Wealth Daily

Friday, 24 July 2026

M7 suffer worst rout since April Tariff Tantrum

Today's Must-Know News

S&P 500 fell 1.21% Thursday as Alphabet (GOOGL -7.13%) and Tesla (TSLA -14.52%) slumped, while front-month WTI futures jumped >6% to USD 92.19/bbl after Houthi attacks on Saudi tankers, lifting energy (XLE +0.3%) shares. **Trump announced new 10–12.5% tariffs** after-market Thursday. **M7 stocks (MAGS -4.63%) posted their worst decline since April 2025** as Alphabet (GOOGL -7.13%) raised 2026 capex to USD 195–205 bn and reported negative 2Q26 FCF. **Tesla (TSLA -14.52%) posted negative FCF in the last quarter** and no new robotaxi targets. **The selloffs overshadowed** Alphabet's USD 77 bn investment gains (largely from Anthropic) and handed Tesla shorts USD 4.3 bn. **Semicon (SOXX -0.77%) outperformed M7 stocks** as Intel's (INTC -2.33%; aft-mkt +4.7%) 2Q26 data-centre revenue surged 59% and its 3Q26 outlook beat consensus. **Defence stocks outperformed** as executives from RTX +7.33%, LMT +10.54%, NOC +1.56%, PLTR -0.96% & HON +5.7% discussed Iran-war funding at the White House. **SK Hynix (SKHY +2.56%) capped Korean-share conversions** into ADRs at 2.5% of outstanding stock, fully used by its USD 26.5 bn offering, potentially prolonging a premium now at around 33% after peaking at 51%. **SK Hynix (000660.KS +6.39%) and Samsung (005930.KS +5.0%) report 2Q26 results** on July 29 & 30, respectively. **CXMT priced its STAR Market IPO at RMB 8.66** and could raise RMB 66.6 bn ahead of its IPO debut on July 27. **CATL (300750.SZ +3.69%; 3750.HK +2.79%) trades at 16x forward earnings ahead of today's 2Q26 earnings**, with sales expected to rise 58% yoy. **ECB held its deposit rate at 2.25%**, with September the next possible hike if oil broadens inflation. **Dollar (DXY +0.3%) strengthened on higher US rate expectations**, while gold (XAUUSD -1.96%) fell to USD 4.049.48/oz. **300750.SZ is our Core Recommendation; GOOGL, SOXX & SKHY are our Trading Buys.**

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

Ticker	Name	Rec.	Support	Resistance
1810.HK	Xiaomi	-	HKD 25.28 / 24.48	HKD 29.74 / 32.88
1177.HK	Sino Biopharmaceutical	-	HKD 4.71 / 4.19	HKD 5.47 / 5.76

CR = Core Recommendation; TB = Trading Buy

Hong Kong IPO Calendar

Ticker	Company Name	Sector	IPO date
3308.HK	ZJ Innolight	Technology	Jul 30

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,581.76	-0.24	20.14
FBM KLCI	1,714.59	0.19	2.05
DJIA	51,711.65	-0.97	7.59
S&P 500	7,408.30	-1.21	8.22
NASDAQ Composite	25,137.69	-2.15	8.16
Hang Seng Index	25,210.81	1.28	-1.64
CSI 300 Index	4,728.00	0.23	2.12

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.348	+4.9bps	+87.3bps
US 10Y	4.694	+3.9bps	+52.5bps
EU 2Y	2.885	+4.3bps	+76.3bps
EU 10Y	3.203	+3.2bps	+34.8bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	4047.700	-2.43	-6.40
Silver Futures (US$/oz)	58.66	-1.29	-16.75

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	101.437	0.29	3.21
EUR-USD	1.1377	-0.31	-3.14
Brent Futures (US$/bbl)	101.04	5.80	65.88
WTI Futures (US$/bbl)	92.36	6.80	60.88

Must Watch Events

Jul 24	US Section 122 10% global import surcharge expires, S&P Global July PMIs. Earnings: CATL, VZ, VOW GR
Jul 27	Public release of open weights for Kimi K3, CXMT Shanghai STAR Market debut; China June industrial profits. Earnings: LVMH
Jul 27-31	China July Politburo economic mtg est
Jul 28-29	FOMC Rate Decision
Jul 28	CIO Series: AI Rotation: Finding the Next Winners (18:30-19:30 GMT+8) https://events.teams.microsoft.com/event/7a8da918-ed3e-4ed4-af08-ba2ad3ff6962@7eadc1e1-1a4d-4f70-9305-931a048687ff. Earnings: KO, UPS, MBG GR, BA, PYPL, RIO

Americas

- **Trump rebuilds the global tariff wall.** The US will replace its expiring 10% Section 122 surcharge with Section 301 duties of 10–12.5% on imports from 60 trading partners from 12:01am EDT on July 24, with China subject to the higher 12.5% rate. Oil, gas, fertiliser, selected food, USMCA-compliant goods and products already covered by Section 232 tariffs are exempt, while in-transit goods receive relief through July 28. (Reuters)
- **SpaceX accelerates its Starship transition.** SpaceX (SPCX +2.59%) is turning away Falcon 9 launch reservations beyond 2028, suspending new rideshare bookings and stopping production of some non-reusable Falcon components as it shifts resources towards the unproven Starship platform. (Bloomberg)
- **Labour strength raises Fed-hike risk.** US initial jobless claims fell 22,000 to 187,000 in the week ended 18 July, the lowest since September 1969 and below the 212,000 consensus, although seasonal auto-plant effects may have amplified the decline. Fed-funds futures raised the probability of a 25-bps rate increase by September to 81.4% from 52.4% last week. (Bloomberg / Fed Watch Tool)
- **Intel raises outlook on AI demand.** Intel (INTC -2.33%; aft-mkt +4.7%) forecast 3Q revenue of USD 15.8 bn-USD 16.8 bn, above market estimates, after 2Q sales rose 25% to USD 16.1 bn and adjusted earnings reached USD 0.42 per share. The chipmaker also raised its 2026 capital expenditure forecast to USD 20 bn from USD 18 bn as AI-driven data-centre demand boosts CPU spending. (Reuters)
- **Microsoft internalises image AI.** Microsoft (MSFT -2.24%) is replacing OpenAI image-generation models in PowerPoint and Bing with its own MAI technology, which management said costs about 85% less to operate in PowerPoint and is already used in more than half of Microsoft's products. (Bloomberg) **MSFT is our Core Recommendation.**
- **IBM lowers its sales expectations.** IBM (IBM +0.43%) cut its 2026 revenue-growth forecast to 4–5% from above 5% and guided software growth to 6–8% after weaker mainframe demand, although management described the slowdown as temporary. (Bloomberg)
- **AMD advances its Nvidia challenge.** Advanced Micro Devices (AMD -2.29%) said its Helios AI servers are in full production and will begin shipping late in 3Q26, with OpenAI planning large-scale deployments from late 2026. AMD expects the computing market to reach USD 2 tn by 2030, including USD 1.4 tn for AI accelerators. (Reuters)
- **GE Vernova expectations remain elevated.** GE Vernova (GEV +4.69%) rebounded Thursday after falling 8.7% the previous session when its higher 2026 revenue forecast of USD 45.5–46.5 bn and unchanged margin guidance disappointed investors expecting stronger AI-related upside. (Bloomberg) **GEV is our Core Recommendation.**
- **Amazon faces a China-influence probe.** Amazon (AMZN -4.57%) is under investigation by the US Senate Small Business Committee over allegations that China-based employees manipulated its marketplace and facilitated an international bribery network. (Bloomberg) **AMZN is our Core Recommendation.**
- **Anthropic gains temper Alphabet capex concerns.** Alphabet (GOOGL -7.13%) booked about USD 77 bn of unrealised gains from its Anthropic stake but raised 2026 capex by USD 15 bn,

pressuring Alphabet and raising spending concerns for Meta (META -3.36%) and Amazon (AMZN -4.57%). (Bloomberg/ Reuters) **META & AMZN are our Core Recommendations; GOOGL is our Trading Buy.**

- **AppLovin's growth durability faces an August test.** AppLovin (APP -3.3%) reports 2Q26 results after the US close on 5 August, with consensus forecasting revenue of USD 1.94 bn, up 54.1%, and adjusted EBITDA of USD 1.64 bn; its 3Q26 outlook will test whether self-service advertising can sustain 47.9% growth without margin dilution. (Bloomberg) **APP is our Trading Buy.**
- **AI competition reverses ServiceNow's rally.** ServiceNow (NOW -3.69%) initially rose after 2Q26 subscription revenue increased 24.5% to USD 3.88 bn and management raised 2026 subscription-revenue guidance to USD 15.76–15.78 bn, with AI annual contract value exceeding USD 1 bn. The shares subsequently reversed as OpenAI's Presence product revived concerns over competition in enterprise workflow software. (MarketWatch)
- **Oracle wins a major defence contract.** Oracle (ORCL -4.61%; aft-mkt +1.63%) secured a 10-year US Defense Department software contract worth USD 3.31 bn over the first five years and up to USD 6.99 bn if all options are exercised. (Bloomberg)
- **Strong orders lift Honeywell's outlook.** Honeywell (HON +5.7%) raised its 2026 organic-sales-growth forecast to 3–4% from 2–3% and adjusted EPS guidance to USD 8.05–8.35 after 2Q26 organic sales rose 4%. Process Automation and Technology orders increased 24%, supported by LNG and gas-processing demand. (Bloomberg)
- **EU fines Google EUR 890 mn.** Alphabet (GOOGL -7.13%) was fined a total of EUR 890 mn by the European Commission for breaching the Digital Markets Act, including EUR 460 mln for favouring its own services in search results and EUR 430 mnover Google Play anti-steering restrictions. EU antitrust regulators said Google has made constructive progress toward compliance, reducing the likelihood of further fines. (Reuters) **GOOGL is our Trading Buy.**
- **Tesla robotaxi rollout disappoints.** Tesla (TSLA -14.52%) shares tumbled after executives struck a more cautious tone on the expansion of its robotaxi network, citing city-specific regulations and operational challenges behind the slower rollout. Analysts questioned why Tesla's autonomous fleet remains in the dozens rather than hundreds, with the firm providing no new expansion targets. (Reuters)
- **OpenRouter talks pressure PayPal after hours.** PayPal (PYPL +0.88%; aft-mkt -1.52%) fell after a report that Stripe is negotiating to acquire AI-model marketplace OpenRouter for around USD 10 bn, although discussions could still collapse or attract another buyer. (Bloomberg)
- **OpenAI expands ChatGPT into healthcare.** OpenAI launched ChatGPT Health for US adults across web and iOS, allowing connections to Apple Health and supported medical records; Apple (AAPL -1.3%) health data will not be used to train foundation models or target advertising. (Bloomberg)

Greater China

- **China tech drags.** CSI300 gained 0.23% on Thursday although AI and semiconductor shares extended their correction as defensive sectors including banks and rare earths gained. HSI rose 1.28%, led by a rebound in Tencent (0700.HK +1.04%), as regional sentiment was supported by strong US AI investment plans. (Reuters)
- **China resumes robotaxi permits.** Baidu (9888.HK +2.3%; BIDU -0.12%); Pony AI (PONY +7.17%) and WeRide (WRD +1.6%) advanced after China gradually resumed issuing robotaxi permits following an industry safety review triggered by an April service disruption involving more than 100 Baidu vehicles. (Bloomberg)
- **AI demand tightens server CPU supply.** Intel (INTC -2.33%) and AMD (AMD -2.29%) are seeking longer-term supply commitments from Chinese server customers as booming AI data-centre demand drives shortages beyond GPUs into mainstream processors. The talks come as prices for some server CPUs in China have risen more than 40% this year, prompting suppliers to lock in purchase volumes through longer-term agreements. (Reuters)
- **Lawmakers target China chip-control loophole.** US lawmakers urged the Trump administration to close a gap allowing Chinese companies to obtain advanced processors made by TSMC (2330.TT +0.21%; TSM -1.34%) or Samsung (005930.KS +5.0%) through intermediaries. They warned the loophole may undermine restrictions intended to curb China's access to advanced AI chips. (Bloomberg) **TSM is our Core Recommendation.**
- **Ford and Geely expand European EV production.** Ford (F -1.87%) and Geely Automobile (0175.HK +3.29%) agreed to form a joint venture at Ford's underused plant in Spain to co-develop electric vehicles, including a Ford crossover and a new Bronco-family SUV. Ford will own two-thirds of the venture and Geely one-third, with operations targeted for 1H27 subject to regulatory approval. (Bloomberg) **0175.HK is our Core Recommendation.**
- **Kuaishou's AI spending pressures cash flow.** Kuaishou (1024.HK +0.89%) may see free cash flow halve to about RMB 6.2 bn as AI capex rises, although more than RMB 30 bn of net cash provides a ratings buffer. Weak consumer sentiment, low-margin e-commerce goods and uncertain AI monetisation limit prospects for a ratings upgrade over the next 12 months. (Bloomberg)
- **Robotaxi permit renewal offers limited earnings upside.** Baidu's (9888.HK +2.3%; BIDU -0.12%) Apollo Go losses are expected to persist despite China resuming new permit issuance, as heavy subsidies, low fares and cheap labour continue to constrain profitability. The sector also faces technological and regulatory hurdles after a March outage in Wuhan. (Bloomberg)
- **China narrows the AI performance gap.** Chinese AI models cut their performance gap with US peers to a record-low 6% in June from 9% in May, with Zhipu (2513.HK -0.34%) and Moonshot showing the improvement was not isolated. China's more compute-efficient approach could challenge US leadership despite US firms retaining access to Nvidia (NVDA -1.56%) chips. (Bloomberg) **NVDA is our Core Recommendation.**

Asia ex. China

- **GIC increases its hedge-fund allocation.** Singapore's GIC plans to invest an additional USD 30 bn in hedge funds over three years after reporting its lowest five-year annualised return in more than a decade. (Bloomberg)
- **HSBC sells Singapore insurance unit.** HSBC (0005.HK +1.64%; HSBA LN -0.91%) agreed to sell its Singapore life and health insurance business to Allianz (ALV GR -0.45%) in a deal valuing the unit at SGD 2.7 bn. The bank expects the disposal to generate a pre-tax gain of USD 1.8 bn and lift its CET1 ratio by up to 15 basis points as it continues to simplify its business. (Reuters) **0005.HK is our Core Recommendation.**
- **Expansion costs weigh on SIA Engineering.** SIA Engineering (SIE SP -0.61%) reported 1QFY27 net profit of SGD 40.3 mn, down 6.1% YoY, as gestation costs at engine joint ventures offset otherwise healthy operations. Excluding these costs, earnings would have risen about 10% YoY; maintain BUY with a SGD 3.75 target. (UOB Kay Hian Institutional Research)
- **Weak yen keeps BOJ hikes alive.** A Reuters poll found 86% of economists expect the BOJ to raise its policy rate from 1% to 1.25% by December, with 35% of those specifying a month forecasting October. The US Treasury also called for further BOJ normalisation after the yen reached a 40-year low despite a narrower US–Japan yield gap. (Reuters)

EMEA and Others

- **Europe stocks slide on oil fears.** European shares fell to a two-week low on Thursday as hawkish ECB signals, higher crude prices and disappointing earnings weighed on sentiment. STOXX 600 fell 1.18%, while Germany's DAX, France's CAC, and Britain's FTSE declined 1.56%, 1.64%, and 0.73% respectively. Tech stocks were hit by STMicroelectronics (STMPA FP -17.72%) falling after a weaker revenue outlook, while Soitec (SOI FP +21.64%) surged on better-than-expected quarterly revenue. (Reuters)
- **Nokia's profit beat fails to support shares.** Nokia (NOK -5.35%) reported 2Q26 adjusted operating income of EUR 434 mn versus EUR 372.3 mn expected, while sales rose 8% to EUR 4.8 bn as data-centre demand offset slower legacy telecom-equipment growth. (Bloomberg) **NOK is our Trading Buy.**
- **SAP's cloud momentum meets mixed profits.** SAP (SAP -1.59%) reported 2Q26 cloud revenue of EUR 6.28 bn, broadly matching consensus, but adjusted operating profit and EPS missed estimates as acquisitions diluted earnings. Management said enterprise AI returns will depend on clean, governed data and reliable integration into core business processes rather than generic chatbots. (Bloomberg)
- **STMicro sees AI-led recovery.** STMicroelectronics (STMPA FP -17.72%) said AI data-centre demand is expected to drive fourth-quarter revenue above USD 4 bn, despite reporting second-quarter core profit and a third-quarter sales forecast that missed expectations. The chipmaker said recovery was broadening across automotive, AI, optical and consumer markets, while its shares fell 14% in early trade. (Reuters)

Traders' Corner

Source: TradingView

Xiaomi (1810.HK)

Last Price:	HKD 27.14
Support:	HKD 25.28 (-6.9%) / HKD 24.48 (-9.7%)
Resistance:	HKD 29.74 (+9.6%) / HKD 32.88 (+21.2%)

Our Technical View

- The upward trend remains intact after successfully validating the resistance-turned-support zone.
- The RSI is holding steadily above its neutral 50-midline to reflect sustained buy-side conviction.
- As long as this newly established support zone continues to absorb selling pressure, the technical trajectory stays strongly oriented toward further upside expansion.

Traders' Corner (continued)

Source: TradingView

Sino Biopharmaceutical (1177.HK)

Last Price:	HKD 5.19
Support:	HKD 4.71 (-9.3%) / HKD 4.19 (-17.5%)
Resistance:	HKD 5.47 (+5.4%) / HKD 5.76 (+13.4%)

Our Technical View

- The primary markdown structure remains firmly locked in place as the overhead support-turned-resistance zone continues to cap all recovery attempts.
- The RSI is turning downward despite remaining above its neutral 50-midline.
- This favours short-side extension, projecting continued downward progression as long as price remains capped below this key technical ceiling

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