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Wealth Daily

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Hormuz tensions weigh on S&P 500 futures

Today's Must-Know News

- **S&P 500 and Nasdaq-100 futures fell 0.3% and 0.5% Sunday** as renewed US-Iran strikes pushed front-month WTI 3.1% higher, while S&P 500 cash gained 0.42% Friday & for a second straight weekly rise of 1.23%. **This week's key earnings include** Bank of America (BAC +0.71%) & JPMorgan (JPM +0.3%) on Jul 14, J&J (JNJ -0.82%) on Jul 15 and TSMC (TSM -0.65%; 2330.TT -2.03%) on Jul 16. **SK Hynix US ADRs (SKHYV +12.76%) jumped above its USD 149 offer price Friday** and may issue more shares, while warning memory shortages could persist beyond 2030 - regular trading begins under ticker SKHY later today (Jul 13). **The US 10% Section 122 import surcharge is scheduled to expire on Jul 24**, with any extension posing renewed inflation and market risks. **The Trump administration plans to ease UAE export controls**, expanding access to AI chips from Nvidia (NVDA +4.03%) and AMD (AMD +2.04%). **Meta (META +5.97%) outperformed** after SemiAnalysis projected that its AI-compute capacity could exceed OpenAI and Anthropic combined by year-end. **Tencent (0700.HK +2.0%) is in talks to become Manus' largest external shareholder** after Chinese regulators blocked Meta's planned acquisition of the agentic-AI developer. **Healthcare (XLV -0.82%) lagged** as Moderna (MRNA -10.83%) posted its worst session in over a year after JPMorgan reportedly recommended shorting the stock. **Shein is targeting a Hong Kong IPO in Sep-Oct 2026** after securing CSRC approval, marking its third listing attempt. **JNJ, TSM, NVDA, META, 0700.HK are our Core Recommendations.**

Trader's Corner (Details on Page 5-6)

	Last Close	Support	Resistance
Hang Seng Index	24,175.12	22,520 / 21,565	24,565 / 25,045
Hang Seng Tech Index	4,499.00	4,230/ 3,765	4,870 / 5,040

Hong Kong IPO Calendar

No upcoming IPOs.

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,469.29	0.65	17.72
FBM KLCI	1,691.49	0.83	0.68
DJIA	52,637.01	0.29	9.52
S&P 500	7,575.39	0.42	10.66
NASDAQ Composite	26,281.61	0.29	13.08
Hang Seng Index	24,175.12	0.60	-5.68
CSI 300 Index	4,780.79	-1.96	3.26

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.209	+3bps	+73.4bps
US 10Y	4.562	+0.9bps	+39.3bps
EU 2Y	2.647	0bps	+52.5bps
EU 10Y	3.065	-1.9bps	+21bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	4090.600	-0.92	-5.41
Silver Futures (US$/oz)	59.845	-0.32	-15.07

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	100.965	0.03	2.73
EUR-USD	1.1416	-0.12	-2.81
Brent Futures (US$/bbl)	75.22	-0.90	23.49
WTI Futures (US$/bbl)	71.51	-0.42	24.56

Must Watch Events

Jul 14	Fed Chair Warsh testimony, US Jun CPI, China Jun M2 Money Supply, New Yuan Loans, Outstanding Loan Growth, Total Social Financing. Earnings: JPM, BAC
Jul 14-15	Fed Chair Warsh testimony
Jul 15	US Jun PPI, China 2Q GDP, House Price Index, Retail Sales, Industrial Production, Fixed Asset Investment (YTD), Unemployment rate, FDI YTD Earnings: JNJ, ASML
Jul 16	US Jun Retail Sales, Initial Jobless Claims. Earnings: TSM, NFLX, UNH
Jul 17	Macau Jun Visitor Arrivals, US Jun Import/Export Prices

Americas

- **Iran strikes, earnings optimism.** The US launched its fourth round of strikes on Iran within a week as Washington and Tehran disputed whether the Strait of Hormuz remained open, while gold (XAU -1.2%) fell to USD 4,069.47/oz on early Sunday. S&P 500 cash rose 0.42% in the regular trading session as 2Q earnings are projected to grow 23.7% yoy per LSEG, with materials leading on higher fertilizer prices and Moderna (MRNA -10.83%) driving health care lower after JPMorgan named it a short idea. (Bloomberg).
- **Memory competition broadens.** Samsung's (005930 KS +1.42%) weaker-than-expected earnings response weighed on Micron (MU -1.24%), although SK Hynix's successful listing restored confidence in the AI-memory cycle. China's CXMT is also expanding rapidly, increasing competitive pressure on Samsung, SK Hynix (000660 KS -2.31%) and Micron. (Bloomberg)
- **AI developers compete on cost.** OpenAI, Meta (META +5.97%) and SpaceXAI released new models focused on lowering customer costs as businesses scrutinise usage-based AI bills. OpenAI said GPT-5.6 can complete more work with fewer tokens, while Meta indicated it is prepared to price its developer offering aggressively. (Bloomberg) **META is our Core Recommendation.**
- **Meta reverses image launch.** Meta (META +5.97%) withdrew its newly launched Muse Image feature following criticism that public Instagram photos were automatically available for AI image generation without clear consent. (Reuters) **META is our Core Recommendation.**
- **SpaceX AI returns stay earthbound.** SpaceX (SPCX -4.51%) could generate over USD 28 bn annually from terrestrial AI deals with Anthropic, Alphabet (GOOGL -0.48%) and Reflection AI, while orbital data centres remain constrained by launch costs and technology. (Reuters) **GOOGL is our Trading Buy.**
- **Amazon settlement shifts liability.** Amazon (AMZN -0.69%) agreed to a USD 201 mn judgment over alleged illegal gambling transactions through social-casino apps, but class members would pursue payment from third-party developers rather than Amazon. The settlement, which requires court approval, follows earlier developer agreements that returned more than USD 650 mn to consumers. (Reuters) **AMZN is our Core Recommendation.**
- **Apple escalates OpenAI rivalry.** Apple (AAPL -0.28%) sued OpenAI and two former employees, alleging they transferred confidential designs, supplier data and manufacturing processes. Apple said 400+ former employees now work at OpenAI, which denied seeking trade secrets. (Reuters)
- **Delta signals resilient pricing power**. Delta Air Lines (DAL -1.81%) reaffirmed its 2026 profit forecast and issued a stronger-than-expected 3Q outlook, saying fare increases helped recover about 60% of the quarterly fuel-cost rise. The airline expects its annual fuel bill to increase by USD 4 bn and warned that fuel-price volatility remains a key risk. (Reuters)
- **JPMorgan tests investing agents.** JPMorgan (JPM +1.47%) developed an AI asset-allocation system that outperformed a traditional 60/40 portfolio by 0.7 percentage point annually in historical simulations, with lower volatility. The bank cautioned that backtested results do not establish that AI can consistently outperform in live markets. (Bloomberg)
- **Circle secures bank charter.** Circle Internet (CRCL +4.97%) received final approval to establish Circle National Trust, allowing it to provide institutional digital-asset custody under federal oversight.

The charter does not permit Circle to accept cash deposits or extend loans, limiting its near-term revenue contribution. (Bloomberg)

- **Netflix considers broader content mix.** Netflix (NFLX -2.78%) is considering live television, streaming bundles, additional sports and short-form video to strengthen engagement and advertising growth. Its US television-viewing share fell to 7.8% in April from 9% at end-2025, although TF1's linear-channel launch increased viewing by 16% within three weeks. (Bloomberg)
- **Altera accelerates growth before IPO.** Altera, spun out of Intel (INTC -2.4%), is growing about 20% annually and more than doubling operating income as it prepares for an eventual listing, with mid-20% growth expected this year. Silver Lake owns 51% after a USD 4.46 bn investment valuing Altera at USD 8.75 bn, while Intel retains 49%. (Reuters)

Greater China

- **China tech rotation lifts Hong Kong.** HSI rose 0.6% on Friday and had its strongest weekly gain since March 2025, as investors rotated into internet stocks; Alibaba (9988.HK +2.04%) gained while Tencent (0700.HK -2.0%) fell. Mainland shares also advanced, with the CSI 300 down 1.96%, as investors took profits ahead of Changxin Memory Technologies' anticipated listing. UBS said further internet-sector gains may require stronger earnings confirmation. (Reuters)
- **Shein clears key Hong Kong hurdle.** Shein won Chinese regulatory approval for its Hong Kong IPO, advancing a listing plan after failed attempts in New York and London and nearly three years of delays. The approval allows the fast-fashion retailer to begin investor roadshows and prepare for a listing committee hearing at Hong Kong Exchanges and Clearing (0388.HK -0.11%). (Reuters)
- **Tencent eyes control of Manus.** Tencent (0700.HK -2.0%) is in talks to become AI startup Manus' largest shareholder, joining existing investors to buy the company back from Meta (META +5.97%) for at least USD 2 bn after Beijing ordered Meta to unwind the acquisition. Manus develops autonomous AI agents and relocated its operations from China to Singapore last year. (Reuters) **0700.HK & META are our Core Recommendations.**
- **Zhipu keeps frontier model** open. Zhipu (2513.HK -19.29%) released GLM-5.2 under an open-source licence and said frontier AI should remain widely accessible rather than controlled by a small number of companies. The company does not plan to prioritise short-term application monetisation over the next two years, focusing instead on autonomous agents and long-duration tasks. (Bloomberg)
- **HKEX refreshes IPO listing panel.** JPMorgan Chase's (JPM +1.47%) Nelly Pai and Citigroup's (C +1.59%) Alexander Schrantz will join Hong Kong Exchanges and Clearing's (0388.HK -0.11%) Listing Committee, which reviews IPO applications and advises the exchange. They will replace two members stepping down after reaching the six-year term limit. (Bloomberg)
- **Rubin delay rumours hit PCB supplier.** Victory Giant Technology (2476.HK -12.87%; 300476.SZ -8.32%) fell sharply after investors raised concerns over a possible delay to Nvidia's (NVDA +4.03%) Rubin server platform and potential order cancellations. The firm said cooperation with key customers, capacity expansion and product deliveries remain on schedule. (Reuters) **NVDA is our Core Recommendation.**

- **NIO expands ES8 lineup.** NIO (NIO flat; 9866.HK +1.63%) launched a five-seat ES8 priced RMB 382,800, or RMB 274,800 under its battery-rental plan, with deliveries starting on July 10. CEO William Li said higher raw-material costs raised per-vehicle expenses by nearly RMB 20,000, but the firm is working with suppliers to limit price increases. (Reuters)
- **KYEC expands US chip testing.** King Yuan Electronics (2449.TT +0.98%) plans to invest up to USD 1.4 bn in a US facility to support growth and strengthen its global supply-chain position. The Nvidia (NVDA +4.03%) supplier did not disclose the site, construction timeline or customers to be served. (Reuters) **NVDA is our Core Recommendation.**

Asia ex. China

- **Japan policy supports yen.** The yen and Japanese government bonds strengthened after Finance Minister Satsuki Katayama called for pension funds to allocate more capital to domestic assets. Japan's producer-price growth also accelerated to its fastest pace since early 2023, supporting expectations for further Bank of Japan tightening. (Bloomberg)
- **SoftBank eyes Seven & i stake.** SoftBank (9434 JP +0.61%) and PayPay are reportedly considering an investment in Seven & i Holdings (3382 JP -0.05%), with total funding potentially reaching JPY 300 bn, or USD 1.85 bn. Sumitomo Mitsui Card, owned by Sumitomo Mitsui Financial Group (8316 JP +0.0&%), may also participate. (Reuters)
- **Yen warning hits Fast Retailing.** Fast Retailing (9983 JP -3.59%) fell despite raising its full-year operating-profit forecast to a record JPY 730 bn, as the weak yen threatens Uniqlo's fourth-quarter sales and earnings in Japan. (Reuters)

EMEA and Others

- **Tech Selloff ends Europe's winning streak**. STOXX 600 rose 0.04% on Friday, while France's CAC and UK's FTSE edged up 0.15% and 0.24% respectively. Germany's DAX declined 0.2% as investors rotated away from major AI beneficiaries and renewed US-Iran tensions lifted Brent crude. Technology stocks lost, with Soitec (SOI FP -5.86%) and ASML (ASML NA -2.11%) falling, while investors await earnings for fresh direction. (Reuters)
- **Niel becomes Vodafone's largest shareholder.** French billionaire Xavier Niel will acquire e&'s (EAND UH +5.29%) 16.2% stake in Vodafone (VOD LN +12.62%) for about GBP 4.4 bn, or nearly USD 6 bn, making him the British telecom group's largest shareholder. (Reuters)
- **China slump weighs on Volkswagen deliveries.** Volkswagen (VOW GR -2.16%) reported an 8.6% decline in 2Q global deliveries to 2.077 mn vehicles, its steepest quarterly drop in four years, as China deliveries plunged 36.6%. Gains of 7.7% in North America, 1.8% in Western Europe and 6.7% in Central and Eastern Europe failed to offset the weakness. (Reuters)
- **Apollo funding strengthens Bayer's balance sheet.** Bayer (BAYN GR -0.39%) secured EUR 3 bn (USD 3.4 bn) from Apollo-managed funds (APO +0.42%) in exchange for a minority stake in a new entity holding its contraceptives business, while retaining majority ownership and full operational control. The deal, expected to close in 3Q26, will support bond repayments and litigation-related liquidity needs. (Reuters)

Traders' Corner

Source: TradingView

Hang Seng Index

Last Price:	24,175.12
Support:	22,520 (-7.0%)/ 21,565 (-11.0%)
Resistance:	24,565 (+1.5%)/ 25,045 (+3.4%)

Our Technical View

- **Weekly Chart:** The index's recent relief rally has met definitive exhaustion, having been rejected directly at the former support level that is now functioning as a structural overhead resistance. This structural failure is validated by the RSI remaining firmly underneath the 50 midline to confirm a persistent sellers' regime. Consequently, the technical framework strongly points to an immediate downward continuation out of this supply zone.
- **Daily Chart:** The corrective recovery has halted precisely at a dual-layered resistance cluster, where the former support floor aligns directly with an open gap window. The printing of a Doji at this intersection, coupled with an RSI neutralising around the 50 midline, indicates a complete exhaustion of buying pressure. Hence, the structural framework points towards a continuation of the dominant bearish trend, which is contingent upon a confirmed bearish candle to validate the downward reversal.

Traders' Corner (continued)

Source: TradingView

Hang Seng Tech Index

Last Price:	4,721.66
Support:	4,230 (-10.4%)/ 3,765 (-20.3%)
Resistance:	4,870 (+3.1%)/ 5,040 (+6.7%)

Our Technical View

- **Weekly Chart:** Price has executed a technical bounce, printing a weekly bullish Harami candlestick pattern following a successful defence of its previous low support zone. The RSI remains suppressed below its 50-neutral baseline. This positions the index for a tactical rally toward its overhead resistance target at 5,230, where the market will seek its next directional resolution vector.
- **Daily Chart:** The index's upward advance has paused at a gap window, which is currently functioning as active overhead resistance. Failure to clear this structural ceiling will likely shift the near-term trajectory back toward a test of the 4,229 horizontal support floor. The RSI is holding just above the 50 midline. The market requires a confirmed daily close above the gap boundary to validate a sustainable continuation higher.