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Wealth Daily

Thursday, 20 August 2026

Yields Plunge As Equities Edge Marginally Higher

Today's Must-Know News

S&P 500 futures rose 0.2% after S&P 500 cash index recovered modestly Wed in the regular session (SPX +0.21%), as the US Treasury doubled planned buybacks of 10-30Y Treasuries to at least USD4bn per operation, easing long-end supply pressure and yields. **Gold (XAU +4.18%) surged to USD4,515.58/oz** while US Dollar (DXY -0.88%) fell, as US 30-year Treasury yields sank 9.15-bps to 5.19%. **However, Semicon shares (SOXX -2.21%), including AVGO -4.61%, NVDA -0.99%, AMD -3.71%, LRCX -6.33% bore the brunt of the S&P 500 selloff**, offsetting gains in AAPL +2.19%, AMZN +2.46%, MRK +12.6%, TSLA +4.23% & MRNA +176.97%. **Marvell (MRVL +9.85%) issued Google (GOOGL +0.15%) warrants for up to 59mn shares at USD206.58 each,** implying USD12.2bn aggregate exercise value and deepening its exposure to Google's TPU-related AI chip demand. **Moderna & Merck surged** after their personalized mRNA-Keytruda combination reduced melanoma recurrence in a late-stage trial, providing major validation for mRNA cancer therapy. **SK Hynix (000660.KS +0.19%; SKHY +0.35%) plans to repurchase and cancel** up to 24mn shares worth KRW40tn from Aug 20 to Nov 19, wahile raising shareholder returns to more than 50% of cumulative 2025-27 free cash flow. **Walmart (WMT -0.78%) reports before-market today (Thur),** with investors watching US comps, margins, guidance and any tariff/refund impact on pricing and profitability, with options imply a post-market move of 4.95%. **Coinbase (COIN +9.55%); Bullish (BLSH +9.34%); Circle (CRCL +9.56%) jumped** as Trump urged Congress to pass digital-asset market structure legislation and said regulators were working to bring Hyperliquid into the US, helping Bitcoin (XBT +6.95%) surge. **Alibaba (9988.HK -1.97%; BABA -0.59%) reports 1QFY27 before the US open**, with investors focused on Cloud Intelligence growth, AI monetisation and margins. **YMTC completed pre-listing tutoring**, putting it on track to follow CXMT's (688825.SZ -2.77%) CNY66.6bn IPO as Beijing pushes chip self-sufficiency. **AVGO, NVDA, AMZN, WMT & 9988.HK are our Core Recommendations; SOXX, GOOGL & SKHY are our Trading Buys.**

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

Ticker	Name	Rec.	Support	Resistance
0388.HK	HKEX	-	HKD 400.60 / 395.80	HKD 431.00 / 450.80
2423.HK	KE Holdings	-	HKD 43.20 / 42.64	HKD 47.20 / 50.50

CR = Core Recommendation; TB = Trading Buy

Hong Kong IPO Calendar

Ticker	Company Name	Sector	IPO date
3223.HK	Ingenic	Technology	Aug 25

Overnight Markets

Indices

	Price	1D% Chg	YTD%
Straits Times Index	5,694.24	-0.13	22.56
FBM KLCI	1,731.32	-0.12	3.05
DJIA	53,463.05	0.22	11.23
S&P 500	7,707.98	0.21	12.60
NASDAQ Composite	26,331.09	0.16	13.29
Hang Seng Index	25,495.07	0.09	-0.53
CSI 300 Index	4,588.70	-2.90	-0.89

Govt Bond Yields

Term	Price	1D% Chg	YTD%
US 2Y	4.164	-0.8bps	+68.9bps
US 10Y	4.648	-5.7bps	+47.9bps
EU 2Y	2.867	+1.4bps	+74.5bps
EU 10Y	3.262	+0.3bps	+40.7bps

Precious Metals

	Price	1D% Chg	YTD%
Gold Futures (US$/oz)	4524.100	4.47	4.62
Silver Futures (US$/oz)	66.85	4.73	-5.12

Currencies & Crude Oil

	Price	1D% Chg	YTD%
Dollar Index (DXY)	98.770	-0.88	0.50
EUR-USD	1.1677	0.87	-0.59
Brent Futures (US$/bbl)	91.65	0.35	50.47
WTI Futures (US$/bbl)	86.00	0.86	49.80

Must Watch Events

Aug 20	US Initial Jobless Claims, China Aug LPR Fixing; Taiwan Jul Export Orders. Earnings: WMT, Alibaba (9988.HK), Pop Mart (9992.HK), Ping An (2318.HK), AIA (1299.HK), China Telecom (0728.HK), NetEase (9999.HK), SinoPharm (1099.HK), Chongqing Machinery (2722.HK).
Aug 21	**12:00PM, CIO Series Luncheon: US Market Outlook (in-person event, HK)** RSVP Iris Lee (iris.lee@uobkh.com), Nicole Li (nicole.li@uobkh.com), Cissy Yu (cissy.yu@uobkh.com) US Aug S&P Global PMI Flash, Macau Jul Visitor Arrivals. Earnings: Zijin (2899.HK), Sinopec (0386.HK), China Hongqiao (1378.HK), China Coal (1898.HK).

Americas

- **Fed tilts more hawkish on inflation.** July FOMC minutes showed “several” policymakers were prepared to raise rates and “many” saw tightening as necessary if inflation fails to return toward 2%, despite the Fed holding the funds rate at 3.50%-3.75%. Odds for a 25-bps for September FOMC is now at 32.7%, down from last week’s 40.6%. Total US public debt surpassed USD40tn for the first time, rising by roughly one-third in less than five years. Trump said the US will launch an unprecedented economic campaign against Iran after Tehran failed to reach a deal, while WTI Sep crude futures traded above USD86.00/bbl. (Reuters)
- **Trump presses Congress for crypto market-structure legislation.** Trump urged lawmakers to pass a “fair version” of the Clarity Act defining whether digital tokens fall under securities or commodities regulation. Shares of Coinbase (COIN +9.55%) and Robinhood (HOOD +4.63%) jumped Monday. (Reuters)
- **Trump may partially unwind Canadian auto and metals tariffs.** Washington and Ottawa are nearing a deal that could cut the headline tariff on Canadian-built vehicles to 15% from 25% and halve steel and aluminium duties to 25%, potentially relieving North American autos and industrial supply chains before USD20bn of additional Canadian-goods tariffs are scheduled to start Saturday. (Reuters)
- **Walmart earnings test stocks and bonds.** Walmart (WMT -0.78%) 2Q earnings on Fri are expected to reinforce broader US equity participation as resilient consumer demand supports growth beyond AI-linked stocks. Investors will also watch margins and pricing for signs inflation pressures are easing after Walmart previously absorbed higher fuel costs while curbing spending. (Bloomberg) **WMT is our Core Recommendation.**
- **Amazon substantially expands drone delivery.** Amazon (AMZN +2.46%) plans to extend Prime Air from 11 operating locations to roughly 500 U.S. locales by year-end, although each community still requires approvals and local opposition over noise and safety remains an execution risk. (Reuters) **AMZN is our Core Recommendation.**
- **Google deal materially lifts Marvell’s AI opportunity.** Marvell (MRVL +9.85%) agreed to help develop Alphabet’s (GOOGL +0.15%) custom AI chips and granted Google warrants potentially worth USD 12.2 bn, with the relationship capable of generating roughly USD 120 bn through FY2033. Incumbent Google supplier Broadcom (AVGO -4.61%) fell as investors reassessed competitive positioning. (Reuters) **AVGO is our Core Recommendation; GOOGL is our Trading Buy.**
- **Moderna and Merck deliver a potentially transformational cancer readout.** Moderna (MRNA +176.97%) and Merck (MRK +12.6%) said personalised mRNA therapy Intismeran plus Keytruda met late-stage melanoma recurrence and metastasis endpoints, with Barclays estimating about USD 3 bn of melanoma sales by 2035. (Reuters)
- **TJX execution miss outweighs tariff-refund benefit.** TJX (TJX -4.21%) posted only 1% comparable growth at its core Marmaxx division versus 6% previously despite beating quarterly profit expectations; expected tariff refunds should add about USD0.06 to third-quarter EPS, but weaker merchandising and consumer concerns dominated the stock reaction. (Reuters)

- **Meta faces a major child-safety legal test.** Meta (META +0.43%) faces a six-week federal trial in which former executive Arturo Bejar alleged Mark Zuckerberg prioritised growth and engagement over child safety. Twenty-nine US states also accuse Meta of improperly collecting data from children under 13. (Reuters) **META is our Core Recommendation.**
- **Nebius funding plan triggers dilution concerns.** Nebius (NBIS -9.87%) plans USD4.5bn of new convertible notes, potentially supplemented by another USD 675 mn, to finance data centres, GPUs and its AI cloud platform; the selloff reflects the funding and potential dilution overhang despite strong AI-capacity demand. (Reuters)
- **Netflix trademark suit creates limited event risk.** Netflix (NFLX +3.15%) was sued by Christian metal band Demon Hunter, which claims the planned "KPop Demon Hunters" concert tour infringes its trademarks and is seeking an injunction plus damages; the positive share move indicates no visible market concern from the lawsuit on the day. (Reuters)
- **Estée Lauder turnaround gains traction despite tariffs.** Estée Lauder (EL +16.3%) beat 4QFY26 expectations and guided FY2027 adjusted EPS to USD 3.10-3.35 as premium fragrance and China demand improved; USD 38 mn of tariff refunds partly offset USD 102 mn of incremental tariff costs, so the rally was fundamentally an earnings/turnaround reaction rather than simply a Trump-policy trade. (Reuters)
- **Lowe's beats profit estimates, cuts outlook.** Lowe's (LOW +2.02%) rose 4% after beating 2Q profit and gross-margin estimates, helped by resilient home-repair demand, though sales missed expectations and the retailer lowered its full-year sales and profit targets. Homebuilders including D.R. Horton (DHI +4.24%) also gained on hopes for lower mortgage rates. (Reuters)
- **Target's recovery is amplified by tariff refunds.** Target (TGT +4.28%) lifted FY sales-growth guidance to about 5% from 4% after comparable sales rose 3.8%, while almost USD1bn of tariff refunds boosted quarterly profit and added USD 1.65 per share; the underlying turnaround remained positive even excluding the refunds, with management lifting its adjusted EPS midpoint by USD 0.75. (Reuters)
- **Stripe buys OpenRouter in USD 8 bn AI deal.** Stripe agreed to acquire OpenRouter for slightly more than USD 8 bn, expanding its AI push as companies seek to reduce model costs and optimize token usage. The deal follows Stripe's launch of token billing and other AI-focused products. (Reuters)
- **Analog Devices raises outlook on AI chip demand.** Analog Devices (ADI -0.89%) forecast 4Q revenue of USD 4.3 bn and adjusted EPS of USD 3.86, above estimates, after 3Q revenue rose 40% to USD 4.02 bn. (Reuters)

Greater China

- **China stocks slide as tech selloff deepens.** The CSI300 fell 2.9% Wed, while the Hang Seng edged up 0.09%. The broader robotics and semiconductor sectors fell sharply, despite Unitree (688836.SZ +460.34%) surging on its Shanghai debut. Baidu (9888.HK -11.03%) plunged after 2Q profit fell on higher capex and decelerating AI revenue. China Unicom (0762.HK -12.36%) slumped after suspending its interim dividend. (Reuters)

- **HSBC reaps rewards from trade.** HSBC (0005.HK -0.56%; HSBA LN -1.15%) is benefiting from record trading volumes between China and Brazil. The banking giant is leveraging its strong cross-border network to drive surging revenue from Brazilian corporate clients. (Bloomberg) **0005.HK is our Core Recommendation.**

- **Alibaba cloud unit eyed.** Alibaba (9988.HK -1.97%; BABA -0.59%) is scheduled to report its 1QFY27 results later today (Thurs), with investors paying particular attention to the performance of its cloud intelligence unit. Analysts expect total revenue to reach CNY 268.52 bn alongside cloud division revenue of CNY 47.5 bn. (Bloomberg) **9988.HK is our Core Recommendation.**

- **HKEX earnings outlook beats.** HKEX (0388.HK +2.37%) is projected to see its 2026 profit rise by over 15%, topping consensus estimates. The bourse's strong performance is supported by robust cash equities, a booming IPO pipeline expected to top USD 57 bn, and strategic product diversification into fixed-income and commodities. (Bloomberg)

- **NetEase margins face pressure.** NetEase (9999.HK +0.31%) reports 2Q earnings later today (Thurs), expecting its operating margin to decline 590 bps sequentially to 35.5% due to elevated marketing expenses. While robust demand for PC games and Blizzard titles supports top-line growth, rising promotional costs will likely weigh on profitability. (Bloomberg)

- **China Resources Beer slumps.** China Resources Beer (0291.HK -4.96%) saw its shares drop to their lowest level since 2017 after reporting an 11% decline in 1H net income to CNY 5.17 bn. The brewer's revenue rose 1.2% yoy to CNY 24.24 bn, though bottom-line growth was weighed down by lower profitability. (Bloomberg)

- **CMOC profit surges.** CMOC (3993.HK -3.45%) reported a 1H net profit of CNY 16.15 billion, jumping 86% yoy. The mining giant's revenue reached CNY 135.32 bn, driven by robust performance across its core operations. (Bloomberg)

- **Beijing pushes back against the EU's JD.com probe.** China ordered domestic entities not to assist an EU investigation into JD.com's (9618.HK +1.44%) USD2.5bn proposed acquisition of Ceconomy, calling the inquiry improper extraterritorial jurisdiction and threatening retaliation if Brussels persists. (Reuters)

- **Unitree IPO captures China's robotics mania but valuations look stretched.** Unitree (688836.SZ +460.34%) closed at CNY845 on its Shanghai debut after pricing at CNY150.8, valuing the profitable humanoid-robot maker around USD50bn; the debut contrasts with a 7.9% fall in the broader robotics index and comes despite U.S. restrictions blocking future Unitree models from the American market. (Reuters)

- **Nvidia H200 chips begin limited China shipments.** Nvidia (NVDA -0.99%) has allowed small batches of H200 AI chips into mainland China, with ByteDance and Tencent (0700.HK +1.08%) each receiving about 10,000 processors, while Beijing pushes firms to keep the chips outside mainland China. (Reuters) **NVDA & 0700.HK are our Core Recommendations.**

- **Chery expands robotics and UK auto ambitions.** Chery Automobile (9973.HK -0.94%) is considering an IPO for its AiMOGA robotics arm to fund expansion, targeting 10,000 global robot deliveries next year, while also opening a UK R&D centre in late 2026 as Chinese brands reach about 15% of UK new-car registrations. (Reuters)

- **Kuaishou profit falls 36% despite revenue in line.** Kuaishou (1024.HK -4.01%) reported 2Q net profit down 36% yoy to RMB 3.15 bn, slightly above forecasts, while revenue rose 1.4% to RMB 35.54 bn. Kling AI revenue more than doubled yoy to over RMB 850 mn. (AAStocks)
- **Basicsemi, UBTECH partner on humanoid robot power devices.** Basicsemi (9971.HK -9.58%) and UBTECH Robotics (9880.HK -9.81%) will collaborate on silicon carbide power devices for humanoid robots, targeting better energy efficiency and motion control while expanding applications in semiconductor manufacturing. (AAStocks)
- **YMTC advances IPO plans.** Yangtze Memory Technologies has completed its pre-listing tutoring phase, moving closer to a domestic IPO in China. The flash memory manufacturer follows in the footsteps of rival CXMT (688825.SZ -2.77%) as domestic chip giants seek capital to expand capacity. (Reuters)
- **LandSpace lands reusable rocket booster in China milestone**. LandSpace successfully recovered the first stage of its Zhuque-3 rocket, joining SpaceX (SPCX -2.57%) and Blue Origin among private companies to land an orbital-class booster, narrowing China's reusable-rocket gap with the US and potentially boosting its planned Shanghai STAR Market IPO. (Reuters)
- **Hengrui profit barely grows as generics slump.** Jiangsu Hengrui Pharmaceuticals (600276.SZ +0.55%) posted a 0.34% rise in 1H net profit as generic-drug revenue fell 16.1% due to bulk procurement, while innovative-drug revenue rose 16.4%. 2Q profit and revenue missed analyst estimates. (Reuters)

Asia ex. China

- **SK Hynix boosts shareholder returns.** SK Hynix (000660.KS +0.19%; SKHY +0.35%) will buy back and cancel KRW 40 tn (USD 28.61 bn) of treasury shares and allocate more than 50% of cumulative free cash flow from 2025-2027 to shareholder returns, including buybacks and dividends. The chipmaker said additional payouts, potentially including a special dividend, will be detailed with 3Q earnings. (Reuters) **SKHY is our Trading Buy.**
- **Samsung raises foundry prices amid AI demand.** Samsung (005930.KS -2.28%) raised prices for some advanced foundry services by up to 15% as AI chip demand tightens capacity, with SF4 prices up 10%-15% for Chinese and US customers and 5%-10% in Taiwan. The increases mark a turnaround for Samsung's loss-making foundry business as it seeks to narrow the gap with TSMC (2330.TT -1.26%; TSM -0.32%). (Reuters) **TSM is our Core Recommendation.**

EMEA and Others

- **European shares edge lower as inflation weighs.** The Stoxx 600 fell 0.11% Wed, with Germany's DAX and France's CAC down 0.14% and 0.09% respectively while UK's FTSE edged up 0.14%. Easing bond yields did little to improve risk sentiment amid persistent inflationary pressures in energy-dependent Europe. FLSmidth (FLS DC +6.28%) jumped, while Rockwool (ROCKB DC -5.01%) fell. (Reuters)
- **Novo tests lower-dose Wegovy as Lilly competition intensifies.** Novo Nordisk (NVO +1.68%) began a 450-patient late-stage study of lower maintenance doses of oral Wegovy, seeking greater

treatment flexibility as it competes with Eli Lilly (LLY +4.46%) in an obesity market expected to exceed USD 100 bn by 2030. (Reuters) **LLY is our Core Recommendation.**

- **Carlsberg shares hit seven-week low on China weakness.** Carlsberg (CARLB DC -2.11%) fell as much as 4% after missing 1H profit, revenue and volume estimates as weak Chinese demand and severe weather hurt sales. The brewer raised its full-year profit-growth forecast to at least 4%, helped by its soft-drinks business. (Reuters)
- **Volkswagen eyes India partnership to boost growth.** Volkswagen (VOW GR +1.75%) expects to sign a deal with an Indian partner this year as it seeks to strengthen its position in the world's third-largest auto market, with talks underway with JSW. The partnership could help VW offset pressure from tariffs and slowing Chinese sales. (Reuters)

Traders' Corner

Source: TradingView

HKEX (0388.HK)

Last Price:	HKD 414.60
Support:	HKD 400.60 (-3.4%) / HKD 395.80 (-4.5%)
Resistance:	HKD 431.00 (+3.9%) / HKD 450.80 (+8.7%)

Our Technical View

- The primary uptrend remains firmly intact as buyers successfully defend the resistance-turned-support zone.
- Underlying market internals support the move, with the RSI holding above 50 and curving upward to signal fresh buy-side absorption.
- Barring a breakdown back below support, path-of-least-resistance dynamics favour a bullish continuation push toward upper resistance levels.

Traders' Corner (continued)

Source: TradingView

KE Holdings (2423.HK)

Last Price:	HKD 44.58
Support:	HKD 43.20 (-3.1%) / HKD 42.64 (-4.3%)
Resistance:	HKD 47.20 (+5.9%) / HKD 50.50 (+13.4%)

Our Technical View

- Price successfully maintained its footing above the gap support zone, using this demand floor to form a triangle consolidation pattern.
- This coiling structure represents a healthy pause within the primary uptrend.
- As long as this gap floor remains unviolated, it favours a breakout from the consolidation, allowing price to resume its upward strength and push toward higher resistance targets.