UOBKayHian | Private wealth management

Wealth Daily

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Cooling CPI lowers near-term hike risk

US June headline CPI fell 0.4% mom, its first decline in six years, while core CPI was flat mom and eased to 2.6% yoy, lower than expectations, lifting the S&P 500 0.38% & Nasdaq Composite 0.9% Tuesday. **US 2-year Treasury yields fell 8.8-bps** & investors largely priced out a July rate hike. **IBM (IBM -25.21%) suffered its worst one-day decline in 115 years** after disappointing preliminary 2Q revenue, exceeding its 23.7% Black Monday plunge in 1987. Final results due Jul 22 (Wed) may differ slightly as the firm reviews its books. **The miss pressured** MSFT -1.55%; NOW -5.76%; WDAY -3.49%; CRM -2.14%; ADSK -2.97%; SAP -3.23%; ACN -2.86%; CTSH -2.56%; INFY -3.91%. **Meanwhile, chipmakers (SOXX +2.58%) rebounded** as NVDA +4.06%; AMD +2.57%; INTC +4.5% rose. **SK Hynix (SKHY +27.29%) surged after a 9% plunge on Monday,** widening its ADR premium over Seoul (000660 KS +6.18%) shares to 51%, while **Samsung (005930 KS +4.08%) denied reviewing an US ADR issue** despite reported preliminary talks with banks. **Buffett said he intends to dispose** of all Berkshire (BRK/A -1.05%; BRK/B -1.16%) shares over eight years. **J&J (JNJ-1.52%) is expected to report 2Q EPS of USD 2.87 on USD 25.04 bn revenue before-market today (Wed),** supported by newer cancer drugs, with options implying a 2.9% move. **US banks beat 2Q estimates on strong trading and dealmaking,** but shares diverged on guidance and earnings-quality concerns (GS +9.2%; JPM +2.5%; BAC +1.88%; C -5.29%; WFC -2.71%). **Gold (XAU +1.26%) rose to USD4,052.85/oz after Trump dropped the proposed 20% cargo charge** after Gulf pressure but resumed the blockade of Iranian shipping and threatened further strikes. **MSFT, NVDA, BRK/B & JNJ are our Core Recommendations; SKHY is our Trading Buy.**

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

Ticker	Name	Rec.	Support	Resistance
2259.H	Zijin Gold	-	HKD 93.20 / 84.20	HKD 124.30 / 140.20
0322.H	Tingyi	-	HKD 10.97 / 10.87	HKD 12.16 / 12.63

CR = Core Recommendation; TB = Trading Buy

Hong Kong IPO Calendar

No upcoming IPOs.

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,495.61	0.46	18.28
FBM KLCI	1,719.94	1.27	2.37
DJIA	52,508.27	0.02	9.25
S&P 500	7,543.59	0.38	10.20
NASDAQ Composite	26,107.01	0.90	12.33
Hang Seng Index	24,340.73	0.52	-5.03
CSI 300 Index	4,796.50	2.15	3.60

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.195	-8.9bps	+72bps
US 10Y	4.591	-3.3bps	+42.2bps
EU 2Y	2.756	+3.3bps	+63.4bps
EU 10Y	3.113	+0.5bps	+25.8bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	4058.300	1.52	-6.16
Silver Futures (US$/oz)	58.81	2.26	-16.53

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	100.943	-0.32	2.71
EUR-USD	1.1420	0.34	-2.78
Brent Futures (US$/bbl)	85.14	2.18	39.78
WTI Futures (US$/bbl)	79.83	2.35	39.05

Must Watch Events

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	Xi Jinping appearance at China's AI Summit, Macau Jun Visitor Arrivals, US Jun Import/Export Prices
Jul 20	China Jul LPR Fixing

Americas

- **Fed officials await more disinflation evidence.** Fed Chair Kevin Warsh said June's cooler 3.5% CPI reading was encouraging but insufficient to declare inflation contained, while Chicago Fed President Austan Goolsbee called for several more benign inflation reports. Warsh is due to testify before the Senate after June PPI data later today (Wed). Markets are pricing about a 15% chance of a July rate hike and a roughly 65% probability of a September increase. (Reuters)
- **US H200 exports to China remain limited.** A US Commerce Department official said only a small number of Nvidia (NVDA +4.06%) H200 chips have been shipped to China, although ZTE (000063.SZ -0.32%) and other firms have received approval to buy advanced Nvidia and AMD (AMD +2.57%) processors. Alibaba (BABA -0.03%; 9988.HK +0.09%), Tencent (0700.HK -0.31%) and ByteDance were reportedly among companies cleared earlier. Nvidia separately removed more than half its previous Asian customers from an authorised-buyer list after tightening checks to prevent advanced chips from reaching China through third countries (Reuters) **NVDA, 9988.HK & 0700.HK are our Core Recommendations.**
- **Meta faces AI layoff-discrimination lawsuit.** Twenty-six employees sued Meta (META +0.66%), alleging AI-assisted productivity and token-usage metrics disproportionately selected workers with disabilities or medical leave for dismissal. They are seeking to halt layoffs scheduled for July 22, while Meta said people—not AI—made its workforce decisions (Reuters) **META is our Core Recommendation.**
- **Buffett sets eight-year disposal plan.** Warren Buffett said he intends to dispose of all Berkshire Hathaway (BRK/A -1.05%; BRK/B -1.16%) shares over eight years and skipped his midyear Gates Foundation donation for the first time in two decades (Bloomberg) **BRK/B is our Core Recommendation.**
- **Intermediaries expand African access to global retailers.** Package-forwarding services are enabling shoppers without bank cards or formal addresses to purchase from Amazon (AMZN +0.07%) and Walmart (WMT -0.94%) using mobile payments and GPS-based delivery. African internet penetration has reached about 43%, although online demand remains concentrated in major cities and South Africa (Reuters) **WMT & AMZN are our Core Recommendations.**
- **Lilly expands Retevmo approval.** Eli Lilly's (LLY -2.48%) Retevmo received full FDA approval for patients aged two and above with advanced or metastatic RET fusion-positive solid tumours, two months ahead of the agency's target date (Bloomberg) **LLY is our Core Recommendation.**
- **Apple faces demand and legal pressure.** Apple (AAPL -0.77%) was cut to underweight by KeyBanc with a USD 250 target, while OpenAI rejected Apple's trade-secret allegations and separately prepared a mobile screen-free AI speaker (Bloomberg)
- **Record profit lifts JPMorgan shares.** JPMorgan (JPM +2.5%) posted record 2Q profit of USD 21.2 bn as markets revenue surged 35% and investment-banking fees rose 30%, supported by strong IPO and deal activity. Shares gained as its market value topped USD 920 bn, though the bank raised its 2026 expense forecast to USD 107.5 bn. (Reuters)
- **Expenses cloud Citigroup's strong quarter.** Citigroup (C -5.29%) beat estimates as 2Q investment-banking fees rose 44% to USD 1.55 bn, equities trading revenue jumped 45% and fixed-

income trading increased 7%. Shares fell as investors questioned whether its unchanged 10%-11% 2026 return target signals weaker 2H results and higher spending. (Reuters)

- **Trading surge lifts Bank of America.** Bank of America (BAC +1.88%) beat 2Q profit estimates as sales and trading revenue jumped 33% to a record USD 7.1 bn, equities revenue rose 70% and investment-banking fees increased 50%. The bank expects 2026 net interest income growth at the upper end of its 6%-8% forecast range. (Reuters)
- **OpenAI plans screen-free smart speaker.** OpenAI's first consumer device is reportedly a portable AI speaker equipped with cameras and sensors for smart-home control, media, messaging and ChatGPT functions. The development follows its USD 6.5 bn acquisition of Jony Ive's io and Apple's (AAPL -0.77%) lawsuit alleging theft of confidential hardware and manufacturing information (Reuters)
- **Uber advances Delivery Hero takeover talks.** Delivery Hero (DHER GR +5.57%) confirmed advanced negotiations with Uber (UBER -2.94%) over a potential offer expected to exceed the German firm's recent EUR 36 share price. The transaction would expand Uber Eats across Europe, Asia, the Middle East and Latin America but could face substantial antitrust scrutiny (Reuters)
- **Boeing deliveries reach eight-year high.** Boeing (BA +0.74%) delivered 64 aircraft in June and 314 in 1H26, up 12% YoY and its strongest first-half performance since 2018. The group booked 113 net orders in June and is raising monthly 737 MAX production from 42 to 47 aircraft (Reuters)
- **Health trends slow PepsiCo's turnaround.** PepsiCo (PEP -2.2%) reported a 2% decline in North American food sales, flat food volumes and a 4% drop in beverage volumes despite price reductions. GLP-1 adoption has reached 21% of US households, while rival Coca-Cola (KO -1.39%) continues to outperform as consumers shift toward healthier products (Reuters)
- **US forms AI cybersecurity coordination group.** The White House will bring AI developers and essential-service providers together to share vulnerabilities identified by advanced models and coordinate responses. The initiative covers critical financial, healthcare and energy infrastructure and will include open-source AI developers, although participating companies were not named (Reuters)
- **Switch targets major AI-infrastructure IPO.** Privately held data-centre operator Switch hired lead underwriters for a potential 4Q26 IPO that could raise up to USD 10 bn and value the firm at nearly USD 80 bn including debt. The offering would capitalise on demand for campuses providing power, cooling and connectivity for AI computing (Reuters)

Greater China

- **Exports lift China and Hong Kong equities.** The CSI300 rose 2.15% and the HSI gained 0.52% on Tuesday as stronger-than-expected June exports improved sentiment, with chip and computing-related shipments supporting the rebound. Investors remained cautious ahead of China's 2Q GDP data and CXMT's upcoming IPO. (Reuters)
- **CXMT targets landmark chip IPO.** ChangXin Memory Technologies priced its Shanghai STAR Market IPO at CNY 8.66 per share, seeking to raise up to CNY 66.6 bn (USD 9.3 bn) in one of China's largest listings to support technology upgrades. The DRAM maker's debut is expected to bolster Beijing's push to strengthen its domestic semiconductor industry and reduce reliance on foreign suppliers. (Reuters)

- **AI boom drives TSMC record earnings.** TSMC (2330.TT -0.82%; TSM -0.28%) is expected to report a 59% YoY rise in 2Q net profit to TWD 632.6 bn, or USD 19.65 bn, marking a fifth consecutive quarter of record earnings. Strong demand for advanced nodes and CoWoS packaging continues to support growth, with updated guidance due Thursday. (Reuters) **TSM is our Core Recommendation.**
- **DeepSeek advances IPO plans.** DeepSeek has begun preparations for an initial public offering and could file its listing application as soon as this year, targeting a potential market debut in 2027. The Chinese AI startup, backed by Tencent (0700.HK -0.31%), is also seeking fresh private funding at a pre-money valuation of at least CNY 480 bn while working to complete its financial statements by the end of December. (Bloomberg) **0700.HK is our Core Recommendation.**
- **Baidu slides on advertising concerns**. Baidu (9888.HK -7.26%; BIDU -3.23%) fell after its analyst preview signalled continued weakness in core search advertising, prompting Barclays to cut its US-share price target to USD 124 from USD 128. (Bloomberg)
- **Longi's losses deepen.** Longi Green Energy (601012.SZ +0.86%) expects a first-half net loss of RMB 3.4-3.8 bn versus RMB 2.57 bn a year earlier as weaker domestic installations, higher silver prices and slower solar exports pressured margins (Bloomberg)
- **AI demand drives China trade surge.** China's June exports jumped 27% YoY, beating forecasts, while imports rose 36% to a five-year high as global AI investment supported chip demand and monthly auto exports topped 1 mn for the first time. The strength keeps China on track for another trade surplus above USD 1 tn despite weak domestic demand and continued US trade frictions. (Reuters)
- **China imposes floor on bill re-discounting.** Regulators instructed some banks not to conduct bill re-discount transactions below 0.5% after rates fell as low as 0.01% during aggressive month-end buying. The intervention highlights excess banking liquidity and persistently weak household and corporate loan demand (Reuters)
- **ICBC lessors seek return of SpiceJet aircraft.** ICBC's (1398.HK -0.15%) Irish leasing entities applied to repossess four grounded Boeing 737 MAX jets from SpiceJet (SJET IN -0.98%), testing India's new aircraft-recovery law. Only 11 of SpiceJet's 53 aircraft are operating, although the airline said returning the jets would lower lease costs without disrupting operations (Reuters)

Asia ex. China

- **SoftBank projects USD 5 tn annual AI investment.** SoftBank (9984 JP +3.3%) CEO Masayoshi Son said global AI development will require USD 5 tn annually by 2040, when the industry could represent 20% of world GDP and data centres may demand 3 terawatts of power. SoftBank's cumulative OpenAI investment is expected to exceed USD 60 bn by end-2026 as the group expands across data centres, chips and robotics (Reuters)
- **BHP workers proceed with Port Hedland strike.** Hundreds of workers will hold an eight-hour stoppage on July 16 at BHP's (BHP LN +4.12%) Port Hedland operations, which handle around USD 80 mn of iron ore daily. BHP said contingency plans were in place, with negotiations due to resume July 21 after its quarterly results (Reuters)

- **Rio Tinto iron-ore sales beat forecasts.** Rio Tinto (RIO +3.83%) sold 85.3 mn tonnes from its Pilbara operations in 2Q26, up 7% YoY and above the 83.6 mn-tonne consensus. Strong operating performance and healthy inventory supported the result (Reuters)

EMEA and Others

- **Softer inflation lifts European shares.** The STOXX 600 rose 0.17% on Tuesday as weaker US inflation reduced Fed hike concerns, while higher oil prices supported energy stocks and basic materials gained. Germany's DAX, France's CAC 40, and the UK's FTSE 100 edged higher by 0.13%. 0.03%, and 0.3% respectively. BP (BP LN +2.28%) rose on a stronger 2Q outlook, while Ericsson (ERICB SS -12.6%) and Evotec (EVT GR -8.9%) fell after disappointing updates. (Reuters)
- **Europe advances sovereign missile interceptor.** Thales (HO FP -0.5%); Airbus (AIR FP +0.34%); Safran (SAF FP -0.7%); MBDA Deutschland; and Destinus formed the Bliksem EXO consortium to develop an interceptor capable of destroying medium- and intermediate-range missiles outside the atmosphere. Engineering work is scheduled to begin in August with a space test in 2027, although no funding or procurement has been committed (Reuters)
- **BMW struggles to regain China momentum.** BMW's (BMW GR -1.07%) China sales fell 30% in 2Q26, with fully electric vehicles representing only about 5% of its sales in a market where EV penetration has reached 46%. Its China-specific Neue Klasse iX3 launches in November, but faster product cycles at Nio (NIO +1.62%; 9866.HK +8.66%) and Xiaomi (1810.HK +0.77%) leave BMW under pressure (Reuters)

Traders' Corner

Source: TradingView

Zijin Gold (2259.HK)

Last Price:	HKD 103.00
Support:	HKD 93.20 (-9.5%) / HKD 84.20 (-18.3%)
Resistance:	HKD 124.30 (+20.6%) / HKD 140.20 (+36.1%)

Our Technical View

- Price is exhibiting a potential bottoming behavior following the establishment of structural support at HK$84.20, having successfully defended its prior gap-up zone with a strong bullish engulfing candlestick that signals localised downside rejection.
- The RSI is recovering toward its 50-neutral midline.
- Confirmation of a structural trend reversal now hinges on a decisive, high-volume breakout and sustained close above the immediate swing-high resistance at HK$113.00.

Traders' Corner (continued)

Source: TradingView

Tingyi (0322.HK)

Last Price:	HKD 11.26
Support:	HKD 10.97 (-3.9%) / HKD 10.87 (-4.7%)
Resistance:	HKD 12.16 (+6.5%) / HKD 12.63 (+10.7%)

Our Technical View

- After successfully defending its key breakout level - which is now serving as structural support - the price is building upward momentum.
- This bullish continuation is validated by the RSI, which is rising steadily above its neutral 50 level to reflect expanding buying pressure.
- From a technical perspective, this setup clears the way for a targeted rebound back toward the immediate overhead resistance zone.