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Wealth Daily

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Momentum Fades Near Record Highs

Today's Must-Know News

S&P 500 fell 0.06% Monday after failing to make fresh highs, with Microsoft (MSFT +1.21%), Eli Lilly (LLY +3.9%) & Amazon (AMZN +1.32%) providing support, while Nvidia (NVDA -2.86%), Apple (AAPL -1.53%) & Broadcom (AVGO -1.25%) weighed. **Eli Lilly gained after Britain became the first European country to approve Foundayo** for weight management and type 2 diabetes, expanding the commercial opportunity for its oral GLP-1 franchise**. Nvidia fell after** partnering Apollo (APO +3.59%), Blackstone (BX +3.3%), BlackRock (BLK -0.44%), Brookfield (BAM +0.67%), Goldman (GS -0.49%) & KKR (KKR +1.18%) to mobilise over USD500bn for AI infrastructure. **Semicon (SOXX -2.55%) lagged** as investors rotate into software (IGV +2.26%). **Energy (XLE +4.66%, OXY +4.9%, CVX +4.48%) shares gained as oil prices climbed** after Trump's new demands on Iran reduced hopes for a near-term reopening of the Strait of Hormuz, keeping supply-disruption risks elevated. **Berkshire (BRK/B US +1.46%) deployed USD23.5bn into equities in 2Q,** including USD10bn into Alphabet (GOOGL +0.91%), while repurchasing USD4.5bn of its own shares as cash fell to USD364.7bn from USD380.2bn**. Coherent (COHR -14.24%) & Lumentum (LITE -8.6%) fell after B Riley said a reported FCC proposal to ban Chinese data-centre components was unlikely to proceed,** reversing part of the prior week's rallies of 44.2% & 24.7% respectively. LITE reports fiscal 4Q earnings after-market today (Tue). **TSMC (TSM -0.37%) reported a 45% increase in July revenue,** while the firm is also reportedly discussing manufacturing capacity for Microsoft's next-generation Maia chip. **Tencent (0700.HK +0.76%) heads into 2Q26 earnings later today (Tue)** with profit growth expected to be the weakest since 2023 as rising AI costs pressure margins. **MSFT, LLY, AMZN, NVDA, AVGO, XLE, OXY, TSM, 0700.HK are our Core Recommendations. SOXX, GOOGL & LITE are our Trading Buys.**

Trader's Corner (Details on Page 4-5)

	Last close	Support	Resistance
Hang Seng Index	25,668.03	24,810 / 24,330	26,840 / 27,400
Hang Seng Tech Index	4,858.29	4,595 / 4,230	5,230 / 5,645

Hong Kong IPO Calendar

No upcoming IPOs.

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	Market not open		21.37
FBM KLCI	1,735.37	-0.02	3.29
DJIA	53,975.98	-0.11	12.30
S&P 500	7,753.11	-0.06	13.26
NASDAQ Composite	26,605.36	-0.32	14.47
Hang Seng Index	25,937.49	1.05	1.20
CSI 300 Index	4,702.02	0.16	1.56

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.243	+4.7bps	+76.8bps
US 10Y	4.708	+6.1bps	+53.9bps
EU 2Y	2.801	+5.2bps	+67.9bps
EU 10Y	3.179	+4.6bps	+32.4bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures	4390.100	1.01	1.52
Silver Futures	64.055	0.86	-9.09

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	99.807	0.20	1.55
EUR-USD	1.1543	-0.14	-1.73
Brent Futures	87.88	6.68	44.28
WTI Futures	82.30	6.77	43.35

Must Watch Events

Aug 11	Earnings: LITE
Aug 12	US Jul CPI. Earnings: Tencent (0700.HK), Galaxy (0027.HK), Unicom (0762.HK)
Aug 13	对话 CIO 系列私享会 #11：韓國豪賭歐亞算力，中美 AI 競賽正酣 7:30-8:30PM https://voovmeeting.com/dw/sRpVvYXw7IHv?ch=tteP51JLyE4B8

Americas

- **Intel slides on dilutive equity raise.** Intel (INTC -4.06%) fell after announcing a USD15bn common-stock offering, subsequently reported by Bloomberg as potentially increasing to about USD20bn after more than USD100bn of demand and proceeds will fund its AI and foundry expansion. (Bloomberg)
- **Microsoft rises on larger in-house AI chip plan.** Microsoft (MSFT +1.21%) rose Monday after reports it plans to significantly increase production of its next-generation Maia AI chips, including discussions with TSMC (TSM -0.37%) to secure capacity for more than 300,000 chips for 2027 delivery, as hyperscalers seek alternatives to expensive and supply-constrained Nvidia (NVDA -2.86%) accelerators. **MSFT, TSM & NVDA are our Core Recommendations.**
- **Meta gains after releasing PC-ready AI model.** Meta (META +0.48%) finished higher after introducing Muse Glimmer, a downloadable 30bn-parameter AI model designed to operate on a single graphics card, reinforcing Mark Zuckerberg's push for wider distribution of AI technology rather than concentrating access among large institutions. **META is our Core Recommendation.**
- **IBM returns to Canada's bond market after 14 years.** IBM (IBM +0.31%) sold CAD 2.75 bn of Canadian-dollar bonds, its first Maple issuance since 2012, with proceeds for general corporate purposes as weak infrastructure sales and concerns over AI disruption leave the stock among the Dow's poorest performers this year. (Bloomberg)
- **Boeing exits flying-taxi assets as Archer rallies.** Boeing (BA -0.7%) agreed to sell its flying-taxi and drone technology businesses to Archer Aviation (ACHR +11.99%), allowing Boeing to focus more tightly on commercial aircraft and defence while Archer expands its technology portfolio. (Bloomberg)
- **FCC becomes a key instrument of Trump's China policy.** The FCC has barred new Chinese drone, router, inverter and robot models and is preparing restrictions on Chinese data-centre equipment, prompting Beijing to tighten U.S.-bound technology export controls ahead of a planned Trump-Xi meeting in September. Reuters says the measures complement Trump's broader China policy following last year's tariff war, although the administration has simultaneously eased some advanced-chip export restrictions to China. (Reuters)

Greater China

- **China and Hong Kong stocks rise as investors rotate out of AI.** The Shanghai Composite (+0.67%), CSI 300 (+0.16%) and Hang Seng Index (+1.05%) advanced Monday as consumer and property shares outperformed, with the CSI 300 Consumer Staples Index up nearly 3% and real estate up 2%; tech remained weak, with CSI 300 Telecom Services down 3.5%, CSI AI down 3% and Cloud Computing down 2%, as cooling July inflation reinforced expectations that Beijing will rely more on fiscal than monetary support. (Reuters)
- **Unitree IPO draws extraordinary retail demand.** Unitree priced its Shanghai IPO at CNY 150.80, valuing the humanoid-robot maker above CNY 60bn, with the USD900mn offering more than 8,000-times subscribed by retail investors and priced at about 219x 2025 earnings. The firm is profitable and generated more than 40% of revenue overseas, but has explicitly flagged US sales restrictions as a geopolitical risk. (Reuters)

- **Guotai Junan International jumps on take-private bid.** Guotai Junan International (1788.HK +36.78%) surged after parent Guotai Haitong Securities (601211.SZ +1.62%, 2611.HK +0.35%) offered a 44.2% premium to its pre-suspension price in a HKD 28.6 bn transaction. The consolidation follows the 2025 Guotai Junan-Haitong merger and could strengthen the state-backed group's position in Beijing-approved cross-border capital flows. (Reuters)

Asia ex. China

- **South Korea adds USD 3.5 bn semiconductor fund.** Seoul will launch a KRW 5 tn fund for chip-materials, equipment and fabless companies plus KRW 5 tn of trade finance, supporting a wider programme under which Samsung (005930 KS -1.49%) and SK Hynix (SKHY 1.9%, 000660 KS -3.27%) and partners are expected to invest more than USD 576 bn. The government also plans faster permitting and infrastructure for new semiconductor hubs. (Reuters)
- **BOJ edges closer to another rate hike.** At least three of nine BOJ policymakers favoured faster tightening as inflation risks build, reinforcing expectations for a possible September increase after June's hike to 1%; most Reuters-polled economists expect 1.25% by year-end. The hawkish shift also follows US-Japan yen intervention and Treasury Secretary Scott Bessent's call for earlier tightening. (Reuters)

EMEA and Others

- **European equities hold near records as oil rises.** STOXX 600 rose 0.31%, however European semicon shares fell in sympathy with the US chip selloff, while investors rotated toward software and other less capital-intensive AI beneficiaries amid renewed concerns over elevated chip valuations and heavy infrastructure spending. Investors remain focused on whether elevated energy prices and tariffs eventually erode corporate earnings. (Reuters)
- **Volkswagen targets US pickup market amid restructuring pressure.** Volkswagen (VOW GR +1.45%) plans a US-built pickup before decade-end and may partner Ford (F +1.38%), while its controlling Porsche/Piech families are pressing for deeper restructuring, potentially including another 50,000 jobs and four German plant closures. (Reuters)
- **Maersk and Hapag-Lloyd expand Suez return.** Maersk (MAERSKB DC +0.74%) and Hapag-Lloyd (HLAG GR +1.05%) will route another Gemini service through the Red Sea and Suez Canal, gradually reversing diversions around the Cape of Good Hope imposed after Houthi attacks. The return can shorten Asia-Europe transit times and potentially pressure freight ates if security conditions continue to improve. (Reuters)

Traders' corner

Source: TradingView

Hang Seng Index

Last Price:	25,668.03
Support:	24,810 (-3.3%)/ 24,330 (-5.2%)
Resistance:	26,840 (+4.6%)/ 27,400 (+6.7%)

Our Technical View

- **Weekly Chart:** Price action on the Hang Seng Index is currently testing the upper threshold of a descending channel pattern. MACD has turned bearish to confirm expanding downside momentum and deteriorating buy-side velocity. This favours a high-probability rejection off this channel ceiling, signalling a continuation move lower toward the lower channel support zone unless a decisive, high-volume breakout above the resistance line occurs.
- **Daily Chart:** Price action has staged a successful breakout above its local peak, effectively converting former resistance into a new support floor. MACD maintains a strong, bullish posture to confirm robust trend velocity. This hints for further upward trajectory toward next resistance as long as price stays above this newly defended support floor. Conversely, a failure to hold this polarity level would invalidate the immediate breakout structure, opening the door for a deeper corrective path toward lower structural demand zones.

Traders' corner (continued)

Source: TradingView

Hang Seng Tech Index

Last Price:	4,858.29
Support:	4,595 (-5.4%)/ 4,230 (-12.9%)
Resistance:	5,230 (+7.7%)/ 5,645 (+16.2%)

Our Technical View

- **Weekly Chart:** Price has stalled precisely at the Fibonacci 62% retracement level, with the weekly timeframe printing a doji candlestick to reflect intense buyer-seller indecision. Underlying momentum parameters remain bearish, as both the MACD and RSI trade in negative territory; however, emerging bullish divergence signals that sell-side displacement is beginning to wane. Consequently, the weekly doji high serves as the critical line in the sand—a high-conviction penetration above this peak is required to unlock further upward trajectory, failing which price is expected to resume its overarching downward trend toward lower structural support shelves.
- **Daily Chart:** Price action is currently holding within its structural support zone, maintaining the integrity of this local demand floor to set up a potential rebound. MACD remains bullish to signal underlying buy-side strength. We might see a continuation move higher toward overhead targets as long as this support line holds. Conversely, a confirmed breakdown beneath this critical demand shelf would accelerate markdown phase back toward major low support.