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Wealth Daily

Monday, 3 August 2026

De-Escalation Lifts S&P 500 Futures

Today's Must-Know News

S&P 500 (+0.4%) futures & Nasdaq 100 futures (+0.7%) rose Sunday after Trump cancelled planned strikes on Iran and said fresh talks would begin Monday (Aug 3), while OPEC+ agreed in principle to raise September output quotas by 188,000 bpd. **Energy (XLE) shares may fall Monday** after front-month WTI futures fell 6% Sunday. **Japan and the US jointly intervened to support the yen,** driving USD/JPY towards 155.23 from last week's 163.95 peak - Japan may have deployed up to USD58.97bn, while the size of US purchases was undisclosed, with a photographed note indicating a potential USD5bn-USD10bn allocation. **US equities enter a major data and earnings week with the Aug 7 (Fri) payroll report** expected to show 83,000 new jobs and 4.3% unemployment. **Amazon (AMZN +15.32%)** was the largest contributor to **S&P 500** (SPY +0.72%) gain on Friday after AMZN delivered its best gain since 2012, while Apple (AAPL -7.35%) offset most of those gains. **Microsoft (MSFT +3.02%) posted its best weekly performance since 1999** (+21.75%) as 4QFY26 Azure growth accelerated to 43%. **Alphabet's (GOOGL +6.73%) rally last Fri reflected stronger confidence** that search, cloud and generative-AI revenue can support elevated infrastructure investment. **Semicon (SOXX +0.07%) rose modestly**. **Moonshot reportedly has a computing agreement with Alibaba (9988.HK +4.65%; BABA +5.1%)** giving it access to around 20,000 Nvidia (NVDA +2.93%) Hopper-generation chips that support its Kimi models. **HSBC (0005.HK +2.25%) reports 2Q earnings Tuesday,** with firmer rates, resilient loan demand and improving asset quality expected to offset mortgage and cross-border wealth headwinds. **Meanwhile, AMD (AMD -1.9%) & SpaceX (SPCX -3.41%) report 2Q earnings after-market Tue**, with options implying post-earnings moves of about 8.36% and 13.26%, respectively. **XLE, AMZN, MSFT, NVDA, 9988.HK & 0005.HK are our Core Recommendations. GOOGL & SOXX are our Trading Buys.**

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

	Last Close	Support	Resistance
Hang Seng Index	25,884.43	24,330 / 22,880	26,845 / 27,400
Hang Seng Tech Index	4,629.51	4,570 / 4,230	4,910 / 5,015

Hong Kong IPO Calendar

Ticker	Company Name	Sector	IPO date
2261.HK	NASN Tech	Consumer Discretionary	Aug 7

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,628.50	-0.79	21.14
FBM KLCI	1,724.90	0.26	2.67
DJIA	52,485.03	0.53	9.20
S&P 500	7,489.72	0.70	9.41
NASDAQ Composite	25,373.85	1.00	9.17
Hang Seng Index	25,884.43	0.10	0.99
CSI 300 Index	4,588.20	0.85	-0.90

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.292	+4.5bps	+81.7bps
US 10Y	4.736	+6.1bps	+56.7bps
EU 2Y	2.821	+5.8bps	+69.9bps
EU 10Y	3.206	+5.2bps	+35.1bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	4049.500	-1.23	-6.36
Silver Futures (US$/oz)	57.465	-2.87	-18.44

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	99.803	-0.17	1.55
EUR-USD	1.1527	-0.01	-1.86
Brent Futures (US$/bbl)	90.09	0.72	47.91
WTI Futures (US$/bbl)	86.80	3.38	51.19

Must Watch Events

Aug 3	China Jul RatingDog PMI, US Jul S&P Global PMI-Mfg Final. Earnings: BRK/B est, PLTR, ICBC (1398.HK) est, WuXi AppTec (2359.HK)
Aug 4	US Jun Exports and Imports. Earnings: HSBC (0005.HK), SPCX, AMD, BKNG, CAT, MCD, MRK
Aug 4-6	Ai4 Conference in Las Vegas
Aug 5	China Jul RatingDog PMI-Svcs, S&P Global Jul PMI-Svcs Final. Earnings: LLY, APP, OXY, SNDK, DIS
Aug 6	US Initial Jobless Claims, Unitree IPO – Pricing. Earnings: COP, DBS
Aug 7	Earnings: China Mobile (0941.HK), Cambricon (688256.SZ), UOB, OCBC

Americas

- **Fed calendar rethink.** Warsh is considering reducing the Fed's rate-setting meetings to six annually from eight, supplemented by two sessions focused on major economic issues. The proposal would seek to align policy decisions more closely with key data releases but may add uncertainty while the Fed limits forward guidance. (Bloomberg)
- **AWS validates spending**. Amazon.com (AMZN +15.3%) reported a 37% increase in AWS revenue to USD42.2bn and lifted planned 2026 capital expenditure to USD220bn from USD200bn, supporting confidence that AI infrastructure is generating measurable returns. Separately, consumers filed a proposed class action alleging misleading sustainability claims on seafood sold through Amazon's platform, creating a new consumer-protection risk after its strongest share-price session since 2012. (Bloomberg) **AMZN is our Core Recommendation.**
- **Supply constraints hit Apple**. Apple (AAPL -7.35%) forecast fiscal 4Q revenue growth of 9%-11%, below expectations exceeding 12%, as component shortages spread across iPhones, Macs and iPads. The shares closed at USD308.91 in their largest decline in 16 months, indicating that industrywide supply tightness is now affecting both volumes and guidance. (Bloomberg)
- **Azure drives re-rating.** Microsoft (MSFT +3.02% daily; +21.75% weekly) delivered Azure growth of 43% and its strongest weekly stock performance since 1999, reinforcing confidence in its AI monetisation strategy. Microsoft also reported a sharp reduction in current US federal taxes despite rising domestic revenue following implementation of Trump's tax legislation. (Bloomberg) **MSFT is our Core Recommendation.**
- **Berkshire shares reach eight-month high.** Berkshire (BRK/B +0.36%) climbed to its highest level since November, closing Friday at USD 511.54, as the stock narrowed its gap with the S&P 500. Shares remain 5.2% below their record closing high of USD 539.80. (Bloomberg) **BRK/B is our Core Recommendation.**
- **Insulin probe reopens.** Eli Lilly (LLY -0.53%) may face an investigation by Michigan's attorney general into its insulin-pricing practices after the state Supreme Court removed prior legal barriers. The ruling expands regulatory exposure ahead of the company's upcoming quarterly results. (Bloomberg) **LLY is our Core Recommendation.**
- **Meta data-centre plan draws protest.** Dozens protested Meta's (META +3.28%) planned CAD 13 bn-plus, one-gigawatt data centre in Alberta over concerns about water use, grid strain, emissions and AI-related job losses. The facility is expected to come online within two to three years. (Bloomberg) **META is our Core Recommendation.**
- **Tesla China separation debate.** Tesla (TSLA +0.76%) & SpaceX (SPCX -3.41%) were linked to a possible separation of Tesla's China operations before a potential combination, although Elon Musk rejected the report as false. Tesla's 1H China sales fell 9% to around 240,000 vehicles and US-European import tariffs are constraining Shanghai exports, while SpaceX is tightening controls against Chinese influence in its supply chain ahead of its first quarterly report. (Bloomberg) (Reuters)
- **Google pauses AI Earth image feature.** Google (GOOGL +6.73%) paused its AI image-generation feature in Google Earth a day after launch after users shared images that appeared to violate company policies despite AI watermarking. The company said it is strengthening guardrails after

concerns the tool could be used to create misleading photorealistic scenes based on real-world locations. (Reuters) **GOOGL is our Trading Buy.**

- **Refining tightness persists.** Exxon (XOM -0.97%) and Chevron (CVX +2.35%) warned fuel prices may stay elevated despite weaker crude as outages, tight refining capacity and low inventories constrain supply. Chevron expects 3Q maintenance to cut downstream earnings by USD 175 mn–225 mn. (Bloomberg / Reuters)
- **Boeing labour progress.** Boeing (BA -2.15%) submitted a contract proposal covering around 17,000 engineers and technical employees, with union negotiators recommending the offer. Ratification would reduce strike risk to the delayed 737 MAX 10 and 777-9 certification programmes before the current agreement expires on October 6. (Reuters)
- **Reddit AI expectations reset**. Reddit (RDDT -20.99%) suffered its largest-ever share decline after failing to announce additional AI data-licensing agreements despite forecasting current-quarter revenue of USD860mn-USD870mn and reporting 61% sales growth. Separately, Perplexity and SerpApi must face most of Reddit's copyright lawsuit over alleged scraping of user-generated material. (Bloomberg)
- **AbbVie beats but trims**. AbbVie (ABBV -2.51%) reported adjusted EPS of USD3.65 and revenue of USD 16.99 bn, both ahead of expectations, as Skyrizi and Rinvoq sales each grew around 24%. The USD 10.9 bn Apogee acquisition reduced 2026 EPS guidance by a net USD0.04, leaving investors focused on whether newer drugs can offset Humira's 36% revenue decline. (Reuters)
- **OpenAI probes additional AI agent breakouts.** OpenAI uncovered additional instances of autonomous AI agents escaping contained testing environments during its investigation into the Hugging Face hacking incident, though none were believed to have left the company's network. The findings come as rival Anthropic also disclosed its AI models were linked to breaches at three other companies, adding to scrutiny over AI safety and regulation. (Reuters)
- **Coinbase misses quarterly revenue again.** Coinbase (COIN -10.59%) reported 2Q revenue of USD1.2bn versus the USD 1.3 bn consensus and a USD 359 mn net loss. The third consecutive revenue miss reflected lower trading activity during the cryptocurrency-market downturn. (Bloomberg)

Greater China

- **Tech rebound lifts China stocks.** CSI 300 rose 0.85% on Friday as AI-related shares rebounded on optimism the recent global tech selloff was easing, while HSI climbed 0.1%. Hang Seng Tech Index advanced 0.53%, although major mainland indexes still posted sharp losses for July. The STAR 50 rose 2.99% and ChiNext gained 3.06% as policymakers reiterated support for frontier technologies and capital markets. (Reuters)
- **Moonshot taps Alibaba for AI chips.** Moonshot has a computing agreement with Alibaba (9988.HK +4.65%; BABA +5.1%) to use about 20,000 Nvidia (NVDA +2.93%) Hopper AI chips for training its Kimi models, though Alibaba denied supplying H200 chips to the startup. The deal underscores Chinese AI firms' efforts to secure computing power amid US export restrictions on advanced AI chips. (Reuters) **9988.HK & NVDA are our Core Recommendations.**

- **BYD sales lag annual target pace.** BYD (1211.HK -0.69%) sold about 420,000 vehicles in July, up 22% yoy, but must average roughly 530,000 units a month through December to reach the lower end of its 5 mn–5.5 mn annual target. (Bloomberg)
- **Geely electrified growth.** Geely (0175.HK -3.23%) sold 250,161 vehicles in July, including 105,365 pure EVs, up 17% YoY, and 54,800 plug-in hybrids, up 37%. Ytd sales reached 1.67mn units, representing growth of 1.6%. (Bloomberg) **0175.HK is our Core Recommendation.**
- **Xiaomi slides on aggressive SUV pricing.** Xiaomi (1810.HK -7.28%) unveiled two Skynomad hybrid SUVs with fully loaded versions starting at RMB 259,900 and RMB 299,900, below market expectations and raising margin concerns. Overseas vehicle sales are planned from 2027, though demand for extended-range hybrids is weakening. (Bloomberg)
- **MiniMax launches new AI video model.** MiniMax (0100.HK +13.15%) unveiled its H3 video-generation model, intensifying competition with ByteDance and Kuaishou (1024.HK +1.77%) in China's AI video market. The firm also plans to release the model's weights, extending the open-weight approach to video generation. (Reuters)
- **Spider-Man breakout.** IMAX China (1970.HK -1.54%); Walt Disney (DIS +0.03%) benefited from a strong launch for *Spider-Man: Brand New Day*, which generated USD 121 mn in China after its July 29 release and USD 927 mn globally. The film also recorded USD 355 mn in its opening US-Canada weekend, the second-largest North American debut behind *Avengers: Endgame*. (Bloomberg)
- **Temu faces EU penalty.** PDD (PDD +1.28%) faces a potential fine of up to 1% of annual turnover after EU regulators alleged that Temu failed to cooperate during a foreign-subsidy investigation. The EU has also imposed a EUR3 charge on previously duty-free low-value Chinese parcels from July 1, while Temu separately received a EUR200mn product-compliance fine in May. (Reuters)
- **Chinese military taps US AI models.** Chinese military researchers have used outputs from OpenAI and Anthropic models to train smaller domestic AI systems through model distillation, according to a Reuters review of academic papers and patents. The findings highlight how Chinese defence-linked institutions are leveraging leading US AI models despite Washington's efforts to restrict access to advanced AI technologies. (Reuters)
- **PBOC stays accommodative.** The PBOC pledged to maintain moderately loose monetary policy in 2H26 and adjust its tools to preserve ample liquidity. China's foreign-exchange regulator also plans to expand the use of AI and big data in market supervision. (Bloomberg)
- **China factory contraction.** China's official manufacturing PMI fell to 49.2 in July from 50.3, while the non-manufacturing index declined to 49.0, its weakest level since December 2022. New orders dropped sharply and 2Q GDP growth slowed to 4.3%, increasing pressure for fiscal support as high-tech production outperformed consumer-oriented industries. (Bloomberg) (Reuters)
- **Macau gaming revenue falls again.** Gross gaming revenue declined 8.4% yoy in July, marking a second consecutive monthly drop as Typhoon Noul disrupted travel and the World Cup diverted spending. The decline raised concerns over softer demand amid China's sluggish economy and tighter capital controls. (Bloomberg)

Asia ex. China

- **Korea chip exports surge.** South Korea's working-day-adjusted exports increased 69.6% yoy in July and generated a USD30.3bn trade surplus, led by semiconductor demand from AI and data-centre investment. The strength supports further monetary tightening, although the preceding Kospi correction triggered a backlash among local retail investors. (Bloomberg)
- **BOJ turns more hawkish.** The BOJ held its policy rate at 1% but warned for the first time that underlying inflation could overshoot its 2% target, leaving a September increase in play. Governor Kazuo Ueda cited the weak yen, AI-related chip demand and Middle East energy risks, while one board member favoured an immediate increase to 1.25%. (Bloomberg) / Reuters)
- **Japan convenience-store restructuring accelerates.** Seven & i (3382 JP -5.55%) raised JPY300bn from SoftBank (9434 JP -3.71%), Sumitomo Mitsui Financial (8316 JP +2.22%) and another partner, and approved a JPY400bn buyback after rejecting Couche-Tard's (ATD CN +1.37%) earlier bid. (Bloomberg / Reuters)

EMEA and Others

- **European shares end lower, post monthly gains.** European shares closed mixed on Friday, with the STOXX 600 slipping 0.12% but posting a fourth straight monthly gain as strong earnings offset AI spending concerns and Middle East tensions. Germany's DAX and France's CAC rose 0.07% and 0.28% respectively, while the UK's FTSE edged lower by 0.27% as Universal Music Group (UMG NA -25.4%) slumped after results and Teleperformance (TEP FP +13.15%) gained after reaffirming its 2026 targets. (Reuters)
- **ECB hike case builds.** Eurozone inflation increased to 2.9% in July from 2.8%, with core inflation at 2.5% and services inflation at 3.3%. The economy expanded 0.4% qoq in 2Q, supporting expectations for another ECB rate increase despite uncertainty over the persistence of the oil shock. (Bloomberg)
- **German bank talks resume.** Commerzbank (CBK GR +1.45%) UniCredit (UCG IM -0.11%) will restart discussions as UniCredit's economic interest approaches 48% in a prospective EUR45bn transaction. Commerzbank management and the German government, which retains a 12% stake, had previously resisted the cross-border combination. (Reuters)
- **Puma tariff benefit fades.** Puma (PUM GR -2.37%) reported a 9.4% currency-adjusted sales decline and EUR53.1mn operating loss, although the loss was narrower than expected partly because of US tariff refunds. The company retained its annual outlook, including potential tariff benefits of around EUR50mn, disappointing investors who had expected an upgrade. (Reuters)
- **Novo diversification setback.** Novo Nordisk (NVO -8.78%; NOVOB DC -7.37%) said ziltivekimab failed to reduce major cardiovascular events in a late-stage study involving more than 6,300 patients. The failure removes a key non-obesity growth option, triggers a non-cash 3Q impairment and increases pressure for acquisitions, although two further trials will continue into 2027. (Bloomberg) (Reuters)

Traders' Corner

Source: TradingView

Hang Seng Index

Last Price:	25,884.43
Support:	24,330 (-6.0%)/ 22,880 (-11.7%)
Resistance:	26,845 (+3.7%)/ 27,400 (+5.7%)

Our Technical View

- **Weekly Chart:** Price has staged a sustained rebound following a successful defence of the resistance-turned-support zone. The RSI holds firmly above its neutral 50-midline to confirm resilient buy-side control. Consequently, the multi-timeframe chart setup points to a decisive test at the overhead supply barrier; in the absence of a firm sell-side rejection at this level, it will heavily favour a continuation rally toward the index's peak.
- **Daily Chart:** Price is actively testing its previous price high resistance zone, where structural exhaustion is becoming apparent following the appearance of a doji pattern followed immediately by a hanging man candlestick. The RSI is holding above its neutral 50-midline. Consequently, if a decisive bearish candle materializes in the next session, it will confirm top-building behavior at this ceiling and signal a tactical reversal lower in the coming week.

Traders' Corner (continued)

Source: TradingView

Hang Seng Tech Index

Last Price:	4,829.22
Support:	4,570 (-5.4%)/ 4,230 (-11.9%)
Resistance:	4,910 (+1.7%) 5,015 (+4.4%)

Our Technical View

- **Weekly Chart:** Price encountered supply and was strictly capped at the Fibonacci 62% retracement level, which aligns precisely with a gap resistance to reinforce a formidable overhead ceiling. The RSI continues to trade below its neutral 50-midline despite a temporary upward curl. This favours the dominant markdown phase, projecting further downside expansion towards lower support zones as long as this confluence resistance zone successfully caps any corrective rallies.
- **Daily Chart:** Price is testing its overhead gap resistance zone, which serves as a critical supply barrier capping recent corrective buying pressure. While the RSI has edged slightly above its neutral 50-midline to reflect short-term upward traction, the overarching trend remains dominated by broader sell-side forces. Price is projected to maintain its downward momentum and push lower towards underlying support targets as long as this gap zone successfully caps the rally.