Today's Must-Know News

- **AI chip optimism lifts futures after-market Wednesday.** S&P 500 & Nasdaq futures soared 0.7% and 2.0%, respectively (S&P 500 cash -0.1%), after Micron (MU -0.31%) & Qualcomm (QCOM -3.29%) jumped more than 13% each in after-market. Micron issued stronger-than-expected 4QFY26 guidance. Qualcomm projected USD15bn in AI data center chip revenue by 2029 with Meta (META -0.81%) set to deploy QCOM's processors. Semi ETF (SOXX -0.31%) also jumped 5% after-market. SK Hynix (000660 KS +3.27%) said it plans for a USD29bn Nasdaq listing as soon as July 10. **META is our Core Recommendation; SOXX, MU & QCOM are our Trading Buys.**
- **Broadcom powers OpenAI's AI chip push**. OpenAI unveiled its first custom AI chip, Jalapeno, developed with Broadcom (AVGO +0.51%), with early tests showing about 50% lower costs than traditional GPUs. OpenAI plans to spend tens of billions of dollars on Broadcom chips & deploy them across partner data centers including Microsoft (MSFT -2.27%). **AVGO & MSFT are our Core Recommendations.**
- **Trip.com signals slower growth in 2Q.** Trip.com (TCOM +1.76%; 9961.HK +1.61%) reported 1Q revenue of RMB16.2bn, up 17% yoy on strong international & inbound travel demand. The firm expects 2Q revenue growth to slow to 3%-8% yoy. **9961.HK is our Core Recommendation.**

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

Ticker	Name	Rec.	Support Levels	Resistance Levels
1908.HK	C&D International	-	HK$12.37/$11.83	HK$15.56/$16.60
2269.HK	WuXi Biologics	-	HK$30.60/$29.10	HK$36.80/$40.54

CR = Core Recommendation; TB = Trading Buy

Hong Kong IPO Calendar

Ticker	Company Name	Sector	IPO date
1688.HK	Lingyi iTech	Technology	Jun 26
1956.HK	Wenge AI	Technology	Jun 26
2272.HK	Keytop Parking	Discretionary	Jun 26
3661.HK	SG Micro	Discretionary	Jun 26
6228.HK	Merdekagold-DRS	Materials	Jun 26
9630.HK	CFMEE	Technology	Jun 26
1191.HK	Crealights	Technology	Jun 29
2672.HK	Baige Digital	Technology	Jun 29
9637.HK	Alebund-B	Healthcare	Jun 29
2697.HK	TH Medical-B	Healthcare	Jun 30
3952.HK	Laifual	Industrials	Jun 30
6715.HK	XunLong Scitech	Consumer Staples	Jun 30
6915.HK	Jiangxi Bio	Healthcare	Jun 30
0668.HK	Anker	Technology	Jul 2

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,215.99	0.20	12.26
FBM KLCI	1,682.13	0.13	0.12
DJIA	51,848.90	0.35	7.88
S&P 500	7,358.22	-0.10	7.49
NASDAQ Composite	25,476.63	-0.43	9.61
Hang Seng Index	23,412.18	0.33	-8.66
CSI 300 Index	4,943.02	0.48	6.76

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.148	-5.2bps	+67.3bps
US 10Y	4.393	-10.5bps	+22.4bps
EU 2Y	2.546	-3.4bps	+42.4bps
EU 10Y	2.865	-5.5bps	+1bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	3998.600	-3.07	-7.54
Silver Futures (US$/oz)	57.25	-7.62	-18.75

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	101.581	0.19	3.36
EUR-USD	1.1358	-0.21	-3.30
Brent Futures (US$/bbl)	73.14	-5.01	20.08
WTI Futures (US$/bbl)	69.87	-4.35	21.70

Must Watch Events

Jun 23 - 26	Amazon Prime Day
Jun 24 - 26	MWC Shanghai
Jun 25	US 1Q GDP Final, May PCE, Initial Jobless Claims. Earnings: Trip.com (TCOM / 9961.HK)
Jun 26	Macau May Hotel Occupancy Rate
Jun 27	China May Industrial Profits
Jun 29	Chevron AGM
Jun 30	China Jun NBS PMI. Earnings: NKE
Jul 1	China Jun Rating Dog PMI-Mfg, Macau Jun Casino Revenue, US S&P Jun PMI-Mfg Final
Jul 2	US Jun Labor Data (NFP/Unemployment Rate), Initial Jobless Claims
Jul 3	China Jun Rating Dog PMI-Svcs, US Jun Total Vehicle Sales
Jul 4	EU trade deal deadline

Americas

- **Gold retreats as inflation fears ease.** Gold (XAU -2.86%) sank Wednesday to USD3,999.41/oz as declining oil prices reinforced the disinflation outlook, boosting the dollar (DXY +0.19%) & reducing demand for inflation hedges & debasement trades. (Bloomberg)
- **Amazon Prime Day spending starts strong.** US online spending rose 5.3% yoy to USD 8.3 bn on the first day of Amazon's (AMZN +0.07%) Prime Day, marking the biggest e-commerce day of 2026 so far. Adobe reaffirmed its forecast for USD 26.3 bn in total online sales during the four-day event, with demand led by electronics, appliances and home improvement products (Reuters) **AMZN is our Core Recommendation.**
- **Short sellers target SpaceX after post IPO slide.** Short interest in SpaceX (SPCX -1.01%) rose to 13% of free float from 8% after the stock fell about 30% from its post-listing high, reflecting growing bets on further downside. Borrow costs have eased to about 1% from 14% at launch, though analysts said the stock's limited float could still leave short sellers vulnerable to a squeeze if shares rebound. (Reuters)
- **Housing bill boosts homebuilders.** D.R. Horton (DHI +6.68%), Lennar (LEN +6.41%), PulteGroup (PHM +7.24%), NVR (NVR +5.87%) and Toll Brothers (TOL +6.67%) rallied after Congress passed the 21st Century ROAD to Housing Act. Analysts said the bill's near-term impact may be modest but could support future housing incentives, affordability measures and build-to-rent development (Reuters)
- **Alphabet joins the Dow.** Alphabet (GOOGL -0.24%) will replace Verizon (VZ -2.25%) in the Dow Jones Industrial Average effective June 29. Alphabet is set to lose Gemini researchers Jonas Adler and Alexander Pritzel to Anthropic and pushed the launch of Gemini 3.5 Pro to July. Separately, Honeywell Technologies (HON +2.27%) will complete the spin-off of Honeywell Aerospace (HONAV flat) on June 29, but HONAV will not be added to the Dow. (MT Newswires) **GOOGL is our Trading Buy**.
- **Microsoft's quantum roadmap faces renewed scrutiny.** A Nature-published critique challenged a key 2025 paper underpinning Microsoft's (MSFT -2.27%) Majorana-based quantum computing strategy, arguing the research lacked clear evidence for the claimed quantum state. Microsoft defended the work and said its quantum roadmap, including a target to deliver a working system by 2029, remains on track (Reuters) **MSFT is our Core Recommendation.**
- **Lilly advances China and R&D ambitions.** Eli Lilly's (LLY +0.92%) oral diabetes and obesity drug orforglipron could launch in China as early as late 2026, intensifying competition with Novo Nordisk (NVO -0.02%; NOVOB DC +1.23%) in the world's second-largest drug market. Separately, Lilly will collaborate with Abbisko Cayman (2256.HK +4.56%) on experimental medicines across multiple targets in a deal carrying potential milestone payments of up to USD 1.9 bn. (Reuters) **LLY is our Core Recommendation.**
- **AI power boom drives GE Vernova growth.** GE Vernova's (GEV +2.19%) revenue is expected to rise more than 50% to USD59bn by 2028, supported by strong demand from AI data centers, grid infrastructure and a backlog that could reach USD 200 bn by 2027, per

analysts from Bloomberg. Adjusted EBITDA margin for 2028 is also expected to expand to about 20% by 2028 from roughly 10% in 2025, driven by pricing gains, automation and higher-margin service revenue. (Bloomberg) **GEV is our Core Recommendation.**

- **Cheaper oil lifts airlines and travel stocks.** American Airlines (AAL +7%), United Airlines (UAL +6%), Alaska Air (ALK +6%), JetBlue (JBLU +4.5%), Delta Air Lines (DAL +3.7%) and Southwest Airlines (LUV +3%) rallied as crude prices fell, boosting expectations for lower fuel costs and stronger earnings. Lower oil prices and easing geopolitical tensions also lifted Booking (BKNG +10%) and Expedia (EXPE +7%) (Reuters)
- **Banks boost dividends and buybacks.** JPMorgan (JPM -0.21%) raised its 3Q26 dividend to USD 1.65 per share from USD 1.50 (2Q) and approved a new USD 50 bn buyback after major US banks cleared the Fed's stress tests. Goldman (GS -1.6%) also increased its 3Q26 quarterly dividend to USD 5.00 from USD 4.50. The results pave the way for higher shareholder returns across the banking sector (Bloomberg).
- **Humanoid robotics heads to public markets.** Agility Robotics (to be listed as AGLT), a developer of humanoid robots which count Amazon (AMZN +0.07%) as a key customer, too go public through a SPAC merger with Churchill Capital Corp. XI (CCXI +15.07%), valuing the firm at about USD 2.5 bn and raising over USD 600 mn including a Foxconn (2317 TT -13.5%) -led PIPE. Nvidia (NVDA -0.52%) recently said AGLT will be the first to implement its new robotics safety protocol. (WSJ) **AMZN & NVDA are our Core Recommendations.**
- **Margin outlook sinks Cerebras.** Cerebras Systems (CBRS -19.61%) fell sharply despite beating 1Q expectations after forecasting full-year gross margins of 38%-41%, below the 47% reported in 1Q. Management said margins will be pressured by a temporary AI system rental arrangement aimed at accelerating capacity expansion while it builds out its own data center infrastructure. (Reuters)
- **Anthropic AI tested on US systems.** Anthropic's Mythos AI model identified vulnerabilities in highly sensitive US government computer systems during testing conducted with intelligence agencies under Project Glasswing. US officials said the model uncovered vulnerabilities within hours, highlighting AI's potential role in strengthening cybersecurity. (Reuters)
- **CopperTech targets USD 3.57 bn valuation.** CopperTech Metals is seeking a valuation of up to USD 3.57 bn in its US IPO, aiming to raise about USD 423.5 mn by offering 23.5 million shares at USD 16 to USD 18 each. The copper and cobalt producer plans to invest USD 2.7 bn over the next five years to expand output at Zambia's Konkola Copper Mines. (Reuters)

Greater China

- **China, Hong Kong stocks trade flat.** China and Hong Kong stocks were largely unchanged in a volatile session on Wednesday as investors bought technology shares following the previous day's global selloff. CSI 300 edged up 0.48%, while HSI gained 0.33% with semiconductor and biotech shares leading gains. (Reuters)

- **Anthropic accuses Alibaba of AI model extraction.** Anthropic alleged that Alibaba (BABA -2.73%; 9988.HK +0.45%) illicitly extracted capabilities from its Claude AI model, describing it as the largest known distillation attack against the firm to date (Reuters) **9988.HK is our Core Recommendation.**
- **Alibaba launches native language world model.** Alibaba's (BABA -2.73%; 9988.HK +0.45%) Qwen large model has launched Qwen-AgentWorld, its first native Language World Model capable of simulating agent interactions across seven domains. The firm also introduced AgentWorldBench, a benchmarking suite designed to evaluate large language world models across both text- and GUI-based environments. (AAStocks) **9988.HK is our Core Recommendation.**
- **Qualcomm eyes ByteDance chip deal.** Qualcomm (QCOM -3.29%) is in talks to provide chip-design services to ByteDance, potentially making the TikTok parent an early customer of its custom chip business. The proposed chips would partly use technology from AlphaWave Semi, which Qualcomm acquired last year, as the US firm seeks to diversify beyond smartphones. (Reuters) **QCOM is our Trading Buy.**
- **ASE ramps up expansion for AI demand.** ASE Technology (3711 TT -1.36%) is adding 15 new sites this year and may exceed its planned USD 8.5 bn capital expenditure budget to meet strong AI demand. The firm, which is a key supplier for Nvidia (NVDA -0.52%), said the expansion is aimed at supporting growth through 2029 and beyond. (Reuters) **NVDA is our Core Recommendation.**
- **Li Auto unveils revamped L8 SUV.** Li Auto (2015.HK +2.32%) launched the new L8 SUV, priced from RMB 359,800, featuring its third-generation 5C extended-range system with a combined CLTC range of 1,670 km. Citi (CITI -0.95%) expects initial monthly orders of about 8,500 units, while forecasting a neutral market response to both the new L8 and BYD's (1211.HK +0.13%) upgraded Denza N8L. (AAStocks)
- **Zhipu weighs Hong Kong share sale.** Chinese AI startup Zhipu is considering a Hong Kong share placement to raise several billion US dollars, with the potential offering as early as next month after its six-month IPO lock-up expires on July 8. (Bloomberg)
- **China's EV exports hit another record.** China's electric vehicle exports reached a record USD9.2bn in May, up 49% yoy and surpassing the previous high of USD 9.1 bn in April, driven by strong overseas demand, particularly from ASEAN markets. China exported about 448,000 electric passenger vehicles during the month, including 279,000 battery-electric vehicles and 169,000 plug-in hybrids. (Ember)
- **ByteDance explores record offshore loan.** ByteDance is in preliminary talks with banks for an offshore loan of about USD 20 bn, which could become the firm's largest offshore borrowing. The loan may have a three-year tenor with an option to extend it to as long as five years, as ByteDance ramps up spending on AI infrastructure. (Reuters)
- **mBridge reiterates sanctions compliance.** PBOC said the mBridge cross-border digital currency platform cannot be used by sanctioned countries and operates in compliance with international sanctions, rejecting concerns that it could facilitate sanctions evasion. The

platform had processed about RMB500 bn in cumulative transactions by the end of 2025, according to officials. (Reuters)

Asia ex. China

- **SK Hynix's AI bet pays off.** SK Hynix (000660 KS +3.27%) has overtaken Samsung (005930 KS +9.34%) as South Korea's most valuable firm after its early bet on high-bandwidth memory chips positioned it at the centre of the AI boom. The firm doubled down on HBM development and became a key supplier to Nvidia (NVDA -0.52%), benefiting from surging demand for AI chips. (Reuters) **NVDA is our Core Recommendation.**
- **South Korea plans new chip cluster.** South Korea's government is in talks with Samsung (005930 KS +9.34%) and SK Hynix (000660 KS +3.27) on the next phase of large-scale semiconductor investments, with plans to announce a new chip cluster soon. Officials said booming AI-driven chip demand could require the companies to accelerate construction of new production facilities by more than a decade. (Reuters)
- **Keppel earnings visibility improves. Keppel** (KEP SP +0.81%) said the sale of its fourth Bifrost fibre pair shifts focus towards recurring O&M income, while the commissioning of the Sakra plant and Korea data centre expansion strengthen earnings visibility and growth optionality. UOB Kay Hian maintained its BUY rating with an unchanged target price of SGD 13.23. (UOB Kay Hian Institutional Research)

EMEA and Others

- **European shares closed mixed.** STOXX 600 edged up 0.08% on Wednesday as gains in France and the UK offset weakness in Germany, where defense stocks slumped and caution ahead of Micron's earnings weighed on sentiment. France's CAC 40 rose 0.54% and the UK's FTSE 100 gained 0.31%, while Germany's DAX fell 0.62%. (Reuters)
- **Germany scraps frigate programme.** Germany cancelled its F126 frigate programme over delays and cost overruns, dealing a blow to Rheinmetall (RHM GR -19.05%), whose shares fell as much as 20% after it lost out on the project. Berlin will instead procure eight Meko A-200 frigates from Thyssenkrupp Marine Systems (TKA GR +0.42%), with the new programme expected to cost EUR 11.6 bn. (Reuters)
- **Bain acquires Volkswagen diesel engine unit.** Bain Capital agreed to acquire a 51% stake in Everllence from Volkswagen (VOW GR -2.84%) for proceeds of about EUR 7.4 bn, while Volkswagen will retain the remaining 49% stake in the medium term as it streamlines operations and seeks to improve profitability. (Bloomberg)

TRADERS' CORNER

Source: TradingView

C&D International Investment Group (1908.HK)

Last Price:
HK$12.99
Support Levels:
HK$12.37 (-4.8%)/
HK$11.83 (-8.9%)
Resistance Levels:
HK$15.56 (+19.8%)/
HK$16.60 (+27.8%)

Our Technical View

- Price appears to be carving out a definitive floor near its previous low, flashing back-to-back hammer candles to signal aggressive defensive buying.
- This price stabilisation is mirrored by a positive shift in momentum, as the RSI pivots upward from the lower boundary.
- Barring a closing breach of this verified demand zone, the technical framework strongly tilts toward an impending rebound higher.

TRADERS’ CORNER (continued)

Source: TradingView

WuXi Biologics (2269.HK)

Last Price:
HK$32.44

Support Levels:
HK$30.60 (-5.7%)/
HK$29.10 (-10.0%)

Resistance Levels:
HK$36.80 (+13.4%)/
HK$40.54 (+25.4%)

Our Technical View

- Price has rebounded off its resistance-turned-support zone. This price stability is supported by the RSI expanding upward above its neutral 50-level baseline.
- The successful closing of the recent gap resistance indicates the previous overhead supply has been fully absorbed, significantly increasing the probability of a sustained directional extension higher.