

Wealth Daily

Monday, 17 August 2026

S&P 500 Stall As Weak Consumption Clouds Growth Today's Must-Know News

S&P 500 futures held steady Sunday evening after S&P 500 cash index fell 0.17% Friday, as July retail sales unexpectedly fell 0.6%, the biggest drop in over a year & weaker consumer sentiment heightened concerns over slowing US growth. **Gold (XAU +0.6%) advanced Friday to USD4,376.40/oz** even as global bond yields climbed, helped by a 0.3% decline in the US dollar (DXY -0.32%). **Semicon (SOXX -0.06%) outperformed software (IGV -2.07%)**, as contributions from AMD +6.5%, MU +2.3%, SNDK +7.39% & STX +5.65% helped cushion S&P 500's decline despite weakness in AVGO -5.94%, AMZN -0.94%, AMAT -5.12% & LLY -2.39%. **AMD raised USD4.75bn** in its largest-ever dollar bond sale. **Sandisk extended Thursday's 13.67% gain** after JPM initiated an overweight rating following the firm's investor day. **BAC flagged Broadcom's potential XPV guarantee exposure** of up to USD370bn at 20GW scale, although it estimated worst-case losses at about USD42bn even under a full-default scenario. **About 44% of 6,371 institutional 13F filers cut M7 exposure in 2Q**, while semicon shares remained favored with 48% net buyers. **Berkshire (BRK/B -0.57%) boosted its Alphabet (GOOGL -0.13%, GOOG -0.12%) stake by 83%** to nearly 106mn shares worth USD37.8bn end 2Q, making it the group's third-largest holding behind AAPL +0.22% & AXP -0.34%. **Nvidia (NVDA -0.06%) disclosed 2Q-end stakes** worth about USD21bn in SpaceX and USD30bn in Intel (INTC -1.97%), with the Intel position rising from roughly USD9.5bn three months earlier. **Alphabet valued its 551.2mn-share SpaceX stake** at USD94.2bn at June-end, versus an original USD900mn investment in 2015. **Reddit (RDDT +12.63%) rallied** after being selected to enter the S&P 500 before trading on Aug 18, replacing AvalonBay (AVB +0.08%). **Walmart (WMT -0.39%) and Alibaba (9988.HK -1.64%; BABA +1.35%) report earnings Aug 20**, with focus on consumer demand, tariffs and margins at Walmart & AI/cloud growth versus heavy investment at Alibaba. **AVGO, AMZN, LLY, BRK/B, NVDA & 9988.HK are our Core Recommendations. SOXX, MU & GOOGL are our Trading Buys.**

Trader's Corner (Details on Page 6-7)

	Last Close	Support	Resistance
Hang Seng Index	25,116.85	23,900 / 22,520	25,650 / 26,190
Hang Seng Tech Index	4,707.62	4,455 / 4,230	4,840 / 4,950

CR = Core Recommendation; TB = Trading Buy

Hong Kong IPO Calendar

Ticker	Company Name	Sector	IPO date
3223.HK	Ingenic	Technology	Aug 25

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,743.59	0.41	23.62
FBM KLCI	1,727.39	-0.42	2.81
DJIA	53,732.41	-0.20	11.80
S&P 500	7,785.76	-0.17	13.74
NASDAQ Composite	26,729.16	-0.28	15.00
Hang Seng Index	25,116.85	-1.10	-2.00
CSI 300 Index	4,665.88	0.04	0.78

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.171	+2.8bps	+69.6bps
US 10Y	4.693	+4.9bps	+52.4bps
EU 2Y	2.799	+3bps	+67.7bps
EU 10Y	3.204	+7.3bps	+34.9bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US\$/oz)	4373.900	0.50	1.14
Silver Futures (US\$/oz)	64.988	0.32	-7.77

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	99.636	-0.32	1.38
EUR-USD	1.1570	0.36	-1.50
Brent Futures (US\$/bbl)	88.82	2.09	45.82
WTI Futures (US\$/bbl)	82.40	1.47	43.53

Must Watch Events

Aug 17	China Jul Retail Sales, Industrial Production, Fixed Asset Investment (YTD), Unemployment Rate, House Price Index. Earnings: Geely (0175.HK)
Aug 18	CIO Series #38: Asia's AI Moment - What Investors Need to Know (Online) https://events.teams.microsoft.com/event/f847c65f-82ed-4182-89c5-e7f74f5a96d6@7eadc1e1-1a4d-4f70-9305-931a048687ff Earnings: GigaDevice (3986.HK), Xiaomi (1810.HK), Baidu (9888.HK), HD, BHP
Aug 19	FOMC Jul Minutes, US to impose a fresh 50% tariff on some Canadian goods. Earnings: TJX, TGT, LOW, HKEX (0388.HK), Kuaishou (1024.HK), CMOC (3993.HK), CR Beer (0291.HK); Unitree IPO est.

Americas

- **Earnings become the key support as Fed guidance stays limited.** Investors are increasingly relying on corporate results and AI capex to support valuations ahead of the Aug 27-29 Jackson Hole symposium, with about 85% of reporting S&P 500 firms beating 2Q earnings estimates and underlying profits up 32.7%. Big Tech AI spending is expected to exceed USD700bn in 2026 versus USD400bn in 2025, leaving earnings delivery critical as higher oil prices and real yields remain valuation risks. (Reuters)
- **Berkshire sharply boosts Alphabet stake.** Berkshire (BRK/B -0.57%) lifted its Alphabet (GOOGL -0.13%) stake 83% to nearly 106 mn shares worth USD 37.8 bn, making it the third-largest holding, while exiting Constellation Brands (STZ +2.08%) and adding Delta Air Lines (DAL -2.15%) and Macy's (M -1.8%). (Reuters) **BRK/B is our Core Recommendation; GOOGL is our Trading Buy.**
- **Institutions turn more selective on megacap technology.** About 44% of 6,371 institutional filers reduced Magnificent Seven holdings in 2Q versus 42% that added, although semiconductors retained a positive tilt with 48% net buyers against 34.5% sellers. (Reuters)
- **Pershing Square rotates toward financials.** Pershing Square reduced Howard Hughes (HHH -1.64%) in 2Q while initiating positions including Brookfield (BN -2.79%) and Visa (V -0.36%), with financials showing the largest sector-weight increase and real estate the biggest decline. Uber (UBER +0.09%) was both its largest disclosed holding and biggest new purchase in the filing. (Bloomberg)
- **Alphabet's SpaceX stake soars.** Alphabet (GOOGL -0.13%) held SpaceX (SPCX -0.91%) shares worth about USD 94 bn at end-June, up more than 100-fold from its USD 900 mn investment in 2015, making it the largest institutional holder after SpaceX's IPO. (Reuters) **GOOGL is our Trading Buy.**
- **Amazon attracts fresh institutional capital.** Thrive Capital (Joshua Kushner) bought roughly USD215mn of Amazon (AMZN -0.94%) shares, while Appaloosa (David Tepper) separately increased Amazon and made it its largest disclosed holding at 15% of assets; Thrive cited exposure to AI-enabled shopping and cloud infrastructure. The purchases add a positive institutional-flow angle to the earlier Amazon story, although they are unrelated to its new US customer-arbitration terms. (Bloomberg) **AMZN is our Core Recommendation.**
- **Nvidia discloses major SpaceX and Intel stakes.** Nvidia (NVDA -0.06%) disclosed a roughly USD21bn SpaceX (SPCX -0.91%) position and USD30bn holding in Intel (INTC -1.97%), whose value has risen from about USD9.5bn three months earlier after Nvidia's initial USD5bn investment and chip-development partnership. The disclosure adds to Nvidia's growing strategic-equity portfolio alongside Coherent (COHR -0.43%), Nebius (NBIS +8.88%), Nokia (NOK +1.89%) and Synopsys (SNPS +2.37%). (Bloomberg) **NVDA is our Core Recommendation; NOK is our Trading Buy.**
- **Nvidia trims OpenAI backstop while weighing direct investment.** Nvidia (NVDA -0.06%) is expected to initially guarantee less than USD 120 bn for OpenAI's proposed Ohio data-centre project, down from the previously discussed USD 250 bn, while also considering an investment of up to USD 3 bn in SoftBank (9984 JP +2.94%)-backed SB Energy. OpenAI is still discussing a

binding lease for the full 10GW project, as Nvidia seeks greater third-party funding for AI infrastructure. (WSJ / Reuters) **NVDA is our Core Recommendation.**

- **Akre selectively added to software while trimming financials.** Akre Capital increased CoStar (CSGP -2.03%) and ServiceNow (NOW -2.55%) by about 13% each in 2Q, while cutting Brookfield (BN -2.79%) by 29% and KKR (KKR -1.12%) by 26%, with no new positions initiated. (Yahoo Finance)
- **Baron Focused Growth trails benchmark despite strong quarter.** Ron Baron's fund gained 13.26% in 2Q but lagged the Russell 2500 Growth Index, with SpaceX, Hyatt (H +0.63%) and Interactive Brokers (IBKR +0.7%) the top contributors, offset by FIGS (FIGS -1.01%), Guidewire (GWRE -3.85%) and CoStar (CSGP -2.03%). (Yahoo Finance)
- **Fairfax adds gold exposure while keeping a concentrated portfolio.** Prem Watsa's Fairfax Financial reported a USD2.64bn 2Q 13F portfolio across 32 stocks, adding six positions including Eldorado Gold (EGO +3.36%) while retaining major holdings in Kraft Heinz (KHC +0.13%), Under Armour (UAA +0.19%) and CVS (CVS +2.28%). (GuruFocus)
- **Tesla may finally unveil redesigned Roadster.** Tesla (TSLA +0.68%) plans to show a redesigned Roadster as early as August, potentially including a SpaceX (SPCX -0.91%)-linked limited edition using cold-gas thrusters. The vehicle was originally unveiled in 2017 with 2020 deliveries promised, making the new demonstration an important test of whether Tesla can convert a long-delayed halo product into a commercial programme. (The Information / Reuters)
- **Apple develops proprietary China AI model with Alibaba support.** Apple (AAPL +0.22%) has trained a China-specific LLM with Alibaba (9988.HK -1.64%; BABA +1.35%) and plans to introduce Apple Intelligence in the country in coming months, giving it greater control over AI functions while meeting Beijing's regulatory requirements. The partnership could help Apple close its AI gap with Huawei in China. (Reuters) **9988.HK is our Core Recommendation.**
- **Amazon restores mandatory arbitration for US customers.** Amazon (AMZN -0.94%) reinstated binding arbitration and barred new customer class-action lawsuits, reversing its 2021 decision to move disputes into court after it was hit by roughly 75,000 Alexa-related arbitration claims. Cases involving 25 or more similar claims within six months will now be treated as mass arbitration and processed in batches. (Reuters) **AMZN is our Core Recommendation.**
- **Optical networking momentum continues.** Lumentum (LITE +5.19%) extended its post-results rally after fiscal-4Q revenue more than doubled to USD1.01bn and guidance exceeded consensus as AI data-centre demand boosted advanced optical components; Nokia (NOK +1.89%) logged a fourth straight gain as investors extrapolated stronger optical-network demand. (MarketWatch) **LITE & NOK are our Trading Buys.**
- **US equity funds return to inflows as Fed-hike concerns ease.** Investors added USD2.58bn to US equity funds in the week through Aug 12, including USD8.78bn into growth strategies, while bond funds drew USD9.4bn and money-market funds USD13.92bn. Technology funds nevertheless suffered USD4.62bn of withdrawals after six consecutive weeks of inflows, signaling more selective positioning despite the S&P 500's record-setting run. (Reuters)
- **JPMorgan faces separate regulatory and UK tax debates.** JPMorgan (JPM -0.07%) was reported to have ended a Polymarket banking relationship over regulatory concerns, while CEO

Jamie Dimon separately warned the UK government that higher bank taxes could push capital and jobs offshore. (Bloomberg)

- **Anthropic valuation case rests on aggressive 2028 revenue assumptions.** Anthropic is projecting roughly USD190-200bn of 2028 revenue versus a USD47bn run-rate in May, with bankers assessing the IPO using forward revenue multiples rather than near-term earning
- **Jane Street takes USD15bn July hit from AI unwind.** Jane Street lost about USD15bn in July following losses at AI hedge fund Situational Awareness and other technology positions, marking its first negative trading-revenue month since 2016. The firm has nevertheless generated more than USD40bn of trading revenue YTD and has subsequently reduced risk in areas responsible for the drawdown. (Reuters)
- **Trump-linked World Liberty wins preliminary US trust-bank approval.** The OCC conditionally approved a national trust charter for World Liberty Financial, potentially allowing the Trump family-backed crypto company to issue USD1 directly and custody its reserves rather than relying on BitGo. The approval requires at least USD20mn of capital and remains politically contentious, with Democratic lawmakers raising conflict-of-interest and foreign-investor concerns. (Reuters)

Greater China

- **Hong Kong, China stocks retreat.** The HSI fell 1.1% and the HSTECH dropped 1.77% on Friday, while China's CSI 300 edged up 0.04%. JD.com (9618.HK -10.41%) and JD Logistics (2618.HK -13.69%) plunged, while SMIC (0981.HK +4.81%) gained. (Reuters)
- **Unitree IPO demand signals extreme enthusiasm for Chinese robotics.** Unitree attracted almost 8,000-times retail subscription coverage for its Shanghai IPO at RMB150.80, while grey-market indications implied gains of roughly 176% to almost fourfold on debut. Unitree raised RMB6.1bn by selling just 10% of its shares, supporting scarcity-driven demand but increasing valuation risk. (Reuters)
- **SMIC raises wafer prices as AI demand tightens capacity.** SMIC (0981.HK +4.81%) posted record 2Q revenue of USD 3.01 bn and shareholder profit of USD 479.2 mn, more than tripling yoy, as wafer shipments rose 14% qoq and ASP increased 5.7%. Management expects AI demand to remain robust in 2H and guided 3Q revenue 2%–4% higher qoq while raising prices for constrained capacity. (Reuters)
- **DeepSeek monetises stronger V4 Pro performance with premium pricing.** DeepSeek priced V4 Pro at USD1.32/mn input tokens and USD3.96/mn output tokens, respectively about nine and 14 times V4 Flash, after independent tests showed a material improvement in reasoning performance. (Reuters)
- **Chinese automakers increasingly depend on exports as home demand contracts.** China's July vehicle sales fell 20% YoY to 1.47mn while exports surged 88% to 923,000, with BYD (1211.HK -0.17%) domestic sales down 35% in January-July but overseas sales up 79%. Chinese brands have expanded their European passenger-car share from 3% to 16% in four years, and analysts expect tariffs to slow rather than reverse further gains against Toyota (7203 JP +1.17%), Volkswagen (VOW GR +0.61%) and other incumbents. (Reuters)

- **DJI wins another chance to challenge Pentagon blacklist.** A US appeals court ordered reconsideration of DJI's designation as a Chinese military company after finding the public record insufficient to establish that it contributes to China's defence industrial base. The ruling follows a preliminary injunction protecting WuXi AppTec (2359.HK -2.85%) and comes as Alibaba (9988.HK -1.64%; BABA +1.35%) separately challenges its addition to the expanded 188-company Pentagon list. (Reuters) **9988.HK is our Core Recommendation.**
- **China's Z.ai narrows the cyber benchmark gap with Anthropic.** Z.ai said GLM-5.3 scored 84.5% on its CyberGym vulnerability-detection test versus 83.8% for Anthropic's Mythos 5, although it materially lagged Mythos in developing working exploits at 54.4% versus 78%. The results have not been independently verified, and Z.ai plans a public release only after a two-week safety review. (Reuters)
- **Longfor warns of sharp profit decline.** Longfor (0960.HK -1.22%) expects 1H profit of RMB 1.8 bn to RMB 2 bn, down from RMB 3.22 bn a year earlier, as property-market weakness and inventory destocking weigh on development revenue and margins. (AASocks)
- **Sands China revenue rises despite profit drop.** Sands China (1928.HK -1.26%) reported 1H net revenue up 11.1% to USD 3.88 bn, while profit fell 3.6% to USD 398 mn as higher gaming taxes, wages and marketing costs weighed on earnings. (AASocks)
- **Moutai price hike fails to offset weak demand.** Kweichow Moutai (600519.SZ -0.98%) saw 2Q revenue fall 5.2% to RMB 37.6 bn and net profit drop 6.9% to RMB 17.3 bn, below the RMB 19.5 bn consensus, as anti-extravagance measures and softer distributor demand outweighed pricing support. (Bloomberg)

Asia ex. China

- **SoftBank cuts TSMC while initiating Capital One stake.** SoftBank (9984 JP +2.94%) bought 276,811 Capital One (COF +1.57%) shares worth USD55.5mn and a small Life360 (LIF +1.91%) position during 2Q, while selling 71.5% of its TSMC (2330.TT -1.64%; TSM -0.96%) stake for USD269.8mn. The filing indicates a substantial reduction in direct semiconductor exposure even as SoftBank continues deploying capital heavily across the broader AI ecosystem. (Reuters) **2330.TT is our Core Recommendation.**
- **Frencken expects stronger 2H26.** Frencken (FRKN SP -5.73%) posted 1H26 earnings of SGD 19 mn, down 2% yoy and in line with expectations, while 2Q26 earnings rose 14% yoy and 41% qoq to SGD 11 mn. Management expects 2H26 revenue to improve both yoy and hoh despite softer 1H semiconductor and analytical life-sciences sales. (UOB Kay Hian Institutional Research)

EMEA and Others

- **European shares snap four-week winning streak.** The STOXX 600 fell 0.21% on Friday, while France's CAC and Britain's FTSE also dropped 0.16% and 0.21% respectively. Germany's DAX climbed 0.53% as oil prices and geopolitical tensions weighed, though Maersk (MAERSKB DC +8.75%) jumped to a four-year high after strong results. (Reuters)

- **Trump tariffs put Stellantis' Canadian plant at risk.** Stellantis (STLAM IM -0.14%) is considering closing and selling its Brampton, Ontario, assembly plant after shifting planned Jeep Compass production to Illinois following Trump's tariffs on Canadian goods, according to Unifor. The plant previously employed 2,200 people. (Reuters)

Traders' corner



Source: TradingView

Hang Seng Index

Last Price:	25,116.85
Support:	23,900 (-4.8%)/ 22,520 (-10.4%)
Resistance:	25,650 (+2.2%)/ 26,190 (+4.2%)

Our Technical View

- **Weekly Chart:** Price has printed a lower high, signalling an early breakdown in market structure and deteriorating upward momentum. This loss of buy-side conviction is confirmed by momentum parameters, as the RSI slips below its neutral 50-midline and continues to trend downward. This points toward a corrective phase, with price likely sliding back to test its primary support zone below.
- **Daily Chart:** Price has formed a lower swing low, confirming a breakdown in upward momentum and completing a classical double top reversal pattern. A decisive close below the neckline level confirms the structural shift from bullish to bearish. Consequently, the multi-timeframe chart structure points toward further downside expansion, with a corrective retest of the broken neckline—now acting as overhead resistance—offering a favourable setup for continued weakness.

Traders' corner (continued)



Source: TradingView

Hang Seng Tech Index

Last Price: 4,707.62

Support: 4,455 (-5.4%)/
4,230 (-10.1%)

Resistance: 4,840 (+2.8%)/
4,950 (+5.2%)

Our Technical View

- Weekly Chart:** Price encountered strong overhead supply and was capped at its gap resistance zone, forming a Doji that signaled initial buying exhaustion followed immediately by a decisive bearish candle. Technical momentum fully supports this downward rotation, as the RSI remains suppressed below its neutral 50-midline and continues to slope downward. This structural rejection points toward further downside pressure, with price likely extending its decline to test the primary support zone below.
- 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

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