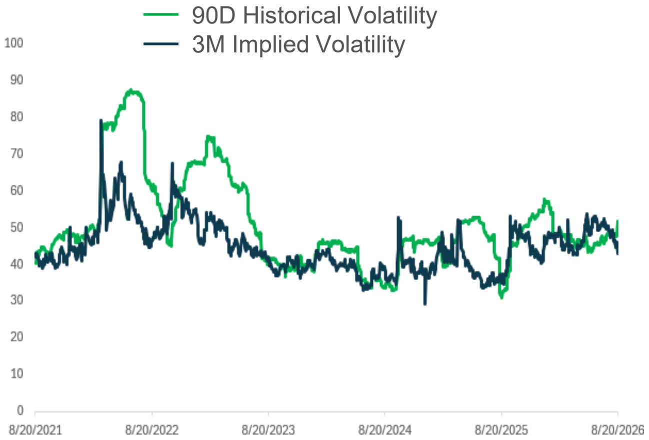
	2024	2025	2026F	2027F	2028F
Revenue (CNY b)	133	129	127	135	149
Revenue YoY	-1	-3	-1	6.3	9.9
EPS (CNY)	9.6	6.7	4.9	6.4	7.8
EPS YoY	-4.9	-30	-25.9	29.7	21.5
RoE (%)	9.1	1.7	4.5	5.1	5.9

Estimate P/E

CapEx



Historical Volatility

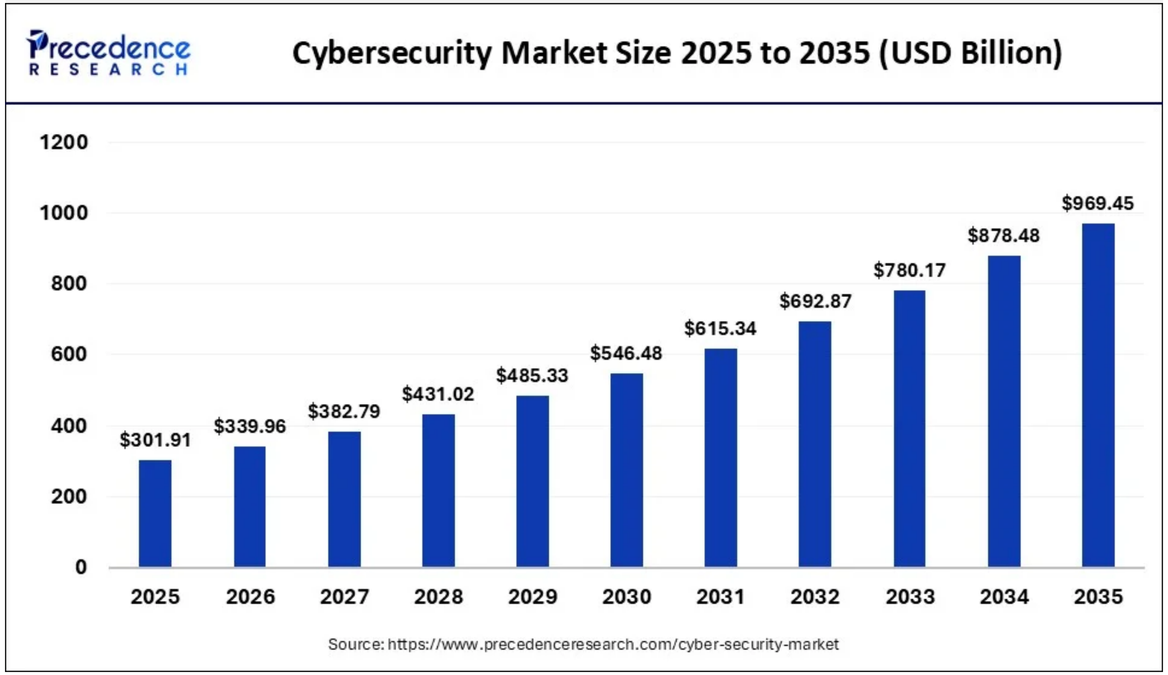


KGI

US Equities AI Applications Emerging, Cybersecurity Becomes Essential

- The July 28–29 FOMC minutes carried a hawkish tone. While the Fed held rates steady at 3.50%–3.75%, three officials favored a 25bp hike, and many noted further tightening may be needed if inflation fails to ease. Compared with the labor market, policymakers are more focused on inflation risks—tariffs, energy costs, and AI data-center investments raising chip, power, and equipment expenses. Officials judged employment broadly balanced and growth resilient, giving room to sustain higher rates. Notably, the minutes for the first time discussed AI investment's impact on demand, inflation, and market valuations. Overall, the focus has shifted from "when to cut" to "whether more hikes are needed," a stance negative for long-duration growth stocks but supportive for the dollar and financials. Still, softer jobs and inflation data released after the meeting make a September pause the base case.
- The U.S. cybersecurity sector continues steady growth, fueled by widespread AI adoption that drives demand for cloud security, identity management, SASE, and AI Security. Enterprises are accelerating vendor consolidation, concentrating the industry toward large platform providers. Looking ahead, generative AI and AI Agents heighten risks of data leakage and identity privilege misuse, keeping corporate security budgets resilient. Leaders such as PANW, CRWD, and FTNT—with comprehensive platforms and AI capabilities—are well-positioned to benefit, though elevated valuations may cause short-term stock volatility.

2025-2035 Cybersecurity Market Size



Source: Bloomberg, Grand View Research

CrowdStrike (CRWD US)

Closing Price US$191.95 **Target Price** US$230

CrowdStrike delivers cybersecurity products and services to prevent breaches. Its cloud-delivered protection covers endpoints, cloud workloads, identity, and data. The company also provides leading threat intelligence, managed security, IT operations management, threat hunting, zero-trust identity protection, and log management.

Falcon Expanding into Enterprise AI Security Control Plane

CrowdStrike continues to broaden its unified Falcon platform from endpoint protection into cloud, identity, SIEM, browser, and AI security. The company recently extended Project QuiltWorks to SMEs through Pax8, TD SYNNEX, Arrow, and Westcon-Comstor distribution channels, while leveraging OpenAI and Anthropic frontier models for vulnerability discovery and risk ranking. Meanwhile, Falcon AIDR has expanded to AI applications and agents on AWS. As enterprises deploy more AI agents and cloud workloads, Falcon is poised to evolve into the unified security control plane for enterprise AI deployment.

AI Attacks Rising, Cybersecurity Demand Enters New Structural Growth

Generative AI is simultaneously expanding enterprise attack surfaces and enhancing hacker efficiency. Prompt injection, agent hijacking, AI application flaws, and automated vulnerability discovery have emerged as new corporate risks. CrowdStrike recently launched an AI agent red-team testing program with AWS and joined the Open Secure AI Alliance alongside NVIDIA and others, strengthening its role in the AI security ecosystem. As enterprises increase AI infrastructure investment, the need to protect identity, APIs, agents, cloud workloads, and data flows rises in tandem, supporting cybersecurity budgets to outpace overall IT spending growth.

FY2027 Guidance Raised and Fal.Con Provide Dual Catalysts

CrowdStrike will report Q2 results on August 26, with prior guidance for ARR around $5.793B, revenue $1.436B–$1.442B, and Non-GAAP EPS $1.16–$1.17. Q1 net new ARR reached $256M, up 32% y/y, prompting management to raise full-year ARR growth outlook—making Q2 ARR and guidance the key focus. Following this, Fal.Con 2026 runs August 31–September 3, sold out at record pace with 10,000+ participants and 4,000 enterprises. Announcements of new AI security products and partnerships are expected to serve as the next catalyst.

Valuation Consensus

Bloomberg's 12-month average target price is US$212.95, with a high of US$256 and a low of US$103.

1-Year Price

Financials

	2024	2025	2026	2027F	2028F
Revenue Growth(%)	36.3	29.4	21.7	23.5	21.9
EBITDA (%)	5.5	4.4	3.8	29.4	30.8
EPS (USD)	0.10	-0.01	-0.02	1.23	1.51
Net Profit Margin(%)	3.2	-0.4	-0.4	21.5	22.7

Source: Bloomberg; 2027/28F are market estimates

FY2027 Guidance

	2Q FY2027	Full Year FY2027
Annual recurring revenue	$5,792.6 - $5,794.6M	$6,531.7 - $6,555.5M
Total revenue	$1,436.0 - $1,442.0M	$5,914.7 - $5,958.7M
Non-GAAP income from operations	$345.6 - $349.1M	$1,452.3 - $1,480.3M
Non-GAAP net income attributable to CrowdStrike	$300.7 - $303.4M	$1,263.1 - $1,285.2M
Non-GAAP net income per share attributable to CrowdStrike common stockholders, diluted	$1.16 - $1.17	$4.88 - $4.96
Weighted average shares used in computing non-GAAP net income per share attributable to common stockholders, diluted	258M	259M
Non-GAAP tax rate	21.0%	21.0%

P/E & P/B

Source: Bloomberg, Company

Palo Alto Networks (PANW US)

Closing Price	US$357.87	Target Price	US$400

Palo Alto Networks provides comprehensive network security solutions. Its firewalls can identify and control applications, scan content to block threats, prevent data leakage, and deliver integrated visibility across applications, users, and content.

Platformization and Acquisitions Broaden Recurring Security Revenue

Palo Alto Networks continues integrating network, cloud, security operations, identity, and AI security into a unified platform, benefiting from enterprises consolidating fragmented tools. Acquisitions such as CyberArk and Chronosphere strengthened identity and observability, while Portkey and Koi extended protection to AI agents and agentic endpoints. In FY2026 Q3, next-gen security ARR grew 60% y/y to $8.1B, with CyberArk and Chronosphere contributing about $1.6B. Platformization and cross-sell are expected to further expand customer wallet share.

AI Agents Rapidly Proliferate, Driving New Wave of AI Security Demand

Enterprises are accelerating deployment of generative AI and AI agents, creating new attack surfaces across prompts, models, data, APIs, and machine identities. In August, Palo Alto Networks expanded Prisma AIRS with native integrations of OpenAI Codex Enterprise and Anthropic, enabling real-time threat detection and data-loss prevention before prompts reach models. It also integrated Cortex AI Security Posture Management to identify enterprise models, agents, and datasets. As AI shifts from experimentation into core workflows, AI runtime security is poised to become the company's next scaled growth market.

FY2026 Q3 Organic Order Growth Accelerates, Performance Steadily Advances

Q3 FY2026 revenue reached $3.0B, up 31.0% y/y, beating consensus by $60M. Non-GAAP EPS was $0.85, exceeding expectations by $0.05. For the full year, the company guides next-gen security ARR to $8.90B–$8.95B, remaining performance obligations to $20.9B–$21.0B, total revenue to $11.415B–$11.425B, Non-GAAP operating margin to 28.9%–29.2%, and diluted Non-GAAP EPS to $3.77–$3.79.

Valuation Consensus

Bloomberg's 12-month average target price is US$367.03, with a high of US$475 and a low of US$200.

1-Year Price

FY2026 Guidance Raised

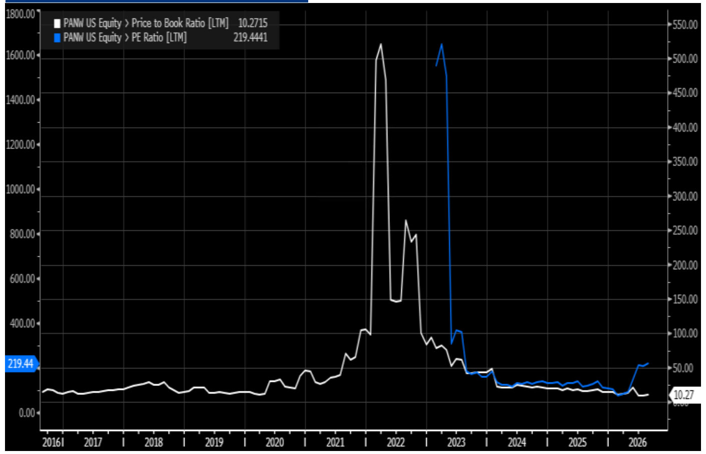
	Q4'26 Guidance (as of 6/2/26)	FY'26 Guidance (as of 6/2/26)
Next-Gen Security ARR	$8.90B - $8.95B 59% - 60% y/y	$8.90B - $8.95B 59% - 60% y/y
Remaining Performance Obligation	$20.9B - $21.0B 32% - 33% y/y	$20.9B - $21.0B 32% - 33% y/y
Total Revenue	$3.345B - $3.355B 32% y/y	$11.415B - $11.425B 24% y/y
Operating Margin (Non-GAAP)		28.9% - 29.2% +10 bps - +40 bps y/y
Diluted EPS (Non-GAAP)	$0.96 - $0.98	$3.77 - $3.79
Adj. Free Cash Flow Margin (Non-GAAP)		37.5%

Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	25.3	16.5	14.9	23.9	21.0
EBITDA (%)	10.1	15.8	16.6	34.3	34.9
EPS (USD)	0.68	1.32	1.58	3.78	4.12
Net Profit Margin(%)	6.7	11.7	12.1	25.3	24.8

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B



Source: Bloomberg, Company

TW Equities | Macro Risks Pressure Taiwan Equities, Yet Q2 Earnings Beat Confirms Long-Term Bull Logic

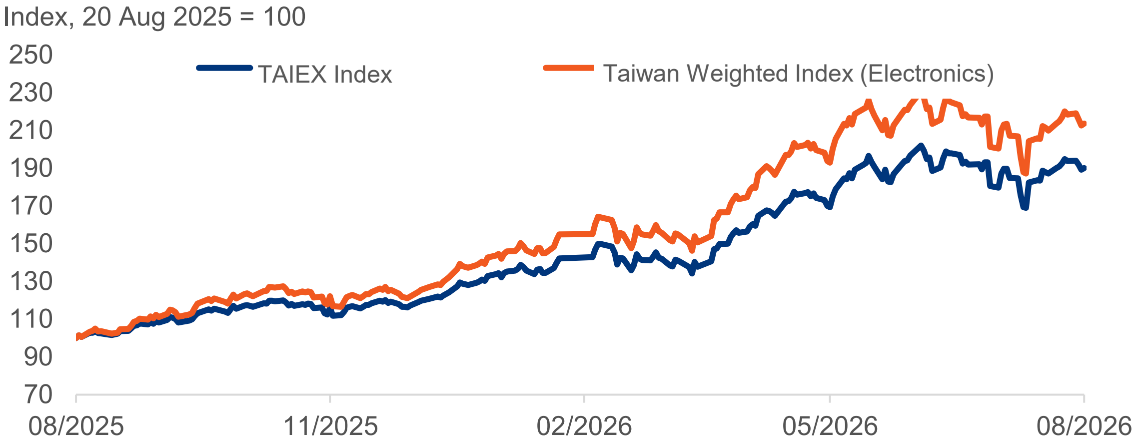
Macro Risks Rising, Taiwan Equities Under Short-Term Pressure

The expiration of the U.S.–Iran memorandum of understanding and President Trump's remarks that conflict will not end soon have reignited concerns over Middle East tensions. Coupled with the recent climb in U.S. Treasury yields, Taiwan equities faced broad pressure throughout the week. After plunging 8,800 points in July and rebounding more than 7,000 points, the market has now entered a heavy overhang zone, with notable upside resistance and heightened chase-risk. Strategy favors pullback accumulation, with focus on new hardware upgrade demand driven by NVIDIA's Rubin Ultra platform.

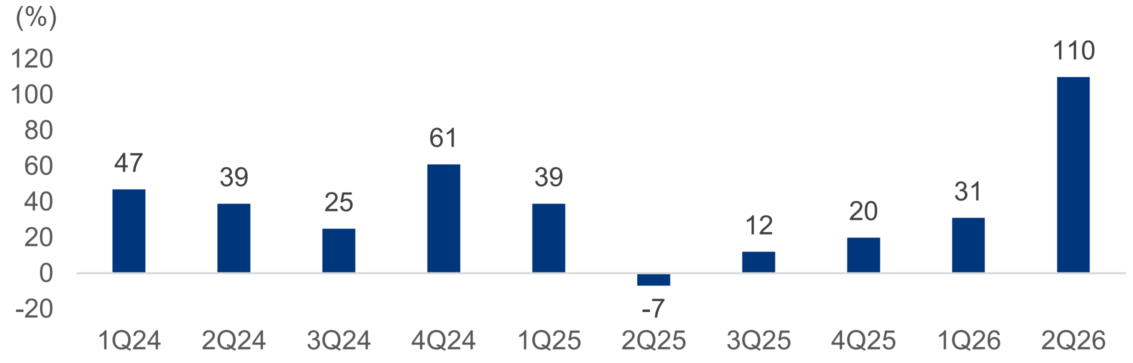
AI Demand Surge Drives Taiwan Q2 Earnings Beat

Taiwan's Q2 FY2026 earnings season delivered results far above expectations. Overall listed companies posted net profit growth of 110% y/y, versus the prior estimate of 47%, underscoring stronger-than-expected AI demand. Beyond surging shipments of AI products, supply chains benefited from product mix optimization and pricing gains, boosting ASPs and margins to record highs. Net profit reached NT$1.8T, up 27% q/q and 110% y/y, marking the strongest growth since Q2 2021 and the second-highest level post-pandemic. From advanced process nodes and AI servers to key components and memory, the AI supply chain broadly captured demand momentum, propelling corporate earnings into an accelerated growth phase.

TAIEX Index and Taiwan Electronics Sector Trends



Taiwan Quarterly Earnings Growth Rate



Source: Bloomberg

Elite Material Co., Ltd. (2383 TT)

Elite Material Co., Ltd., founded in 1992, is one of Taiwan's top four copper-clad laminate (CCL) manufacturers. The company primarily produces copper-clad laminates, prepreg sheets (PP), and multi-layer laminates (M/L).

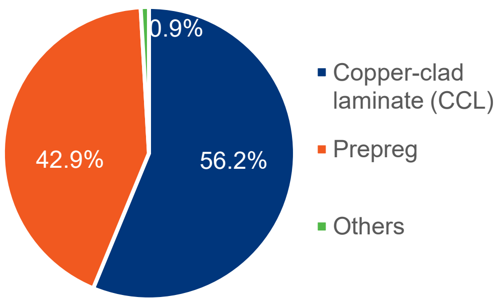
Q2 FY2026 Price Hikes Drive Margin and Profit Beat

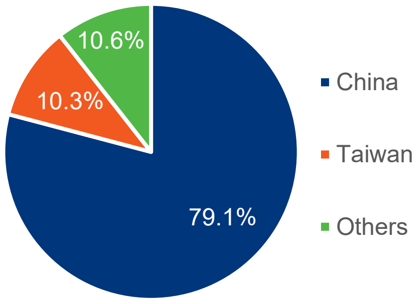
The company reported Q2 FY2026 results with gross margin at 33.9% and operating margin at 26.9%, both above consensus. Benefiting from product price hikes and mix optimization, quarterly revenue reached NT$47.3B, beating consensus by 9.8%, with gross margin expanding 4.4ppt q/q. Infrastructure revenue (including AI servers, general servers, switches, and LEO satellites) rose 46% q/q and 141% y/y, accounting for 75–80% of total.

High-End Material Penetration Continues to Rise

Within the product mix, materials above M7 now account for 60–65%, reflecting ongoing penetration of high-end materials. Looking ahead to Q3 FY2026, price hike effects are expected to persist, driving at least 15% q/q revenue growth. In 2H FY2026, M9 materials are set for ramp-up, with revenue share likely reaching single digits. Substrate CCL certification is expected in Q3, with current stable output of ~40,000 sheets per month; if approved, shipments could more than double by 2027. M9 materials are mainly applied in LPU, UBB, and certain small boards, with share expected to rise significantly after volume ramp.

Revenue Sources and Regions





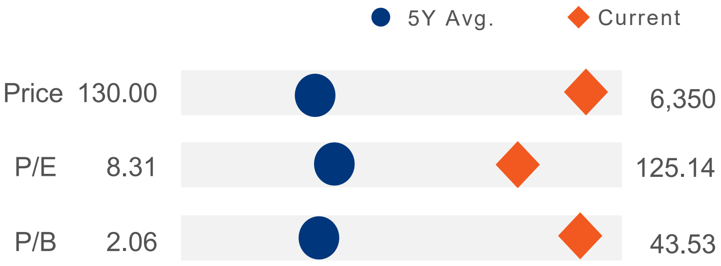
Source: Bloomberg

Financials

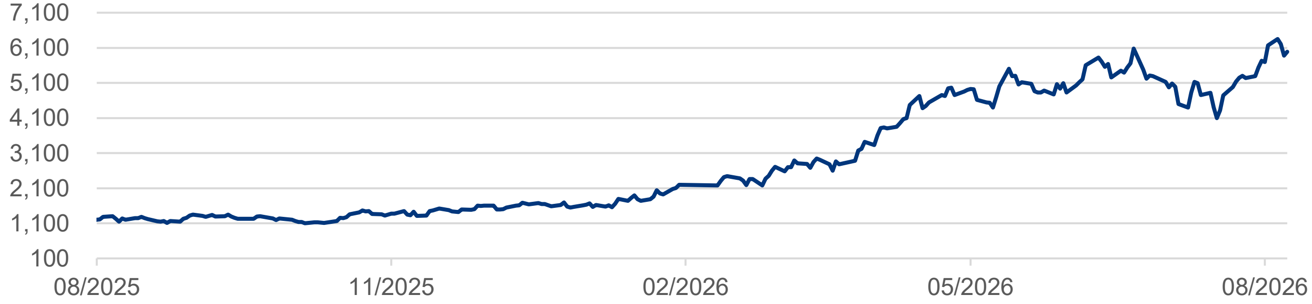
	2023	2024	2025	2026F	2027F
EPS (NTD)	16.35	27.81	41.67	108.84	190.64
EPS Growth (%)	7.3	70.1	49.8	161.2	75.2
P/E Ratio	250.8	147.4	98.4	37.7	21.5
ROE (%)	22.5	30.9	34.2	63.1	71.4

Source: Company data, estimates of KGI analyst

Valuations



1-Year Price



As of 20 August 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	5.18	36.18	36.18	172.67	263.83	420.43

Taiwan Union Technology Corporation (6274 TT)

Taiwan Union Technology Corporation (TUC), manufactures copper-clad laminates (CCL) and prepreg sheets (PP). The company also provides multi-layer lamination OEM services.

2H26 Ramp Ahead of Schedule, Broad Growth Momentum into 2027

The Thailand plant's Phase II customer certification and improvements exceeded expectations, enabling production to begin one month early in late July. Key upcoming drivers include Thailand plant support for ground satellite receivers with V3 satellite certification underway; CSP ASIC and CPU board upgrades to M8; 800GbE/1.6T optical module PCB certification; and M9 material testing in 1.6T switches. These contributions are expected to scale in 2027. With margins above consensus and new capacity ahead of schedule, we raised its target price from NT$1,650 to NT$1,900, equivalent to 32x 2027 EPS.

Capacity Expansion Extended to 2029

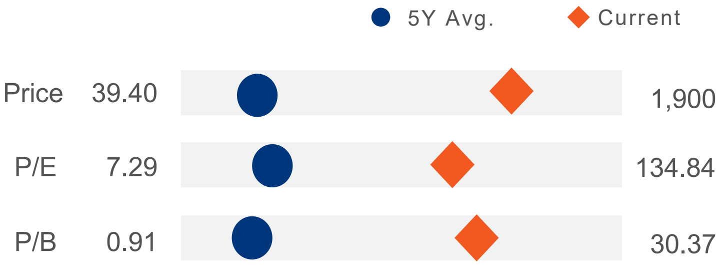
Expansion plans now stretch to 2029, with additional investment of THB 7.5–7.8B in Thailand and RMB 2.4B in China, totaling NT$19B. Monthly capacity is projected to rise from 2.6M sheets in 2026 to 5.75M sheets by 2029, reinforcing long-term growth visibility.

Financials

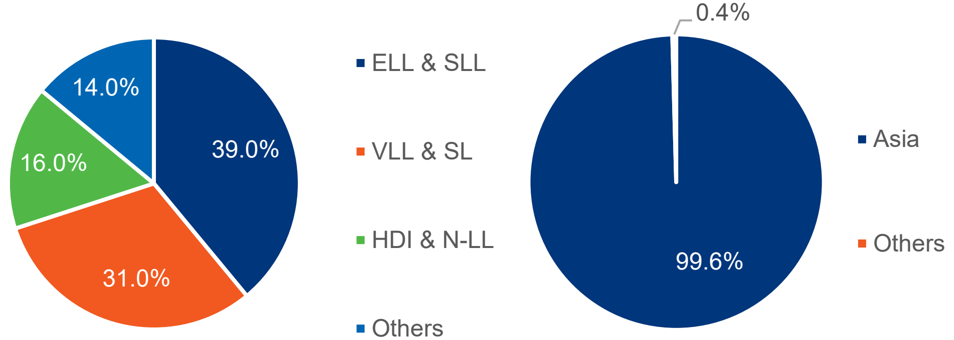
	2023	2024	2025	2026F	2027F
EPS (NTD)	3.05	9.56	11.81	32.01	59.39
EPS Growth (%)	-35.0	213.6	23.5	171.1	85.5
P/E Ratio	331.3	105.6	85.5	31.6	17.0
ROE (%)	7.0	20.1	20.7	42.1	54.2

Source: Company data, estimates of KGI analyst

Valuations

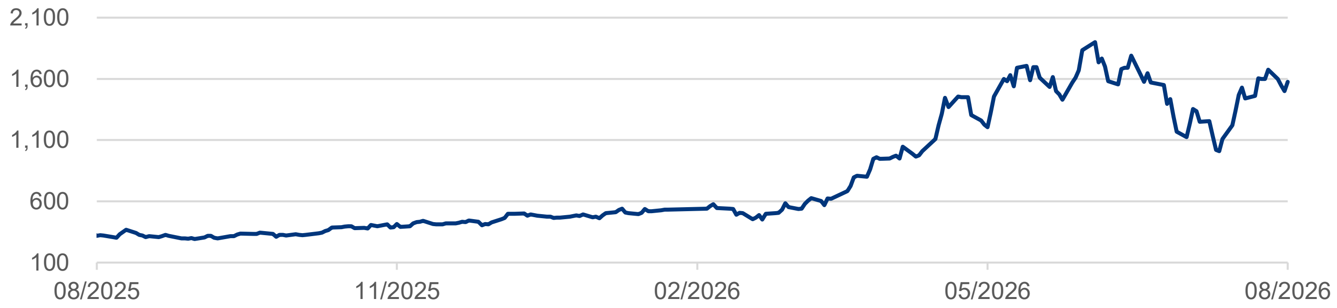


Revenue Sources and Regions



Source: Bloomberg

1-Year Price



As of 20 August 2026	1Wk	1M	3M	6M	YTD	1Y
Return (%)	-1.56	40.00	30.71	196.05	218.83	396.06

Mutual Funds/ ETFs

Seizing Rebound Opportunities for Diversified Deployment

► BlackRock Global Fund – US Basic Value Fund

- Established in January 1997, the fund is one of the few in the market focused on concentrated investments in large-cap U.S. value stocks.
- Through a disciplined value-investing strategy, it seeks to uncover undervalued opportunities among major U.S. companies.
- Adding value exposure in volatile markets can help balance risks from growth-oriented assets.
- Beyond technology, its top three sector allocations lean toward defensive industries such as healthcare and financials.

Product	BlackRock Global Fund – US Basic Value Fund	
Features	■ Focus on Value Strategy — The fund emphasizes companies with low valuations and intrinsic investment potential. ■ Diversified Allocation — No single industry accounts for more than 25% of the portfolio.	
AUM	USD 961 million	
3M/YTD Return	9.45% / 13.98%	
Top 5 Sector Allocation(%)	Information Technology Healthcare Financials Industrials Consumer Discretionary	16.33 15.60 15.36 11.80 11.06
Top 5 Country Allocation (%)	US	100
Top 5 Holdings (%)	AMAZON.COM INC MICROSOFT CORP APPLE INC CVS HEALTH CORP CITIGROUP INC	6.51 5.72 4.63 3.71 3.15

Source: Bloomberg, KGI

BlackRock Global Fund – US Basic Value Fund

Profile

The fund aims to enhance total return. At least 70% of its total assets are invested in equity securities of companies that are either registered in the United States or conduct the majority of their economic activities there.

■ Value Investing Strategy

The fund adopts a value investing approach, focusing on companies with low valuations and intrinsic investment potential. Managers aim to buy quality and stable stocks at appropriate price levels, making it suitable for investors seeking long-term stable returns.

■ Large-Cap Quality Stocks

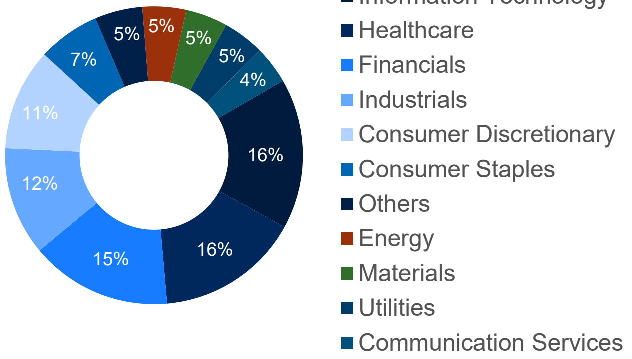
It primarily invests in large-cap stocks across multiple industries, with at least 65% of the portfolio composed of securities covered by MSCI ESG Research. This enables investors to evaluate performance in environmental, social, and governance (ESG) aspects.

■ Diversified Portfolio

The portfolio is diversified, with no single industry accounting for more than 25% of total holdings. The top ten positions represent about 35.40% of the portfolio.

Inception	1997/1/8	**AUM**	USD 961 mn
Morningstar Category	US Large-Cap Value Stocks	**Fund Type**	Equities
Morningstar Rating	★★★	**3Y SD (Ann.)**	11.62%

Sectors



Top-5 Holdings (%)

AMAZON.COM INC	6.51
MICROSOFT CORP	5.72
APPLE INC	4.63
CVS HEALTH CORP	3.71
CITIGROUP INC	3.15

3Y NAV

As of 19 August 2026	1M	3M	YTD	1Y	2Y	3Y
Cumulative Return(%)	0.82	8.34	14.94	23.95	36.11	59.52
Ranking	4	2	2	1	2	1

Sources: BlackRock Asset Management Fund Monthly Report, Morningstar. Performance data as of August 19, 2026; monthly report as of June 30, 2026.Data share class: A2 USD.

KGI

Mutual Funds/ ETFs

Fed Rate Cut Expectations Reduced, Weaker Dollar Supports Copper and Gold

► BlackRock Global Fund – World Mining Fund

- Primarily invests in companies engaged in basic metals and mineral extraction and production worldwide.
- Extends across upstream and downstream segments of the mining industry, building a broad raw materials investment portfolio.
- Strongly concentrated in leading global mining enterprises such as RIO TINTO, GLENCORE, and BHP GROUP, which provide scale advantages and stable returns.

Product	BlackRock Global Fund – World Mining Fund	
Features	■ Mining inherently carries inflation-resistant attributes, as allocating across different metals helps diversify and mitigate economic cycle risks. ■ Investments span basic, precious, and specialty metals, where diversification reduces the impact of price volatility.	
AUM	USD 6.809 billion	
3M/YTD Return	1.45% / 17.10%	
Top 5 Sector Allocation(%)	Gold Diversified metals Copper Steel Aluminum	31.57 29.11 17.74 12.15 2.39
Top 5 Country Allocation (%)	US Canada UK Australia Peru	34.76 21.74 20.19 10.78 3.21
Top 5 Holdings (%)	RIO TINTO PLC GLENCORE PLC BHP GROUP LTD ANGLO AMERICAN PLC BARRICK MINING CORP	7.78 7.58 5.09 4.83 4.75

Source: Bloomberg, KGI

BlackRock Global Fund – World Mining Fund

Profile

The fund aims to enhance total return. It invests no less than 70% of total assets in equity securities of global mining and metals companies primarily engaged in the production of basic metals and industrial minerals (such as iron ore and coal).

■ Cross-Value Chain Mining Exposure

The fund invests not only in mineral extraction companies but also covers processing and distribution segments. This allocation captures growth opportunities across the entire mining value chain while reducing risks from single-segment volatility.

■ Inflation Hedge with Cyclical Diversification

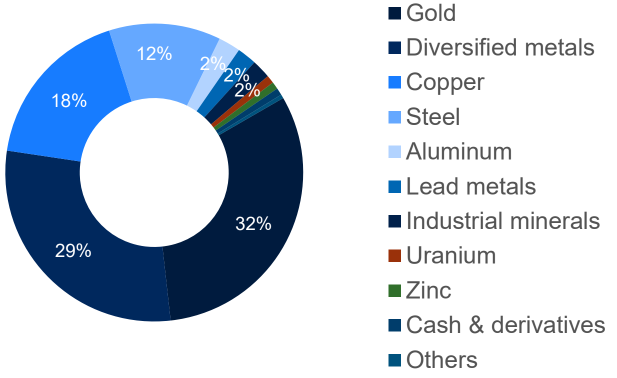
Mining naturally provides inflation protection, as metal and mineral prices often rise with inflation and global demand. By allocating across different metals, the fund achieves economic cycle diversification.

■ Multi-Metal Investment Strategy

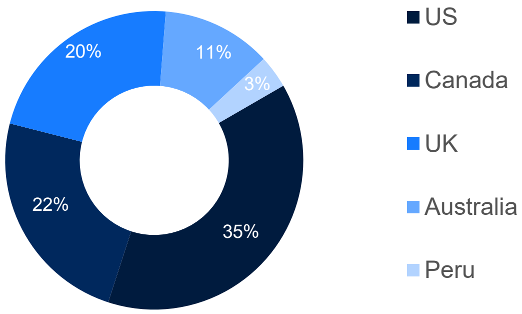
The investment scope spans basic metals (copper, aluminum, steel), precious metals (gold, silver), and specialty metals (uranium, industrial minerals). This diversification reduces the impact of single-metal price swings and captures growth momentum across different industry cycles.

Inception	1997/3/24	**AUM**	USD 6.809 bn
Morningstar Category	Commodities and Natural Resources	**Fund Type**	Equities
Morningstar Rating	★★★	**3Y SD (Ann.)**	24.97%

Sectors



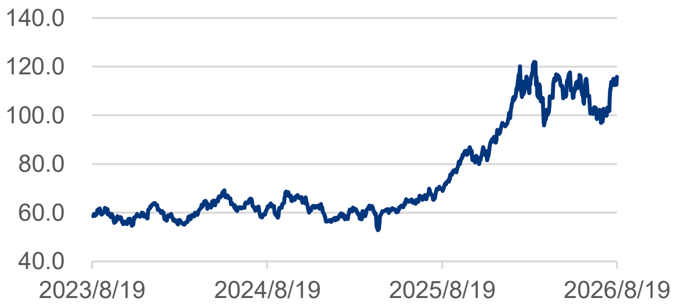
Regional



Top-5 Holdings (%)

RIO TINTO PLC	7.78
GLENCORE PLC	7.58
BHP GROUP LTD	5.09
ANGLO AMERICAN PLC	4.83
BARRICK MINING CORP	4.75

3Y NAV



As of 19 August 2026	**1M**	**3M**	**YTD**	**1Y**	**2Y**	**3Y**
Cumulative Return(%)	16.09	1.45	17.10	60.86	85.29	93.55
Ranking	1	3	4	1	1	1

Sources: BlackRock Asset Management Fund Monthly Report, Morningstar. Performance data as of August 19, 2026; monthly report as of July 31, 2026.Data share class: A2 USD.

Mutual Funds/ ETFs

Fed Rate Cut Expectations Reduced, Weaker Dollar Supports Copper and Gold

► Global X Copper Miners ETF (COPX US)

- Aims to track the performance of the Solactive Global Copper Miners Total Return Index.
- Primarily invests in global copper mining companies engaged in exploration, development, and production.
- Investments are globally diversified, with the top three countries being Canada (20.6%), Australia (15.0%), and China (13.3%).
- Stock concentration is moderate, with the top ten holdings accounting for approximately 50.7% of the portfolio.

► SPDR Gold MiniShares Trust (GLDM US)

- Aims to track the movement of LBMA Gold Price.
- Current expense ratio is only 0.10%, among the lowest in physical gold ETFs.
- With a relatively low share price, investors with smaller capital can flexibly participate in gold investment.

Product	Global X Copper Miners ETF (COPX US)	SPDR Gold MiniShares Trust (GLDM US)
Features	■ Global copper miners — Positioned to benefit from accelerating energy transition and electrification. ■ Diversified exposure — Covers major miners, mitigating geopolitical and country risk.	■ Invest in physical gold, with J.P. Morgan serving as custodian to ensure asset security. ■ Provides low-cost gold exposure, with an expense ratio of only 0.10%.
AUM	USD 8.08 billion	USD 31.30 billion
Tracking Index	Solactive Global Copper Miners Total Return Index	LBMA Gold Price PM
Currency	USD	USD
Exchange	NYSE	NYSE
Holdings	45	-
Expense Ratio	0.65%	0.10%
3M/YTD Reutrn	11.60% / 23.39%	0.67% / 4.59%
Sectors (%)	Metals & Mining 99.47 Building Materials 0.48 Cash 0.05	Precious Metals 100
Holdings (%)	Hudbay Minerals Inc 5.61 BHP Group Ltd 5.37 Teck Resources Ltd 5.26 First Quantum Minerals Ltd 5.22 Southern Copper Corp 4.84	Physical Gold 100

Source: Bloomberg

Global X Copper Miners ETF (COPX US)

Profile

Tracks the Solactive Global Copper Miners Total Return Index, aiming to replicate the performance of its constituent stocks.

Global Diversification, Lower Market Risk

Tracks major global copper miners, diversifying geopolitical and country risk, offering international allocation advantages.

Efficient Industry Exposure

Compared with buying individual stocks, the ETF provides an efficient way to invest in the copper mining industry, reducing stock-selection difficulty while maintaining liquidity and transparency.

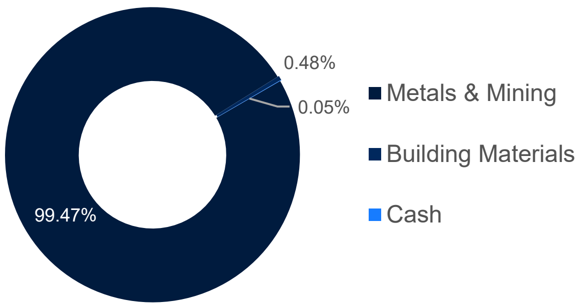
Riding Energy Transition & Electrification

Focused on global copper miners, with copper as a core material for EVs, renewable infrastructure, and AI data centers. As energy transition and electrification accelerate, copper demand enjoys long-term structural tailwinds, positioning the ETF to benefit directly.

Inception	2010/4/20	**AUM**	USD 8.08 bn
ETF Category	Equities	**Holdings**	45
Expense Ratio	0.65%	**3Y SD (Ann.)**	32.63%

Source: Bloomberg

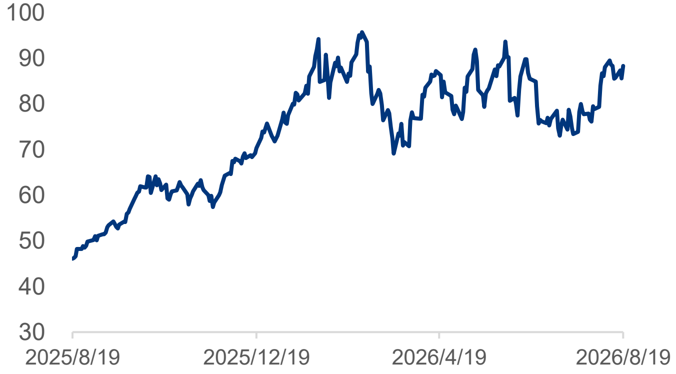
Sectors



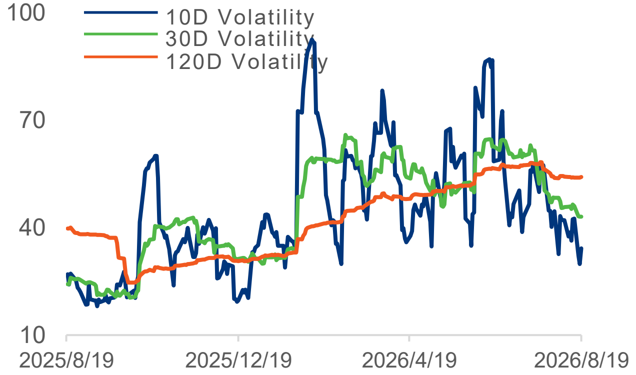
Top-5 Holdings (%)

Hudbay Minerals Inc	5.61
BHP Group Ltd	5.37
Teck Resources Ltd	5.26
Hudbay Minerals Inc	5.22
Antofagasta PLC	4.84

Price Trend (Past 1 Year)



Volatility (Past 1 Year)



As of 19 August 2026	1M	3M	YTD	1Y	3Y	5Y
Cumulative Return(%)	20.35	11.60	23.39	96.67	37.50	24.45

SPDR Gold MiniShares Trust (GLDM US)

Profile

The ETF seeks to track the LBMA Gold Price PM, published by the London Bullion Market Association, in order to reflect the movement of gold prices.

■ Secure Custody of Physical Gold

The ETF's assets consist mainly of physical gold, with J.P. Morgan serving as custodian to ensure asset security..

■ Inflation Hedge & Defensive Tool

By directly tracking gold prices, the ETF provides protection when the U.S. dollar weakens or inflation rises. It serves as a low-cost hedge, helping maintain asset value during equity or bond market volatility.

■ Low-Cost Gold Investment

With an expense ratio of just 0.10%, far below most comparable gold ETFs, investors gain cost-efficient access to the gold market.

Inception	2018/6/26	**AUM**	USD 31.30 bn
ETF Category	Precious Metals	**Holdings**	-
Expense Ratio	0.10%	**3Y SD (Ann.)**	18.21%

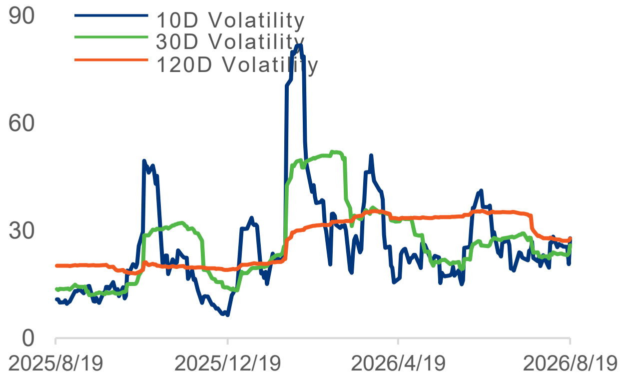
Sectors

Top-5 Holdings (%)

Physical Gold	100

Price Trend (Past 1 Year)

Volatility (Past 1 Year)



As of 19 August 2026	1M	3M	YTD	1Y	3Y	5Y
Cumulative Return(%)	12.39	0.67	4.59	36.01	33.48	20.29

Source: Bloomberg

Bonds Diversification and Capital Strength Support Resilience

► BNP 7.125 PERP (BNP Paribas) (USD)

- As of December 2025, BNP Paribas reported total assets of approximately €2.793 trillion (≈ USD 3.3 trillion), ranking first in France. Its core businesses include Commercial, Personal Banking & Services (CPBS), Investment & Protection Services (IPS), and Corporate & Institutional Banking (CIB). The group's strong geographic diversification and business diversification remain key advantages, with revenues spread across France, Italy, Belgium, and significant contributions from the Americas and Asia-Pacific.
- BNP's robust retail and commercial banking is a cornerstone of its credit profile. Capital markets activity is mainly liquidity-driven, representing a smaller share compared to peers, which supports more stable earnings across cycles.
- Growth drivers include solid expansion in specialized financing, broader franchise strength, rising market share in CIB, selective acquisitions, and margin normalization in French retail banking. Profitability in asset management and insurance is expected to rise significantly, boosted by the mid-2025 integration of AXA Investment Managers.
- On costs, BNP is executing a major efficiency program through 2028, restructuring French retail and personal finance operations while investing in technology and competitiveness. The cost-income ratio stood at ~60% in 2025, down from over 65% during 2012–2023.
- Key indicator: as of June 30, 2026, the CET1 ratio rose to 13.0%, supported by strong internal capital generation and business performance.

Bond	BNP 7.125 PERP (BNP Paribas) (USD)
ISIN	USF1067PAL07
Features	Geographic & Business Diversification — Strong retail and commercial banking underpin key credit performance. CET1 Ratio 13.0% — As of June 30, 2026, supported by robust capital generation and solid business results.
Maturity	Perpetual
Next Call Date	2032/2/17
Coupon(%)	Float/7.125/Semi-Annual
Currency	USD
Years to Maturity	-
Credit Rating (Moody's/Fitch/S&P)	Ba1/BBB/BBB-
Seniority	Subordinated
YTM/YTC (%)	7.01/6.96

Source: Bloomberg

BNP 7.125 PERP (BNP Paribas) (USD)

BNP Paribas's main businesses include Commercial, Personal Banking & Services (CPBS), Investment & Protection Services (IPS), and Corporate & Institutional Banking (CIB). Its strong geographic diversification and business diversification remain key advantages. As of December 2025, BNP Paribas ranked first in France by total assets.

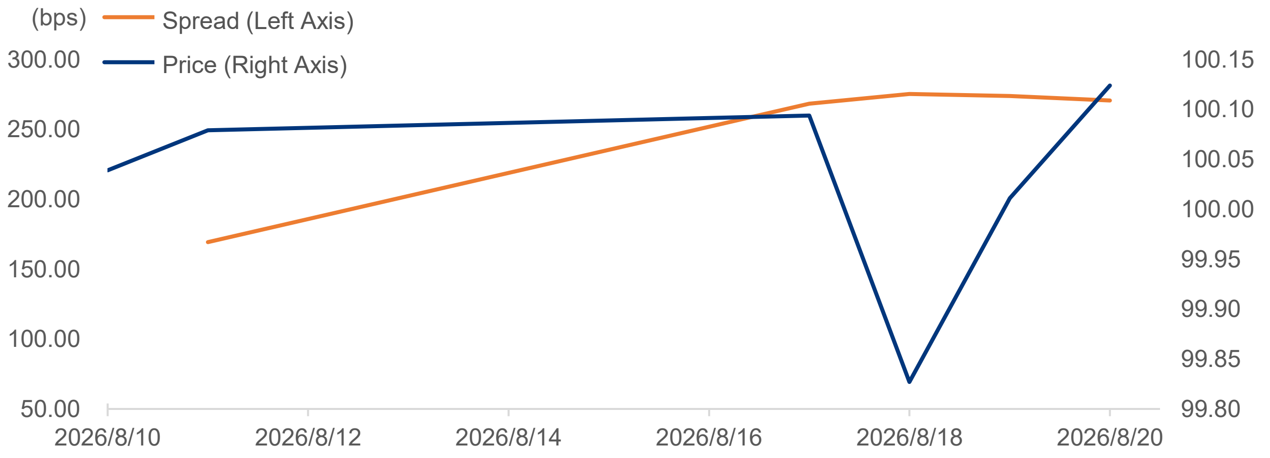
- BNP Paribas's strong retail and commercial banking is a key credit advantage. Its capital markets activity is mainly liquidity-driven, representing a smaller share than most global peers, which supports more stable earnings across economic cycles.
- Meanwhile, steady growth in specialized financing, broad franchise strength, rising CIB market share, selective acquisitions, and margin normalization in French retail banking are expected to drive revenue momentum. Profitability in asset management and insurance should rise significantly, aided by the mid-2025 integration of AXA Investment Managers.
- On costs, BNP is implementing a major efficiency program through 2028, restructuring French retail and personal finance operations while investing in technology and competitiveness. The cost-income ratio was ~60% in 2025, lower than the 65%+ levels seen between 2012 and 2023.

Financials	2023	2024	2025
CET1 Ratio (%)	13.20	12.90	12.60
Return on Assets (%)	0.42	0.44	0.44
Liquidity Coverage Ratio (%)	136.47	130.80	134.00

Overview

Name	BNP 7.125 PERP	**ISIN**	USF1067PAL07
Maturity Date	Perpetual	**Remaining Maturity**	-
Coupon(%)	Float/7.125/Semi-Annual	**YTM/YTC(%)**	7.01/6.96
Currency	USD	**Min. Subscription /Increment**	200,000/1,000
Ratings (Moody's/Fitch/S&P)	Ba1/BBB/BBB-	**Seniority**	Subordinated

Price



Source: Bloomberg

Appendix Key Economic Data / Events

▶ AUG 2026

17 Monday
- Japan Q2 GDP annualized QoQ growth (prelim) (Act:1.1% Est:2.0% Prev:1.9%)
- Japan Jun industrial production MoM (final) (Act:1.9% Prev:0.1%)
- China Jul retail sales YoY (Act:0.6% Est:1.5% Prev:1.0%)
- China Jul industrial production YoY (Act:4.5% Est:5.0% Prev:5.3%)

18 Tuesday
- U.S. Jul industrial production MoM (Act:0.2% Est:0.3% Prev:0.3%)

19 Wednesday
- Japan Jun core machinery orders MoM (final) (Act:9.7% Est:7.2% Prev:-12.4%)
- Eurozone Jul CPI YoY (final) (Act:2.9% Est:2.9% Prev:2.8%)

20 Thursday
- U.S. Weekly Initial Jobless Claims (Act:206k Est:210k Prev:212k)
- U.S. Jul FOMC Minutes
- Taiwan Jul Export Orders YoY (Act:61.9% Est:52.7% Prev:59.4%)

21 Friday
- U.S. Aug S&P Global Manufacturing PMI (Prelim) (Est:53.9 Prev:53.9)
- U.S. Aug S&P Global Services PMI (Prelim) (Est:54.0 Prev:54.6)
- Japan Aug S&P Global Manufacturing PMI (Prelim) (Act:55.1 Prev:54.5)
- Japan Jul CPI YoY (Act:1.9% Est:1.9% Prev:1.6%)
- Eurozone Aug S&P Global Manufacturing PMI (Prelim) (Est:51.8 Prev:51.9)

24 Monday

25 Tuesday
- U.S. Aug Conference Board Consumer Confidence (Est:90.2 Prev:90.8)

26 Wednesday
- U.S. Jul PCE YoY (Est:3.6% Prev:3.7%)
- U.S. Jul Core PCE YoY (Est:3.3% Prev:3.3%)
- U.S. Q2 GDP annualized QoQ (revised) (Est:1.5% Prev:2.1)

27 Thursday
- U.S. Weekly Initial Jobless Claims (Est:208k Prev:206k)
- Jackson Hole Global Central Bank Symposium (08/27~08/29)
- Earnings: NVDA US, CRM US, CRWD US

28 Friday
- U.S. Aug Univ. of Michigan Consumer Sentiment (final) (Est:51.0 Prev:55.2)
- Japan Jul Unemployment Rate (Est:2.5% Prev:2.5%)
- Earnings: MRVL US

Source: Bloomberg

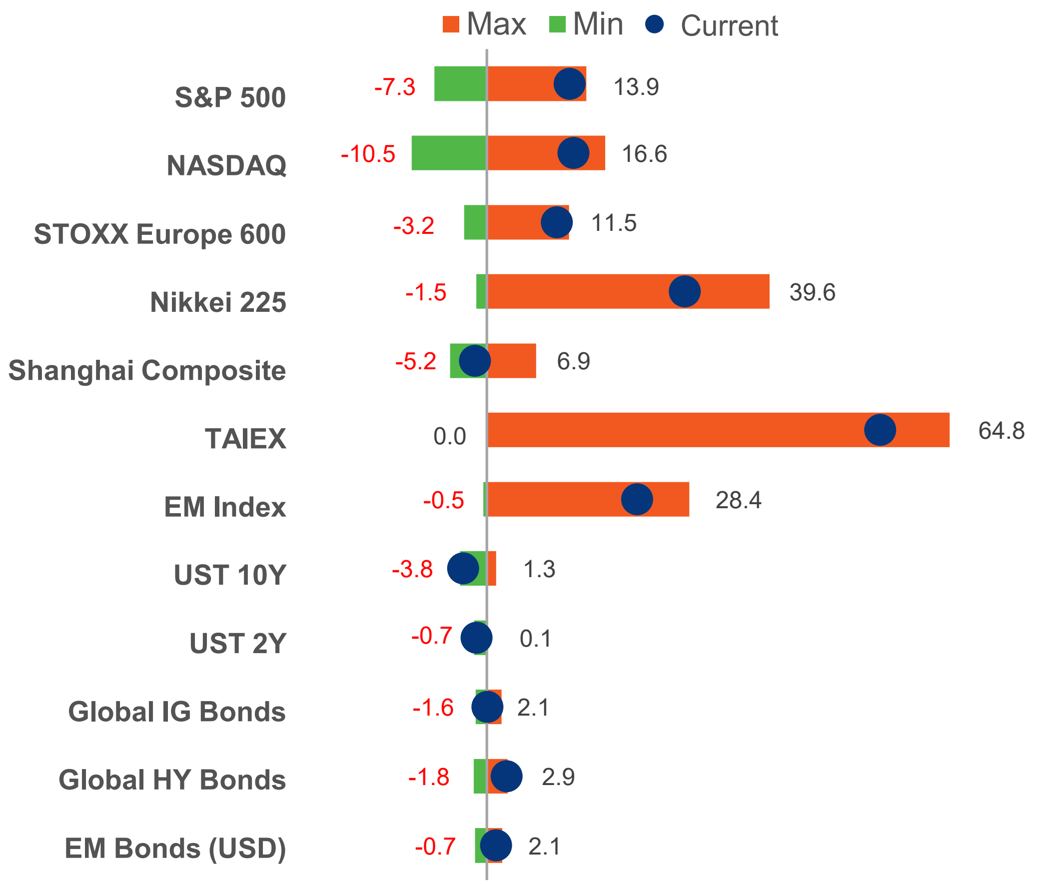
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation	
						Revenue	EPS
2026/8/18	Home Depot (HD US)	47.33B	47.86B	4.73	4.92	V	V
2026/8/19	Lowe’s (LOW US)	26.13B	25.96B	4.22	4.40		V
2026/8/19	Analog Devices (ADI US)	3.92B	4.02B	3.35	3.45	V	V
2026/8/19	TJX Companies (TJX US)	15.12B	15.18B	1.18	1.22	V	V
2026/8/20	Deere & Co. (DE US)	10.78B	11B	4.70	5.10	V	V
2026/8/20	Walmart (WMT US)	186.87B	187.94B	0.74	0.81	V	V

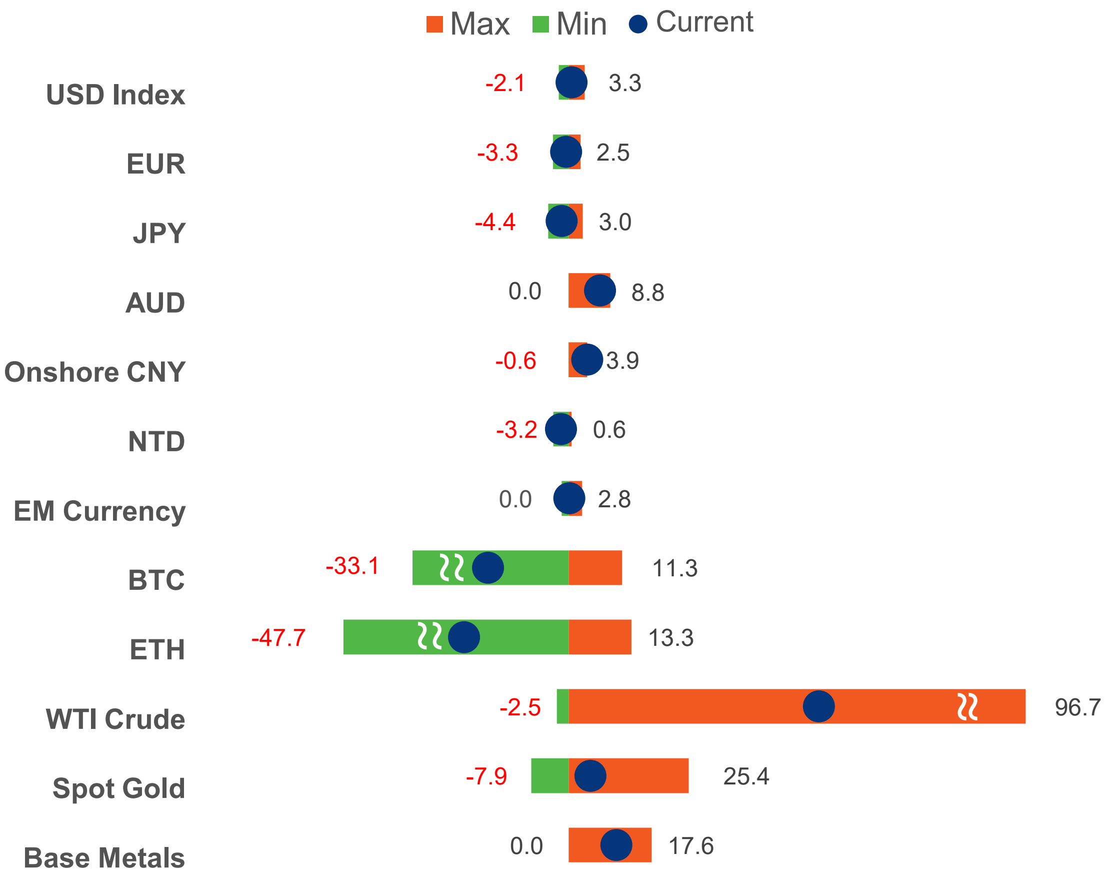
Source: Investing.com

Major Market / Asset YTD Performance

Equities & Bond Markets YTD Performance (%)



Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg

Technical Analysis

60D MA

S&P 500 Index

- Current: 7,641
- 60D MA: 7,530

NASDAQ Index

- Current: 26,067
- 60D MA: 26,037

STOXX Europe 600 Index

- Current: 650
- 60D MA: 641

Nikkei 225 Index

- Current: 65,658
- 60D MA: 67,138

Shanghai Composite Index

- Current: 3,888
- 60D MA: 3,970

MSCI Emerging Markets Index

- Current: 1,699
- 60D MA: 1,693

Gold

- Current: 4,318
- 60D MA: 4,200

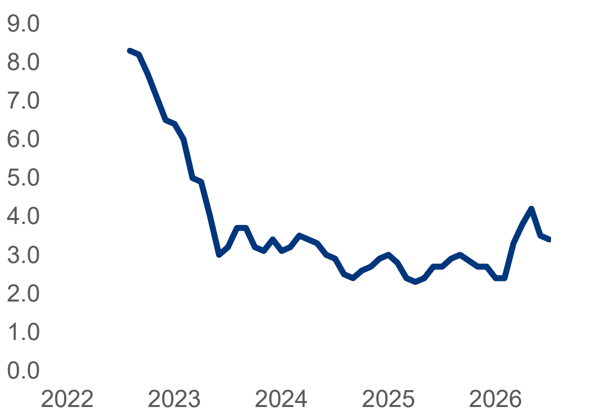
WTI Crude

- Current: 86.6
- 60D MA: 81.0

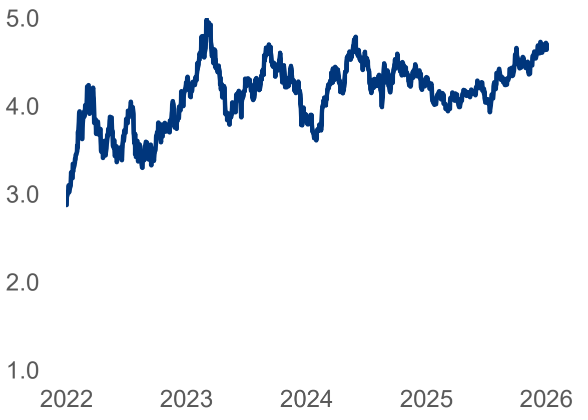
Source: Bloomberg

Market Monitor

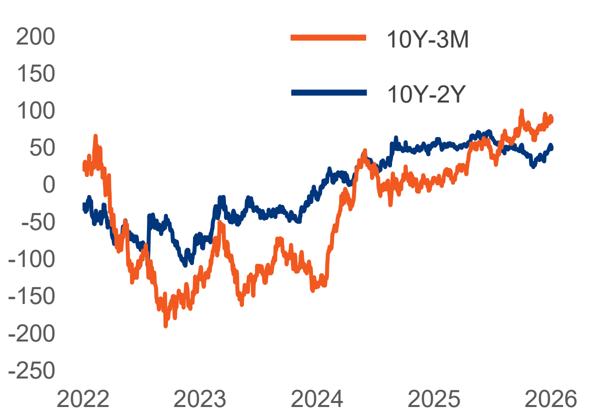
U.S. CPI YoY (%)



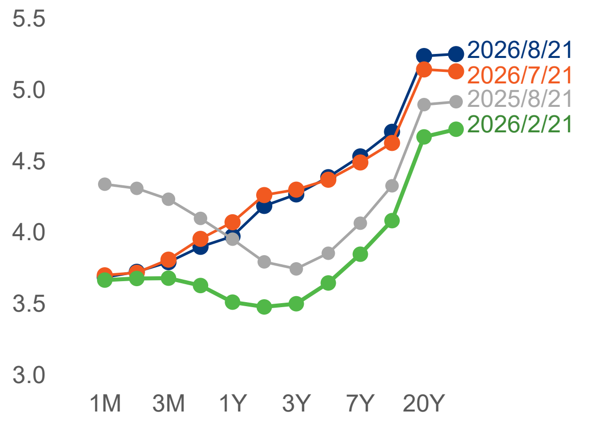
U.S. 10-Year Treasury Yield (%)



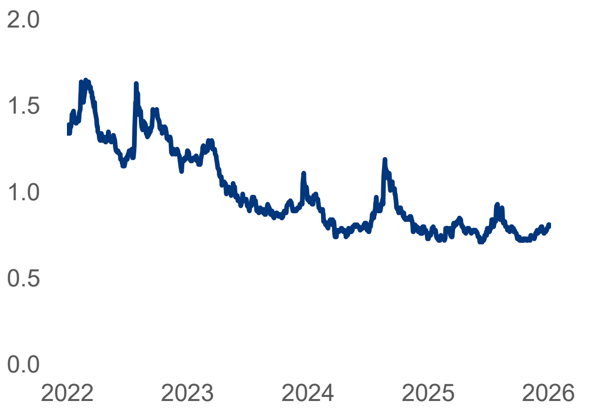
U.S. Treasury Yield Spread (bps)



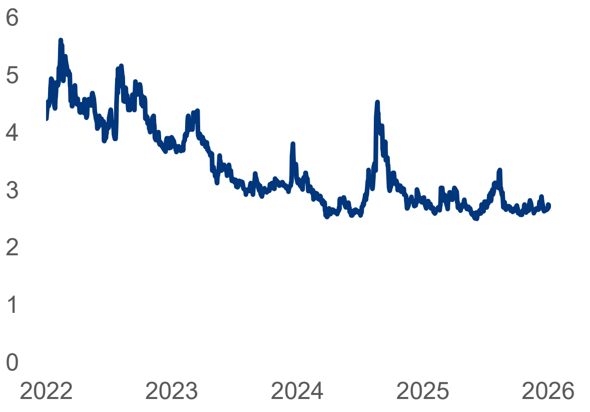
U.S. Treasury Yield Curve (%)



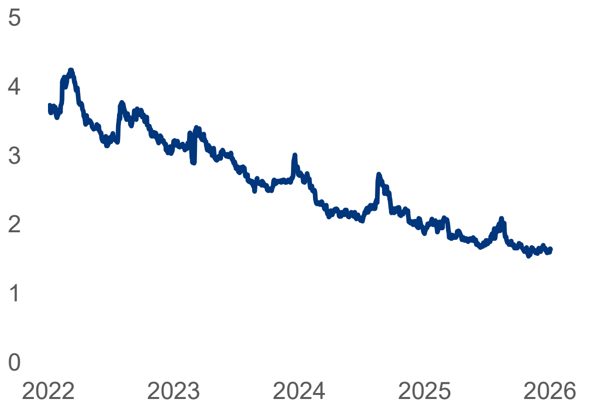
USD IG Credit Spread (%)



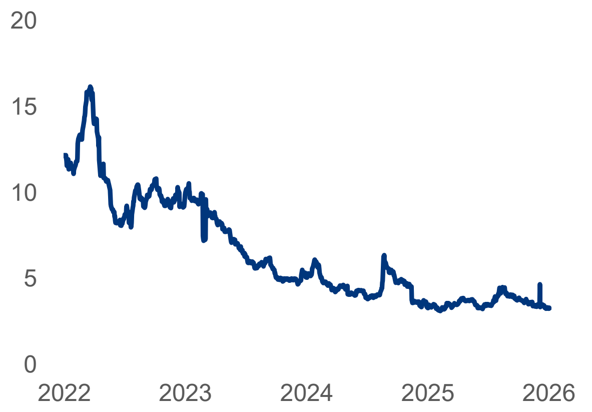
USD HY Credit Spread (%)



USD EM Credit Spread (%)



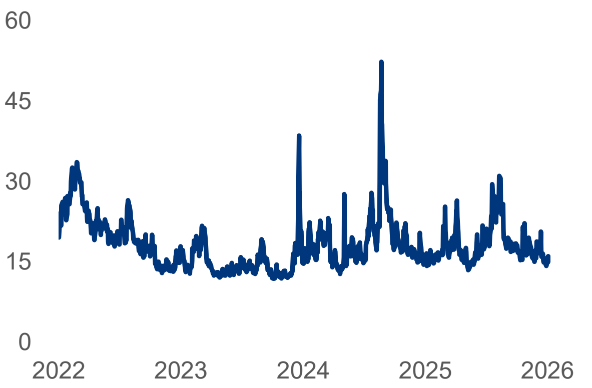
USD Asia Credit Spread (%)



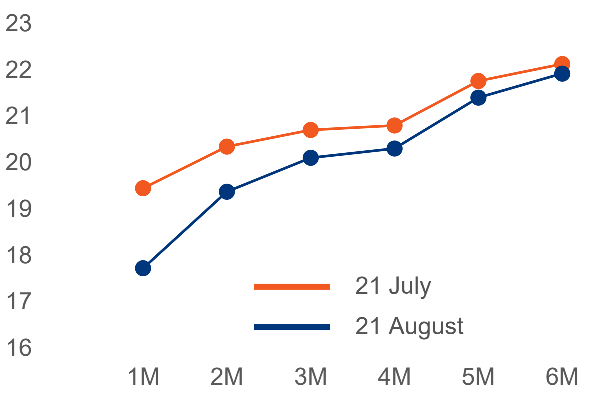
Source: Bloomberg

Market Monitor

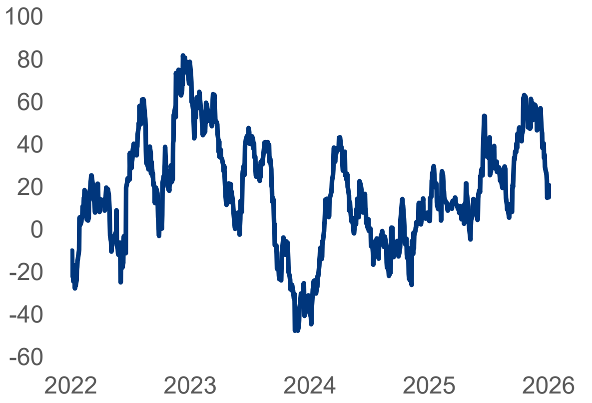
VIX Index



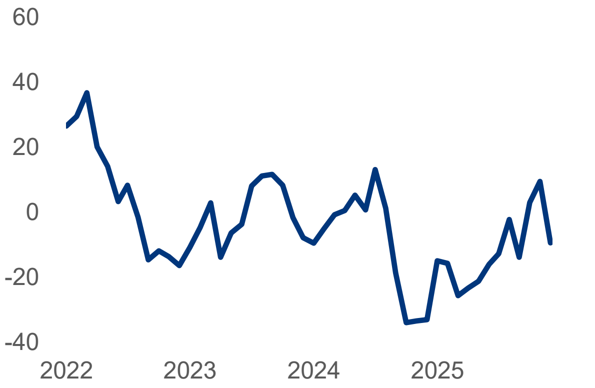
VIX Term Structure



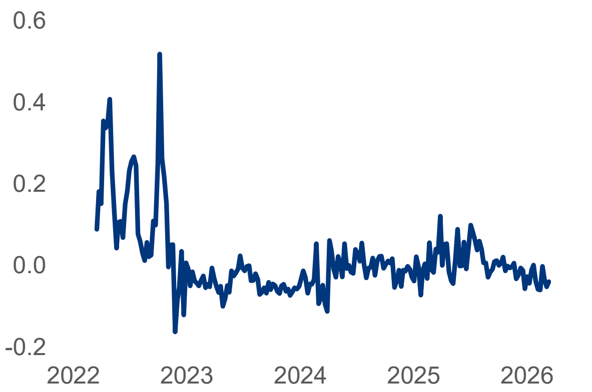
U.S. Citi Economic Surprise Index*



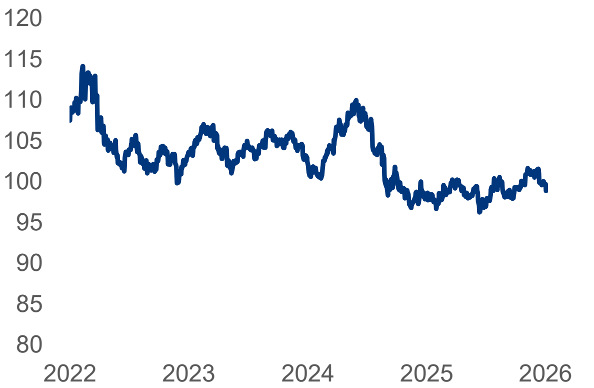
U.S. Citi Inflation Surprise Index*



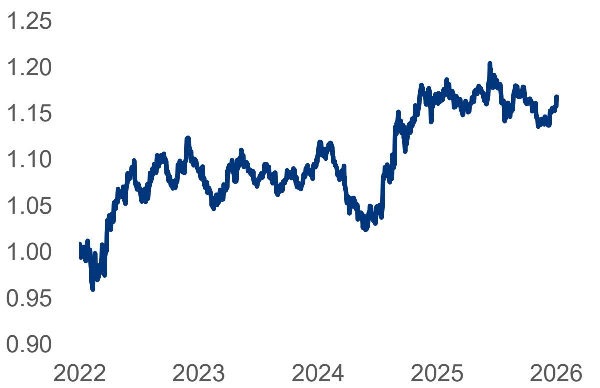
TED Spread (bps)



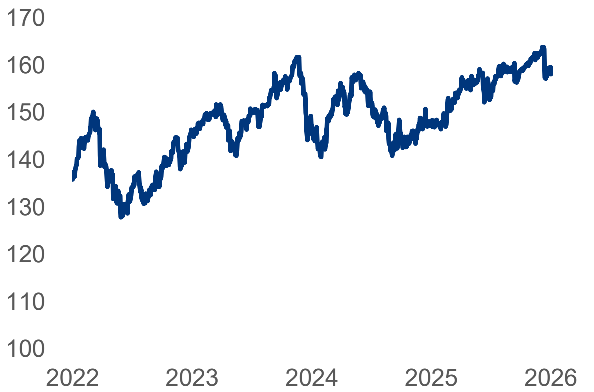
U.S. Dollar Index



EUR to USD



USD to JPY



Source: Bloomberg

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.