



CIO Office

Global Markets Weekly Kickstart

# The Tug-of-War Between Conflict and Negotiation!

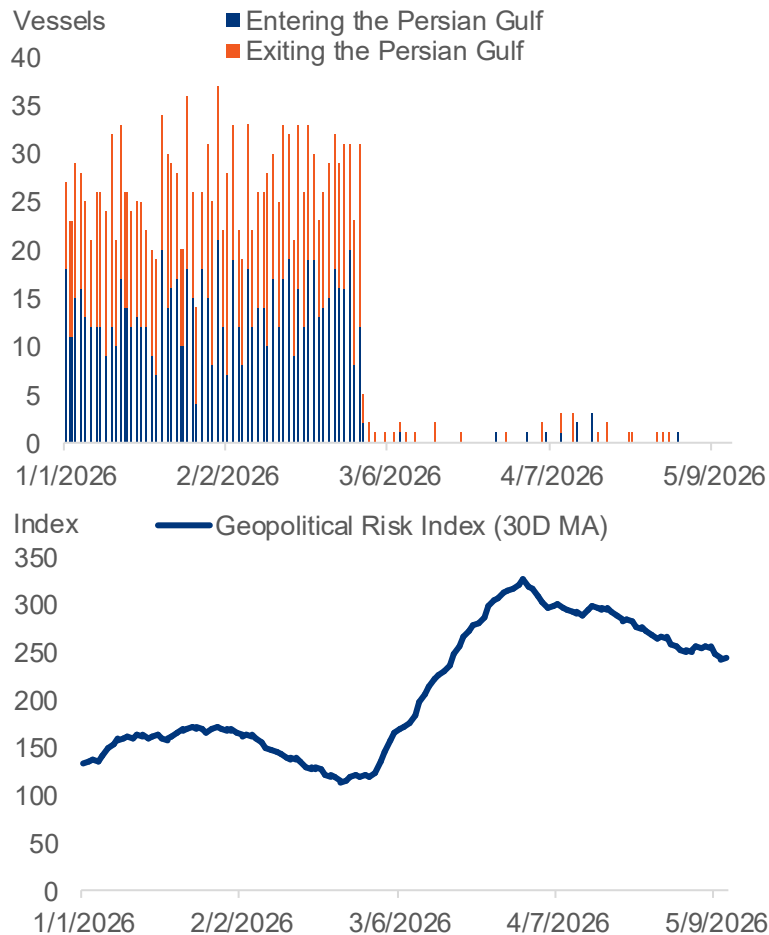
18 May 2026

# U.S.-Iran Negotiations and Conflicts Intertwine; Seize Buying Opportunities on Extended Market Corrections

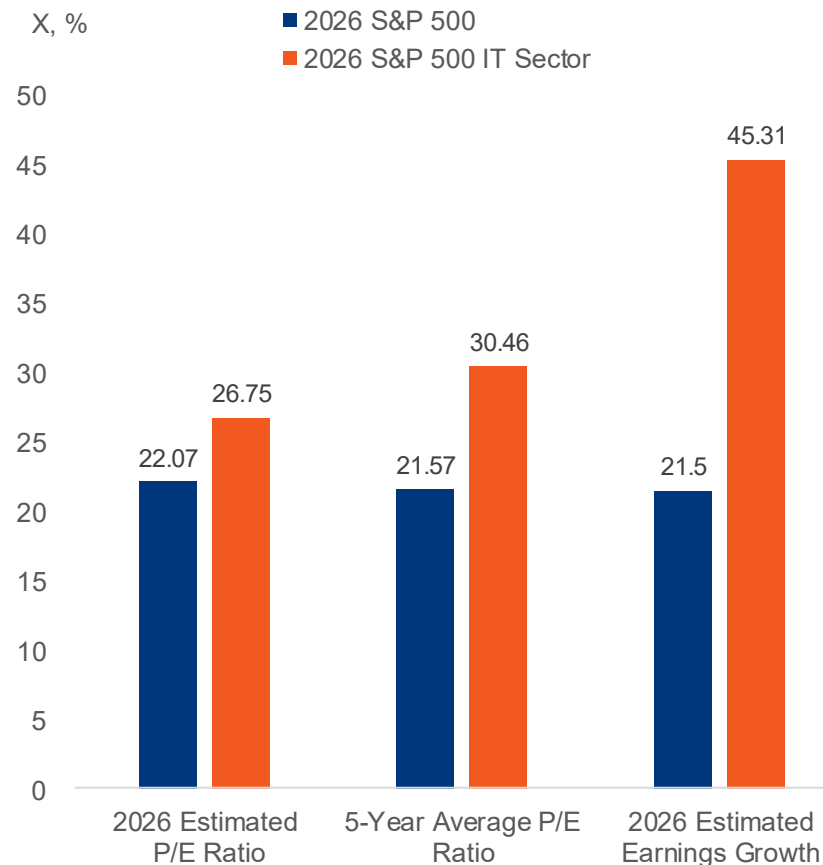
- ▶ Despite the ceasefire announcement on April 8, the Strait of Hormuz has yet to return to normal operation. The strait remains heavily obstructed by mutual U.S.-Iran blockades, severely limiting the number of passing oil tankers. Although peace frameworks are actively being discussed, no definitive agreement has been reached, and sporadic skirmishes continue to keep Brent crude hovering above US\$100/barrel. Interestingly, tracking the Geopolitical Risk Indicator reveals a gradual, slow decline since the April ceasefire took effect. Even in the face of ongoing rhetoric and minor renewed clashes, this downward trend suggests the market expects both nations to ultimately settle disputes via diplomacy rather than escalating into full-scale conflict. Nonetheless, market volatility will intermittently resurface until the Strait of Hormuz completely reopens.
- ▶ While U.S. equities have posted sharp gains recently, current index valuations sit only slightly above their 5-year historical average, and tech sector P/E ratios are tracking below their 5-year average. Backed by relentless AI developments, technology stocks retain strong long-term growth momentum. Should geopolitical uncertainties trigger brief market rollbacks, growth-oriented AI tech leaders will stand out as primary accumulation targets.

Source: Bloomberg, KGI

**Strait of Hormuz Remains Blocked, but Geopolitical Risk Index Shows No Significant Rebound**



**US Tech Valuations Have Corrected; Market Pullbacks Present Strategic Entry Opportunities**



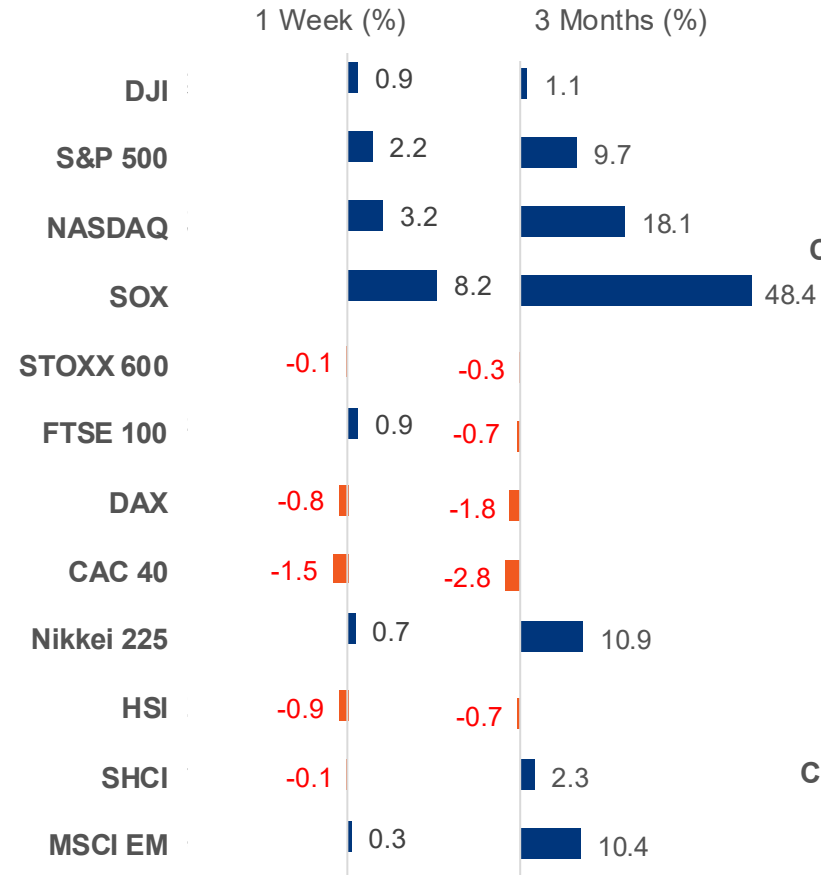
## Market Recap

## AI Boom &amp; Trump-Xi Summit Hopes Boost US Stocks; Europe Conservative

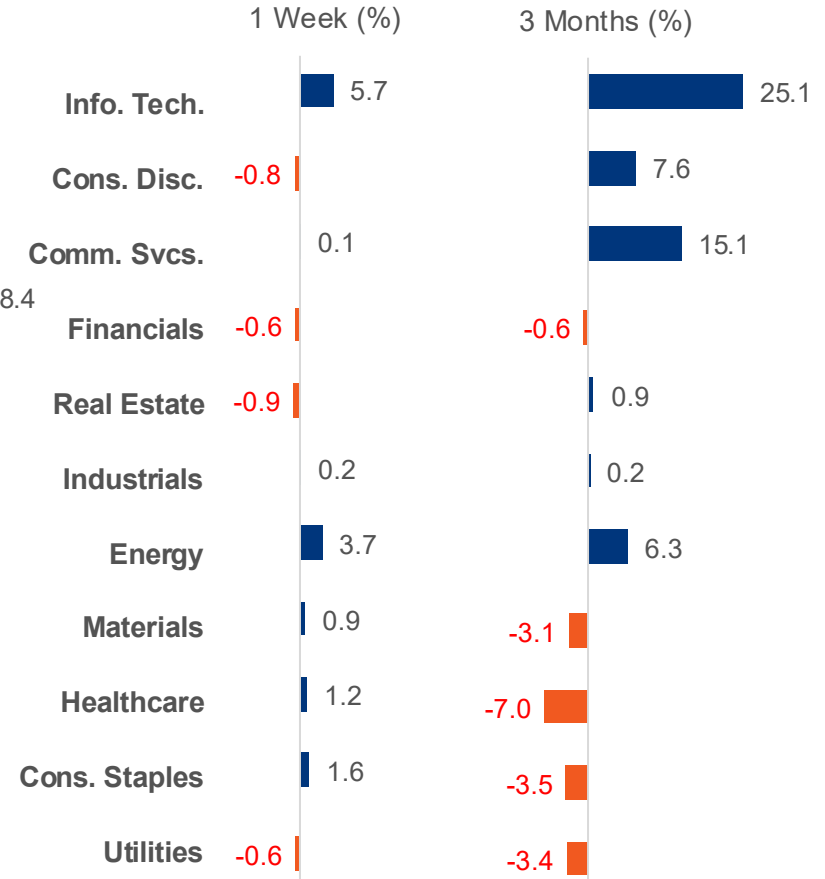
- ▶ Despite the continuous rise in the latest US inflation data, optimistic market expectations for the AI technology sector have temporarily overshadowed concerns over rebounding prices. Coupled with positive anticipation ahead of the Trump-Xi summit, these factors jointly propelled a strong performance in US equities. However, this optimistic sentiment failed to replicate across the Atlantic, leaving European markets behind. Reflecting comments made by Trump prior to his visit to China that the US-Iran ceasefire agreement is on shaky ground, Brent crude prices rebounded once again. Concerns that resurgent inflation could prompt the Bank of England and the European Central Bank to resume interest rate hikes have visibly revived risk-averse sentiment among European investors. Consequently, declines in German and French stock markets weighed on overall European equities, while UK stocks demonstrated a relatively resilient, shock-resistant character.
- ▶ Driven by news of a preliminary chip foundry agreement between Intel and Apple, investors expressed renewed anticipation for the reshoring of the US semiconductor supply chain. Furthermore, Nvidia CEO Jensen Huang's last-minute boarding of Air Force One to accompany Trump on his visit to China, along with reports that the US has approved 10 Chinese companies to procure H200 chips, fueled a powerful rally in semiconductor stocks and pushed the Philadelphia Semiconductor Index to continuous new highs. On the other hand, the latest data showing a 4.3 million-barrel decrease in US commercial crude oil inventories indicated unexpectedly robust demand for oil. This draw, combined with rising oil prices, collectively lifted the energy sector into an upward trend.

Source: Bloomberg

## Regional Index Performance (%)



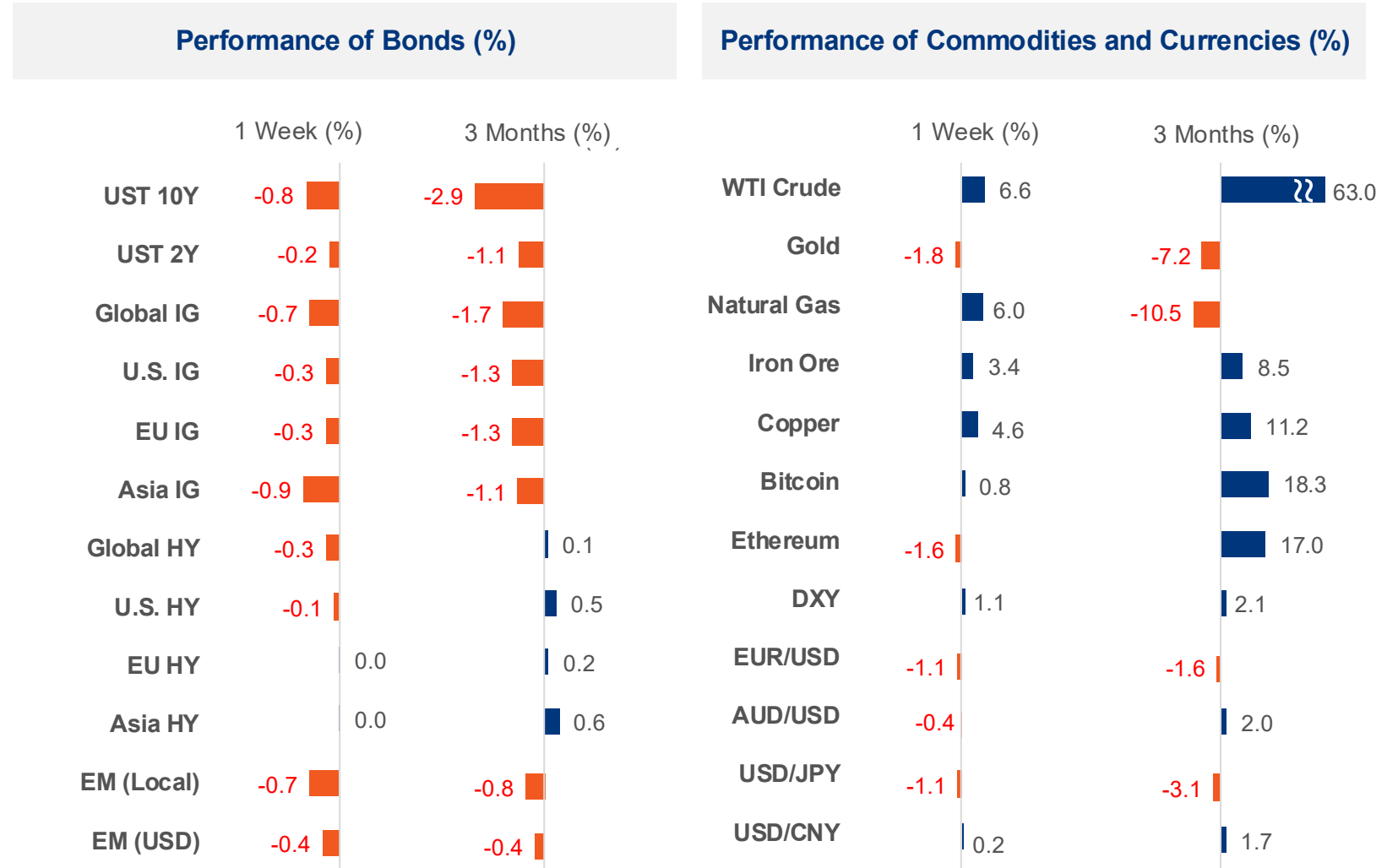
## U.S. Sector Index Performance (%)



## US-Iran Negotiations Deadlocked; Crude Oil Prices and US Treasury Yields Rebound Again

- ▶ The consecutively released US CPI and PPI data have continued to trend upward on a month-on-month basis and surpassed market expectations, indicating persistent short-term inflationary pressures. Coupled with a rebound in oil prices that supports inflation expectations, market projections for Federal Reserve rate cuts have continued to narrow. This has driven US Treasury yields higher once again, weighing on bond prices; however, short-duration Treasuries, which carry lower interest rate risk, suffered relatively milder declines. Regarding non-US bonds, market expectations that inflationary pressures could prompt the European Central Bank to raise interest rates as early as June have also put performance under pressure for European investment-grade bonds. Furthermore, Asia—which has the highest proportion of Middle Eastern energy imports—remains the region most vulnerable to the US-Iran conflict. As the blockade of the Strait of Hormuz persists, Asia can hardly escape the risk of rising commodity prices, leaving regional bond prices under downward pressure.
- ▶ Impacted by factors such as the deadlock in US-Iran negotiations and the unlikelihood that shipping through the Strait of Hormuz will resume in the short term, Brent and WTI crude oil prices rose yet again, and natural gas prices also moved higher. As uncertainty returned to the market, the US Dollar Index staged a rebound, while non-US currencies such as the Euro and the Japanese Yen depreciated relatively. However, considering US Treasury Secretary Scott Bessent's recent visit to Tokyo to hold talks with Japan's Minister of Finance, the possibility that Japan may increase the intensity of its interventions to support the yen exchange rate in the short term cannot be ruled out.

Source: Bloomberg

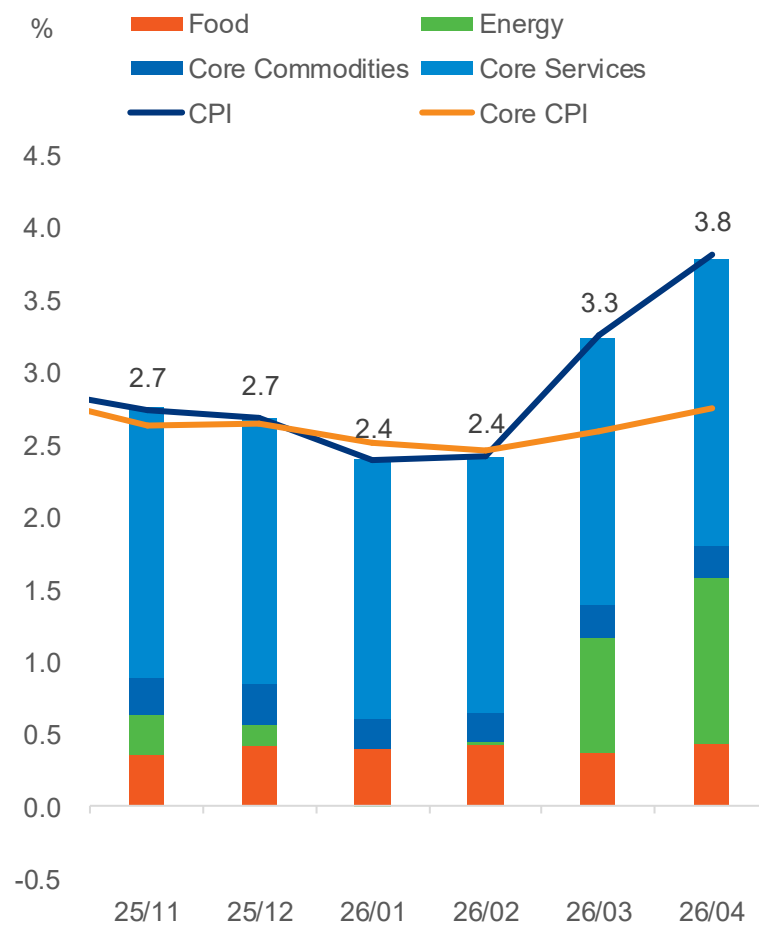


## Inflation Rebounds, Warsh Era Faces a Headwind Start

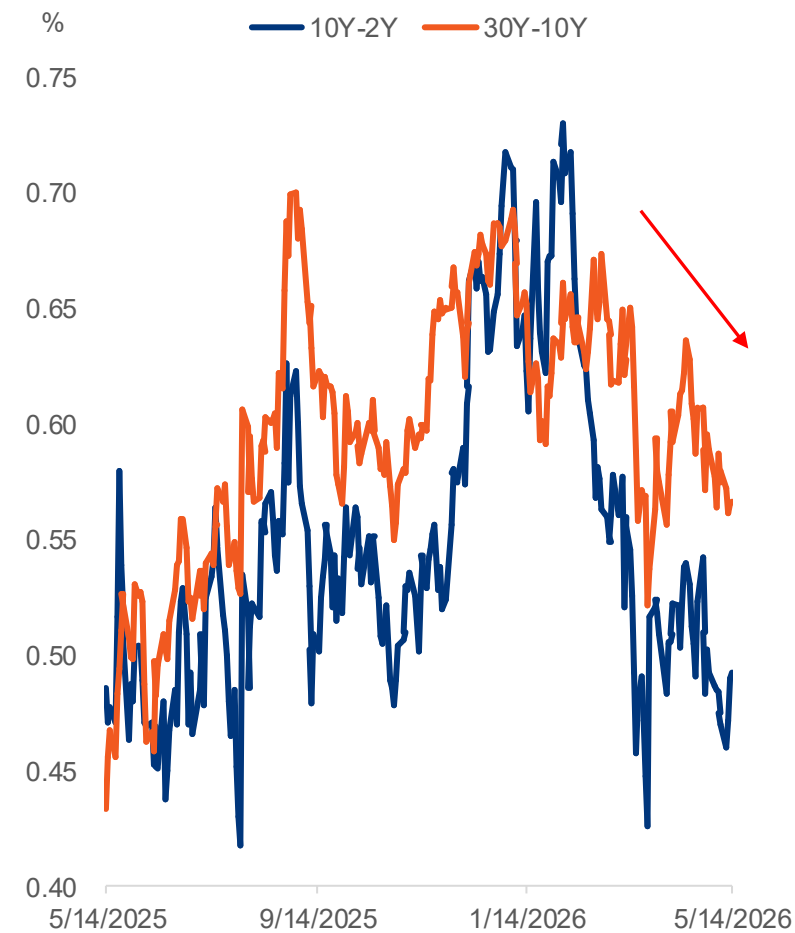
- ▶ Inflation data for April showed no signs of slowing down, with the US headline Consumer Price Index (CPI) annual growth rate rebounding to 3.8%. This figure landed above the market expectation of 3.7% and the previous reading of 3.3%. Concurrently, core CPI rose 2.8% year-over-year, also coming in higher than both the projected 2.7% and the prior month's 2.6%. An observation of this expansion indicates that the primary driver remains the stubbornly elevated energy component. If the Middle East conflict continues to drag on, high energy costs could prolong the duration of this inflationary resurgence, potentially leading market expectations for interest rate cuts to narrow once again.
- ▶ The Senate has officially confirmed Kevin Warsh to succeed as Chairman of the Federal Reserve. Although his primary policy objectives lean toward rate cuts and balance sheet normalization—specifically targeted at reducing short-term yields and raising long-term yields to steepen the yield curve—Warsh's operational room for maneuver is expected to be constrained under the current macroeconomic environment. This outlook chiefly reflects three factors: (1) short-term inflationary pressures remain highly sensitive to energy prices, which limits the scope for rate cuts before the end of the year; (2) internal divisions persist within the Federal Reserve, making a sharp pivot toward dovish policies highly unlikely; and (3) reducing the balance sheet too aggressively could trigger liquidity shortages, introducing the risk of a rebound in short-term interest rates. In the short term, the timelines for both rate cuts and balance sheet normalization are unlikely to advance rapidly. Given that the yield curve is currently biased toward flattening, fixed-income strategy should favor medium-duration bonds that carry lower interest rate risk.

Source: Bloomberg, CEIC, KGI

### Energy Component Continues to Drive Inflation



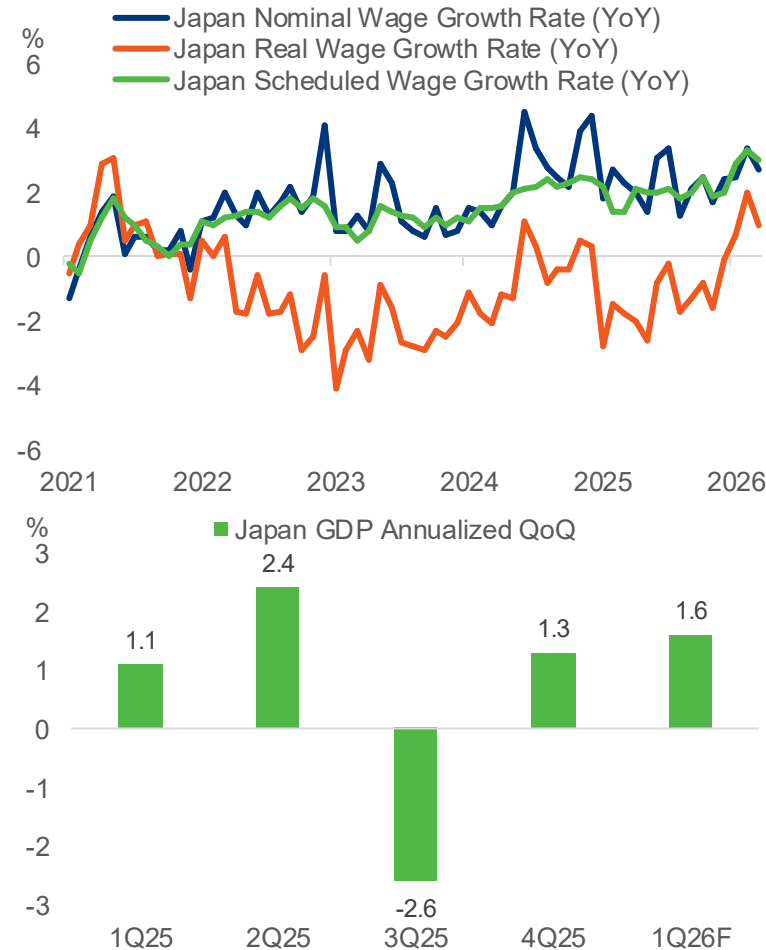
### Yield Curve Continues to Flatten



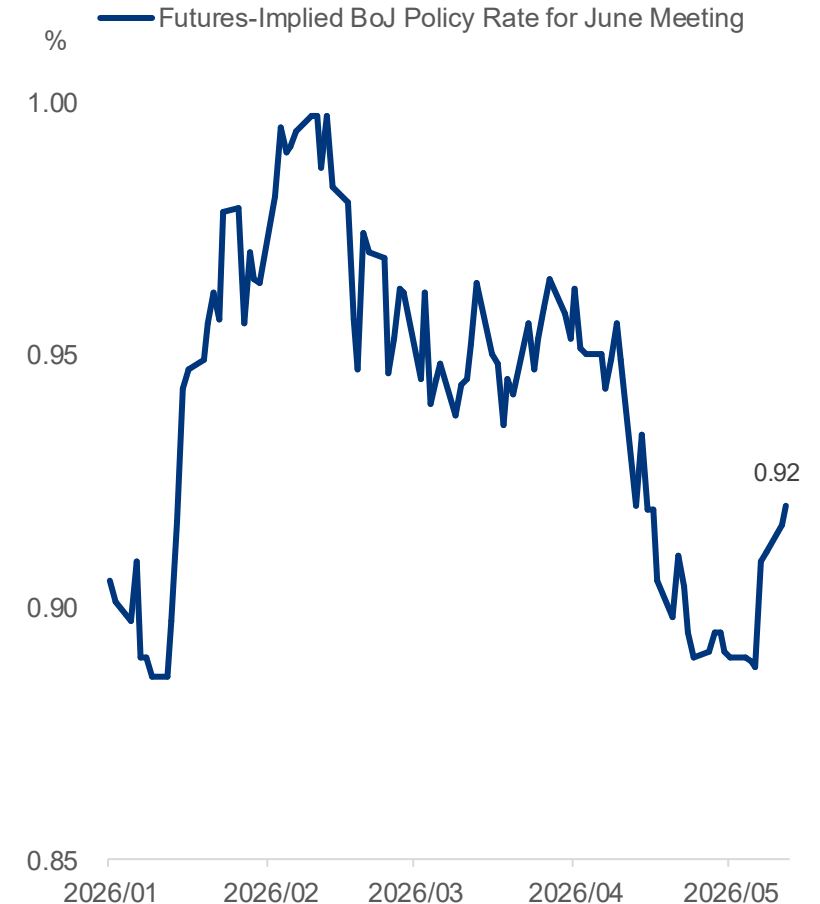
## Wage Growth Strengthens Economic Cycles; BoJ Rate Hike Looms in June

- ▶ The latest economic data reveals that although nominal and real wage growth slowed slightly in March, real wages have achieved three consecutive months of positive growth. This indicates that wage increases are beginning to outpace inflation, reflecting an ongoing recovery in Japan's domestic demand momentum. Consequently, the positive economic cycle—where wage increases drive consumption, and consumption elevates prices to support overall economic growth—is poised to strengthen.
- ▶ Japan is scheduled to release its Q1 2026 GDP data shortly. The latest market forecast projects that the annualized quarter-on-quarter growth rate will rebound to 1.6%, up from the 1.3% recorded in Q4 2025. This acceleration suggests that after turning positive in the final quarter of last year, Japan's economic momentum is highly likely to remain firmly on a recovery trajectory.
- ▶ At its April monetary policy meeting, the Bank of Japan (BoJ) kept its benchmark interest rate unchanged at 0.75%, as widely anticipated. However, the number of board members voting to support an immediate rate hike increased from one to three, signaling that calls for monetary tightening are intensifying. Although Governor Kazuo Ueda noted at the post-meeting press conference that there is no urgent need for an immediate hike, he emphasized that the real interest rate remains well below neutral levels. He underscored that the central bank will raise rates if upside risks to prices emerge or if downside risks to the economy are confirmed to be limited. Driven by this broadening economic improvement, the market increasingly expects the BoJ to announce a 25-basis-point rate hike as early as June.

### Three-Month Rise in Japan's Real Wages Signals Stronger Economic Momentum



### Market Expects BoJ Rate Hike as Early as June

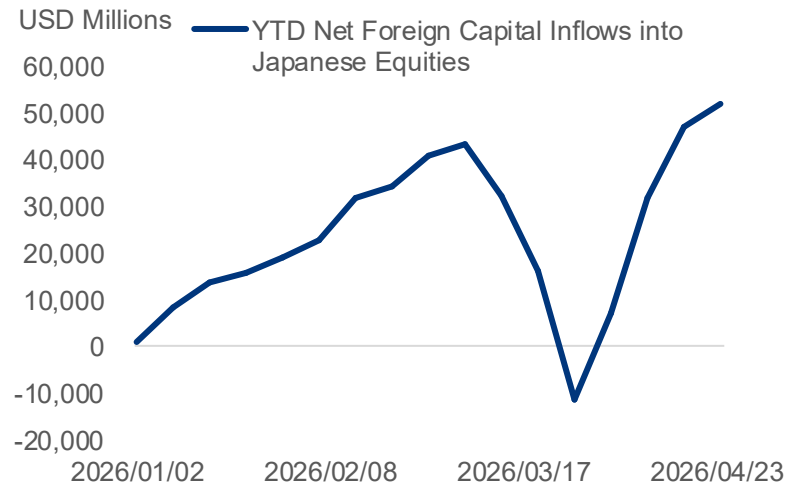
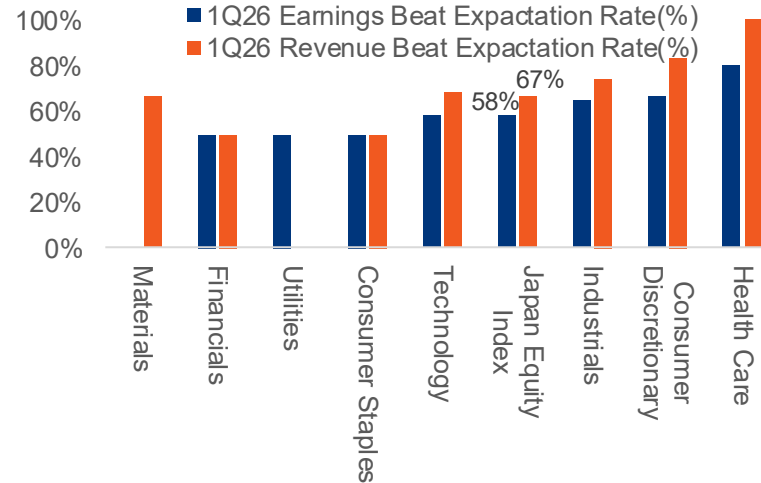


# Strong 1Q26 Earnings Draw Foreign Capital, Policy Backs Semiconductors and Defense

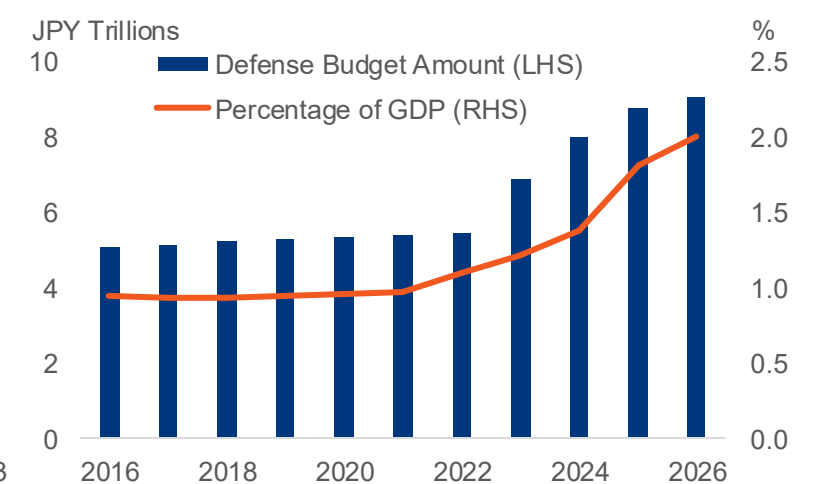
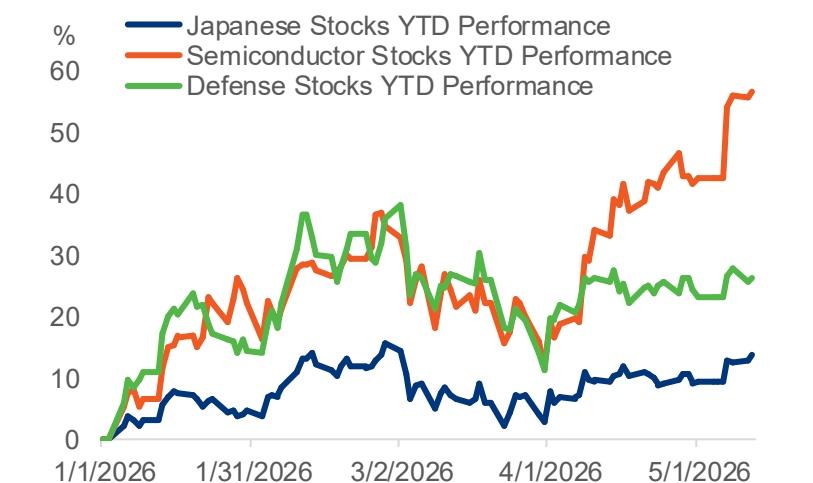
▶ Japanese equities staged a prominent rally following the conclusion of the Golden Week holidays. Largely benefiting from the stellar earnings reports released by US technology heavyweights, the Nikkei 225 Index, spearheaded by the semiconductor sector, briefly broke through the 62,000-point threshold to chart a new historic high. Furthermore, with one-third of the Nikkei constituents having reported their earnings, approximately 58% of these companies delivered profits and 67% reported revenues that beat market expectations. Wall Street consensus has even revised next-quarter earnings guidance upward by around 7% for Japanese tech firms. These outstanding financial performances and forward-looking forecasts have continuously drawn foreign capital into the market, which is expected to accelerate the upward momentum of Japanese stocks.

▶ The Japanese government has officially determined that it will strengthen its support for industrial development through expanded fiscal spending policies. On the defense front, in addition to the annual defense budget hitting a record high of 9 trillion yen, Japan will construct a coastal defense network composed of drones and sensors, while simultaneously developing counterstrike capabilities built upon missiles and air defense systems. Regarding AI semiconductors, policy initiatives will enhance the autonomy of Japan's domestic semiconductor supply chain, subsidizing Rapidus for the mass production of AI chips and the establishment of domestic AI computing centers. Under intensive policy promotion, both sectors have progressively attracted capital inflows, consistently converting into upward momentum for Japanese equities.

**Robust 1Q26 Japanese Corporate Earnings Attract Continuous Foreign Capital Inflows**



**Policy-Supported Semiconductor and Defense Sectors Outperform the Broader Market**



Source: Bloomberg, KGI

# Asset Strategy

Asset Type	Market View	Preferred Assets
<b>Equities</b>	<ul style="list-style-type: none"> <li>◆ The stalling of US-Iran peace negotiations has prompted a slight rebound in oil prices. However, US employment data continues to exhibit resilience, and corporate earnings remain robust. It is anticipated that under the pressure of the upcoming midterm elections, Trump will have strong incentives to drive oil prices down; thus, the resurgence in inflation is expected to be a short-term phenomenon that will not impose further pressure on interest rates and equity valuations. Market pullbacks following extended rallies present ideal opportunities to build positions in growth stocks driven by AI themes, while maintaining diversified asset allocations across countries and sectors.</li> <li>◆ European and Japanese equities serve as key pillars for portfolio diversification, with Japanese stocks demonstrating greater upside potential than their European counterparts. The upward bounce in Japanese government bond (JGB) yields bodes well for the performance of banking stocks. In the Eurozone, the defense and aerospace sectors remain the primary pillars of support, with a tactical preference for UK equities due to their defensive characteristics.</li> </ul>	<p><b>Strategy:</b> AI Themes (e.g., Technology, Semiconductors); Non-AI sectors favor Aerospace and Defense</p> <p><b>Regions:</b> Japanese Equities (Banking, Semiconductor and Defense), UK Equities, European Defense</p>
<b>Bonds</b>	<ul style="list-style-type: none"> <li>◆ As oil prices fluctuate at elevated levels, US Treasury yields carry the potential to trend upward. Investors can utilize spikes in interest rates to build positions in medium-duration bonds. High-credit-rating corporate bonds with superior credit quality offer relatively strong defensive capabilities. Focus can be placed on sectors with attractive risk-adjusted spreads, including financials, communications, utilities, and energy.</li> <li>◆ The US dollar remains relatively strong in the short term but faces depreciation concerns over the long term. Risk can be diversified by increasing exposure to non-USD-denominated bonds, such as investment-grade bonds denominated in Euros or Australian Dollars.</li> </ul>	<p><b>Types:</b> Lock in yields with medium-duration, high-credit-rating bonds. Sectors favor financials, communications, utilities, energy, etc.</p> <p><b>Satellite :</b> Diversify risk with non-USD currency bonds</p>
<b>Forex</b>	<ul style="list-style-type: none"> <li>◆ Monetary policies across major economies have recently remained in a wait-and-see stance. The US dollar is consolidating within a range, with expectations leaning weak in the medium to long term.</li> <li>◆ The European Central Bank may raise interest rates faster than the Bank of Japan; the Euro is stronger than the Japanese Yen, while the CNY tilts toward appreciation.</li> </ul>	<p><b>USD:</b> Range-bound consolidation; expected to lean weak in the medium to long term.</p> <p><b>Others:</b> Euro is stronger than the Yen; CNY tilts toward appreciation.</p>
<b>Commodity</b>	<ul style="list-style-type: none"> <li>◆ Energy prices are fluctuating at high levels in the short term, accompanied by severe volatility.</li> <li>◆ A relatively strong US dollar and elevated US Treasury yields are putting short-term pressure on gold prices. However, given the expansion of major sovereign debts and the medium- to long-term weakening of the US dollar, gold maintains its allocation value with upside potential in the medium to long term. It is advisable to build positions in batches during pullbacks.</li> </ul>	<p><b>Gold:</b> Has upside potential in the medium to long term; buy in batches during pullbacks.</p>

# Japan's Semiconductor Materials: Deep Moat, Growth to Persist

- ▶ US Core CPI rose 0.4% month-on-month in April, marking its largest increase in over a year. This reading came in above the market expectation of 0.3% and the previous month's figure of 0.2%.
- ▶ US Core PPI jumped 1.0% month-on-month in April, substantially exceeding the market consensus of 0.3%. This represents the sharpest advance since March 2022, following an upward revision to 0.2% for the March data.
- ▶ US Retail Sales grew 0.5% month-on-month in April, matching market expectations. The growth rate for March was revised downward to 1.6%.
- ▶ US Existing Home Sales ticked up 0.2% month-on-month to an annualized rate of 4.02 million units in April. The reading fell short of the market expectation of 2.0% but improved from the upwardly revised -2.9% recorded in the prior month.
- ▶ Japan's semiconductor industry is entering a definitive phase of recovery and structural upgrades. The sector is heavily capitalizing on government initiatives to localize the semiconductor supply chain, TSMC's expansion at its Kumamoto plant, Rapidus's 2nm advanced node project, and the resurgence in wafer and advanced process demand fueled by AI/HPC. Within this ecosystem, Japan's most globally competitive segment remains concentrated in semiconductor materials, spanning silicon wafers, photoresists, CMP materials, advanced packaging materials, substrates, and ultra-high-purity chemicals. Looking ahead, as demand for AI data centers, advanced logic chips, and High Bandwidth Memory (HBM) expands continuously, process shrinking and the escalating complexity of advanced packaging will drive up unit values and raise technical barriers. This environment favors Japanese materials suppliers in maintaining their critical positions within global supply chains. However, near-term monitoring is still required for wafer inventory adjustments, the recovery speed of mature nodes, Yen volatility, and pricing pressures on select materials such as silicon wafers. Overall, Japan's semiconductor materials ecosystem holds profound strategic value and will continue to benefit from AI semiconductor capital expenditure, advanced packaging upgrades, and global supply chain diversification trends.

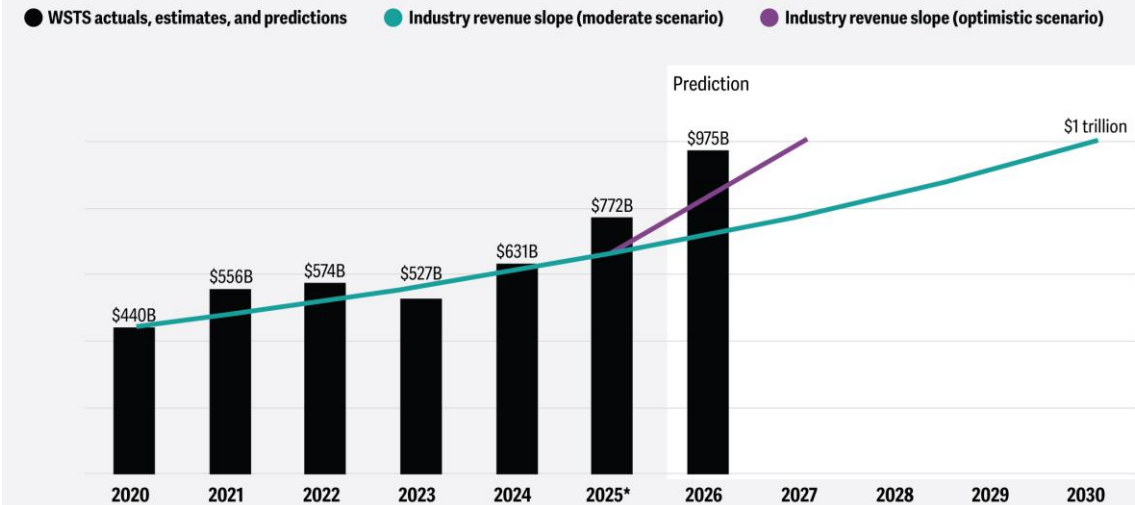
Source: Bloomberg , Deloitte

## Global Semiconductor Market Growth Trajectory

Figure 1

**The global semiconductor market is now expected to become a \$1 trillion industry by 2027**

The path to \$1 trillion in semiconductor revenues, US\$



Note: \* = estimate.

Source: Deloitte analysis and extrapolation based on data from World Semiconductor Trade Statistics (WSTS).

Deloitte | [www.deloitte.com/tmt-research](http://www.deloitte.com/tmt-research)

# Shin-Etsu Chemical (4063)

**Closing Price** ¥7,105

**Target Price** ¥8,000

Shin-Etsu Chemical manufactures and markets synthetic resins and other chemical products, such as fertilizers. The company also produces electronic materials, including semiconductor silicon, synthetic quartz, and rare-earth magnets. Shin-Etsu Chemical operates its business both in Japan and overseas.

## Comprehensive Portfolio of Critical Semiconductor Materials

Shin-Etsu Chemical is well-positioned as it supplies a wide array of critical semiconductor materials, including silicon wafers, photoresists, and photomask blanks. Its Electronic Materials business segment remained a major highlight in FY2026, with sales increasing 9% year-over-year to JPY 1,015.7 billion and operating profit growing 6% year-over-year to JPY 344.5 billion, primarily driven by sustained robust demand for AI-related semiconductors. The company is also expanding its photolithography materials capacity, with its new Isesaki Campus having already commenced operations.

## AI Capital Expenditure Propels Demand for Advanced Materials

The primary industry driver is the expansion of capital expenditure in AI semiconductors, particularly for advanced logic, HBM, and high-performance computing (HPC) chips. These applications require higher-quality wafers and more advanced photolithography materials. The Semiconductor Industry Association (SIA) noted that global semiconductor sales reached USD 298.5 billion in Q1 2026, representing a 25% increase compared to Q4 2025. Additionally, SEMI indicated that wafer shipments grew by 5.8% in 2025, supported by demand for advanced epitaxial wafers and polished wafers used in HBM, both driven by AI applications. Shin-Etsu Chemical also stated that data center and server demand broadly related to AI now accounts for more than 20% of total 300mm wafer demand, supporting the medium-term growth of its materials business.

## Stable Revenue in FY2026, but Weakness in Non-Electronic Business Weighs on Earnings

For FY2026, net sales stood at JPY 2,574.0 billion, up 0.5% year-over-year. However, earnings per share (EPS) declined to JPY 252.69, down approximately 6% compared to the previous year. Operating profit decreased by 14.4% year-over-year to JPY 635.2 billion, and net income attributable to owners of the parent fell 11.2% year-over-year to JPY 474.5 billion. This contraction was primarily due to weakness in the Infrastructure Materials business segment, which offset the continuous growth achieved by the Electronic Materials segment under the impetus of AI-related demand.

## Valuation Consensus

The Bloomberg 12-month average consensus target price is ¥7,329.12, with the highest target price at ¥8,600 and the lowest at ¥5,200.

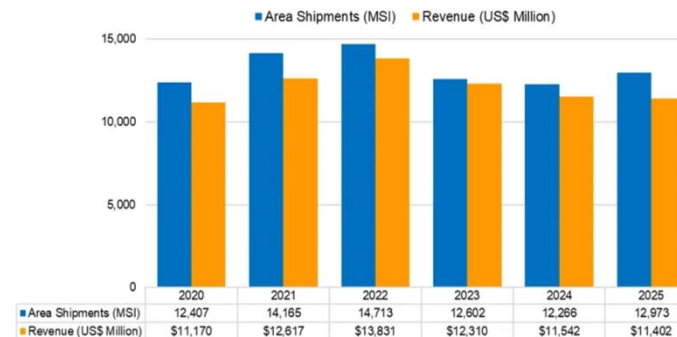
Source: Bloomberg, Semi.org

## 1-Year Price



## Global Silicon Wafer Shipments

Worldwide Silicon Wafer Shipments (MSI) and Revenue Semiconductor Applications Only



## Financials

	2024	2025	2026	2027F	2028F
Revenue Growth(%)	-14.0	6.1	0.5	8.0	6.2
EBITDA (%)	38.5	38.3	34.1	37.2	38.4
EPS(JPY)	260.83	267.37	253.84	299.51	338.52
Net Profit Margin(%)	21.7	20.7	18.5	19.8	20.8

Source: Bloomberg; 2027/28F are market estimates

## P/E & P/B



# Ajinomoto (2802)

**Closing Price** ¥5,269

**Target Price** ¥6,000

Ajinomoto Co., Inc. manufactures and markets a diverse range of food products, including seasonings, edible oils, processed foods, beverages, and dairy products. The company also researches, develops, and produces pharmaceuticals, amino acids, and specialty chemicals.

### ABF Grants Ajinomoto Unique Positioning in AI Semiconductor Materials

Ajinomoto's primary investment highlight regarding AI stems from Ajinomoto Build-up Film (ABF), an interlayer insulating material used in the advanced packaging of CPUs, GPUs, and AI accelerators. The company's Healthcare and Other Expenditures business segment achieved a 4.0% year-over-year growth in sales to JPY 341.5 billion for FY2026, while its operating profit surged by 45.1% year-over-year to JPY 66.2 billion, primarily driven by robust sales of electronic materials. To expand its long-term supply capacity, Ajinomoto acquired land for a new plant in Gifu Prefecture for approximately JPY 1.2 billion, with construction slated to begin in 2028 and production expected to commence in 2032.

### AI Advanced Packaging Demand Drives Tightening ABF Supply

The industry driver comes from the escalating complexity of AI chip designs, expanding package sizes, and increasing layer counts, all of which propel the demand for ABF substrates. This trend is already reflected in Ajinomoto's pricing power: the company has reportedly raised the price of its ABF buildup film by 30% starting from Q3 FY2026, highlighting a gradual tightening across the IC substrate supply chain. This is further underpinned by the broader AI semiconductor cycle, with the global semiconductor market projected to surpass USD 1.5 trillion by 2030, fueled primarily by AI and high-performance computing (HPC).

### Substantial Profit Growth in FY2026; Positive Revenue Growth Forecasted for FY2027

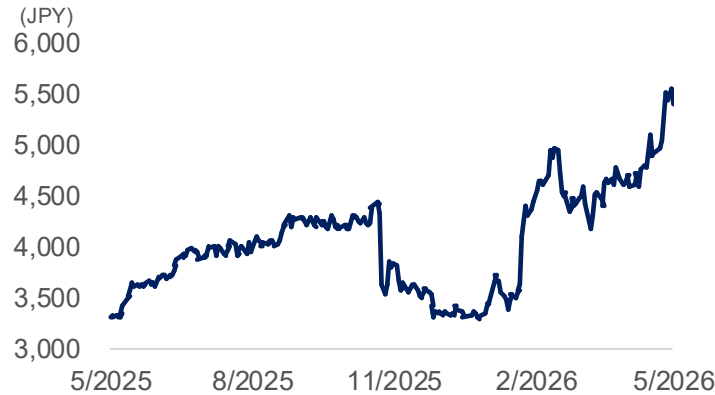
For FY2026, revenue reached JPY 1,583.7 billion, up 3.5% year-over-year, while basic earnings per share (EPS) increased to JPY 138.36, representing a year-over-year growth of approximately 98%. Profit attributable to owners of the parent surged 91.6% year-over-year to JPY 134.7 billion, largely supported by robust business profit expansion and gains from the disposal of non-current assets. Management forecasts FY2027 revenue at JPY 1,723.0 billion (+8.8% YoY), business profit at JPY 197.0 billion (+8.7% YoY), and basic EPS at JPY 126.16, which is lower than FY2026 due to profit normalization following the exclusion of one-time gains.

### Valuation Consensus

The Bloomberg 12-month average consensus target price is ¥5,178.57, with the highest target price at ¥6,200 and the lowest at ¥3,900.

Source: Bloomberg, Company

### 1-Year Price



### Financials

	2024	2025	2026	2027F	2028F
<b>Revenue Growth(%)</b>	5.9	6.3	3.5	7.0	6.0
<b>EBITDA (%)</b>	14.9	15.3	16.0	17.6	18.4
<b>EPS(JPY)</b>	79.76	102.54	118.99	141.16	165.69
<b>Net Profit Margin(%)</b>	5.8	6.7	7.3	8.0	8.7

Source: Bloomberg; 2027/28F are market estimates

### 2026 Segment Market Growth

Segment	Organic growth			Business profit			ROIC			EBITDA margin				
	FY24 actual	FY25 actual	FY26 forecast	FY24 actual	FY25 actual	FY26 forecast	FY24 actual	FY25 actual	FY26 forecast	FY24 actual	FY25 actual	FY26 forecast		
Seasonings and Foods	Sauce & Seasonings													
	Quick Nourishment													
	Solution & Ingredients	4.1%	3.4%	Approx. 7%	5.2%	6.6%	2.0%	20.9%	20.8%	Approx. 19%	19.4%	19.8%		
Frozen Foods	Frozen Foods	-0.9%	0.4%	Approx. 7%	¥13.0 billion	¥8.4 billion	¥12.1 billion	4.7%	0.1% (BP)	5.3%	5%	9.4%	7.9%	8%
Healthcare and Others	Bio-Pharma Services & Ingredients													
	Functional Materials (electronic materials and others)	6.8%	8.3%	Approx. 16%	25.2%	45.1%	20.8%	2.0%	12.0%	Approx. 14%	21.5%	26.5%	Approx. 27%	
	Others													
<b>Total</b>	3.7%	3.7%	Approx. 9%	7.9%	13.7%	8.7%	6.7%	11.8%	Approx. 11%	16.1%	17.1%	Approx. 17%		

### P/E & P/B



## ► MAY 2026

**11** Monday

- US Apr Existing Home Sales (Act:4.02m Est:4.05m Prev:4.01m)
- China Apr CPI YoY (Act:1.2% Est:0.9% Prev:1.0%)
- China Apr PPI YoY (Act:2.8% Est:1.8% Prev:0.5%)

**12** Tuesday

- US Apr CPI YoY (Act:3.8% Est:3.7% Prev:3.3%)
- US Apr Core CPI YoY (Act:2.8% Est:2.7% Prev:2.6%)

**13** Wednesday

- US Apr PPI YoY (Act:6.0% Est:4.8% Prev:4.3%)
- Eurozone Q1 GDP YoY (Revised) (Act:0.8% Est:0.8% Prev:1.2%)

**14** Thursday

- US Weekly Initial Jobless Claims (Act:211k Est:205k Prev:199k)
- US Apr Retail Sales MoM (Act:0.5% Est:0.5% Prev:1.6%)
- Trump-Xi Meeting (May 14–15)

**15** Friday

- US Apr Industrial Production MoM (Est:0.3% Prev:-0.5%)
- Japan Apr PPI YoY (Act:4.9% Est:3.0% Prev:2.9%)

**18** Monday

- China Apr Retail Sales YoY (Est:1.9% Prev:1.7%)
- China Apr Industrial Production YoY (Est:6.0% Prev:5.7%)

**19** Tuesday

- Japan Q1 GDP QoQ (Est:1.6% Prev:1.3%)
- Japan Mar Industrial Production MoM (Final) (Prev:-2.0)
- Earnings: HD

**20** Wednesday

- Eurozone Apr CPI YoY (Final) (Prev:2.6%)
- Taiwan Apr Export Orders YoY (Prev:65.9%)
- Earnings: TJX, PANW

**21** Thursday

- US Weekly Initial Jobless Claims (Prev:211k)
- US Apr FOMC Meeting Minutes
- US May S&P Global Manufacturing PMI (Prelim) (Est:53.6 Prev:54.5)
- Japan May S&P Global Manufacturing PMI (Prelim) (Prev:55.1)
- Eurozone May S&P Global Manufacturing PMI (Prelim) (Est:51.5 Prev:52.2)
- Earnings: NVDA, WMT, DE

**22** Friday

- US May University of Michigan Consumer Sentiment Index (Final) (Est:48.2 Prev:49.8)
- Japan Apr National CPI YoY (Est:1.6% Prev:1.5%)
- Earnings: ADI

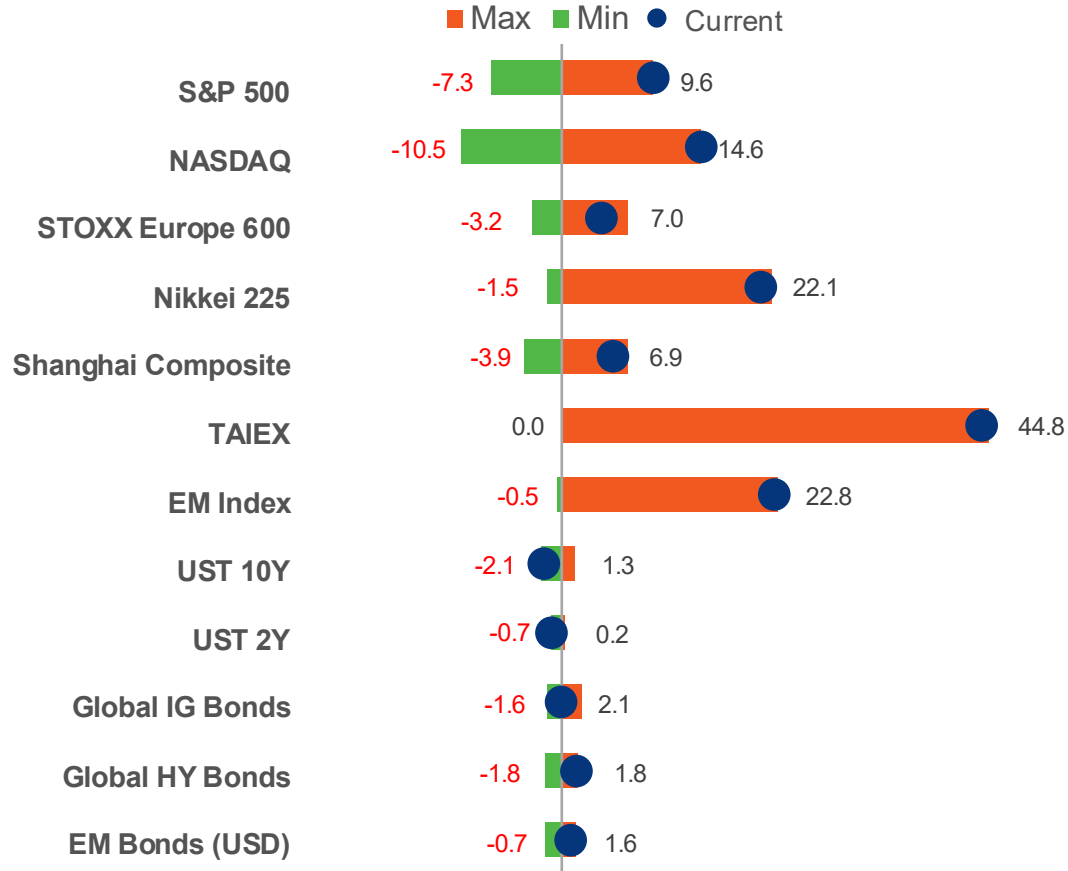
Source: Bloomberg

# Key Earnings Releases

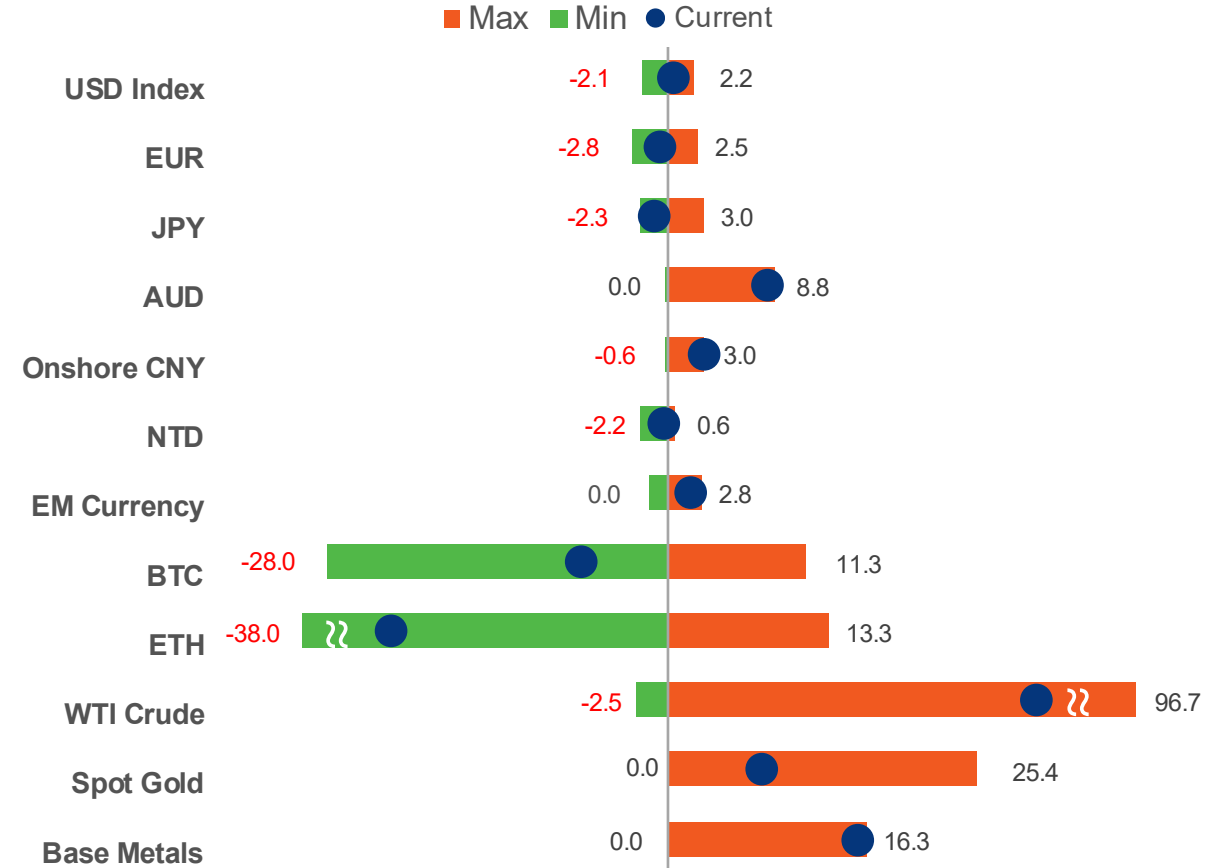
Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation	
						Revenue	EPS
2026/5/14	Cisco Systems (CSCO)	15.57B	15.84B	1.04	1.06	V	V
2026/5/15	Applied Materials (AMAT)	7.67B	7.91B	2.68	2.86	V	V

# Major Market / Asset YTD Performance

## Equities & Bond Markets YTD Performance (%)

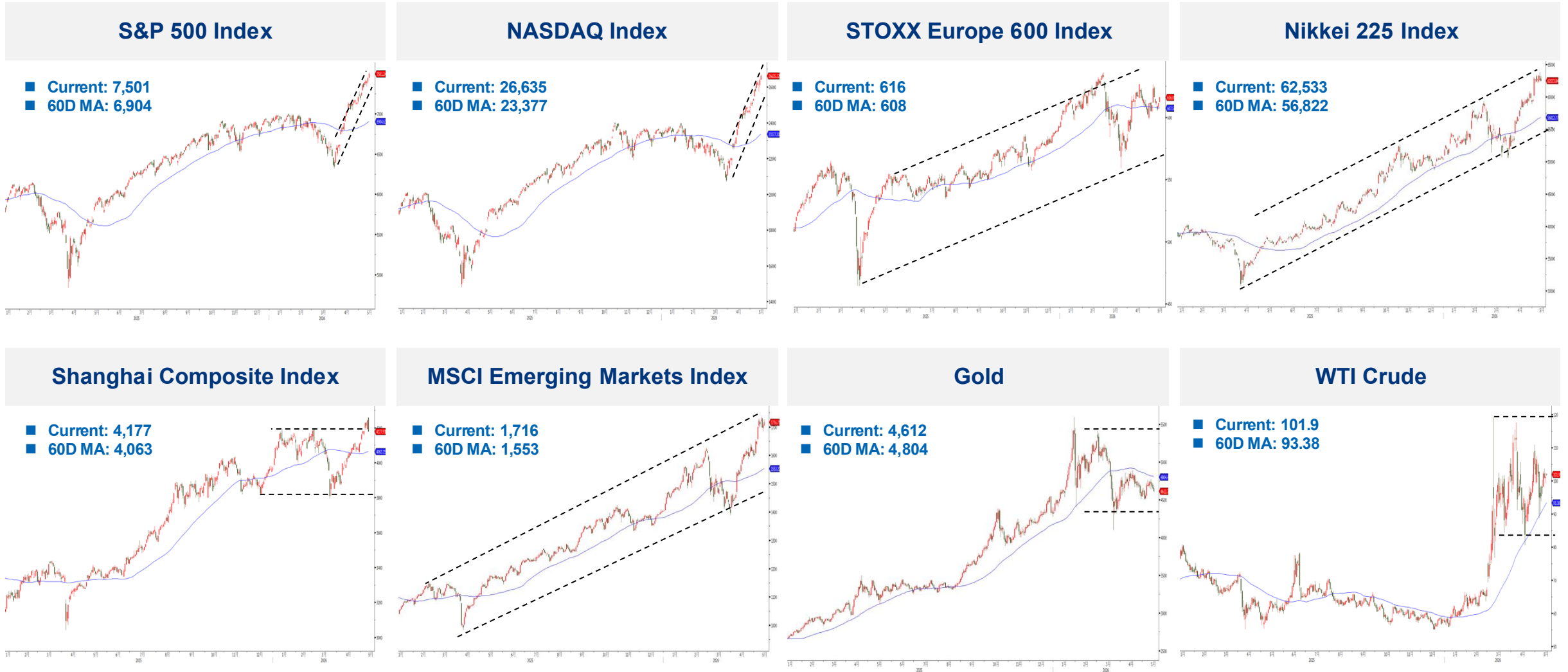


## Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg

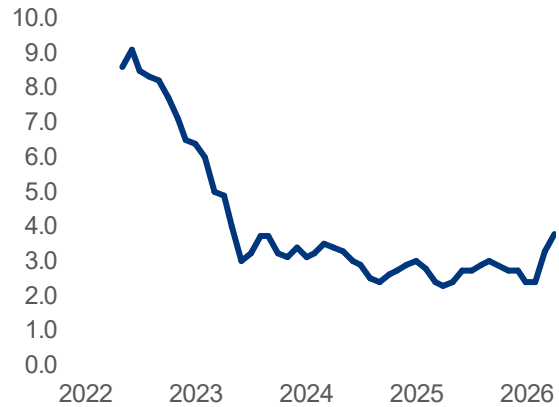
# Technical Analysis



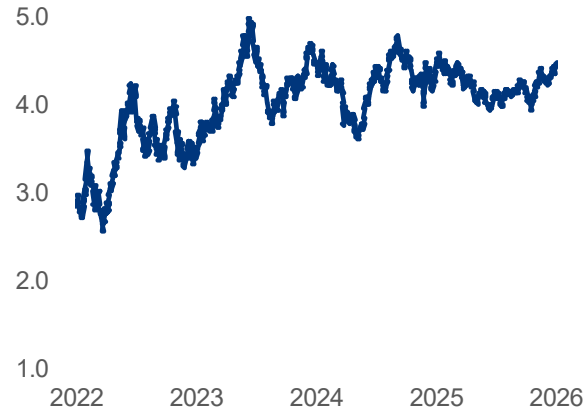
Source: Bloomberg

# Market Monitor

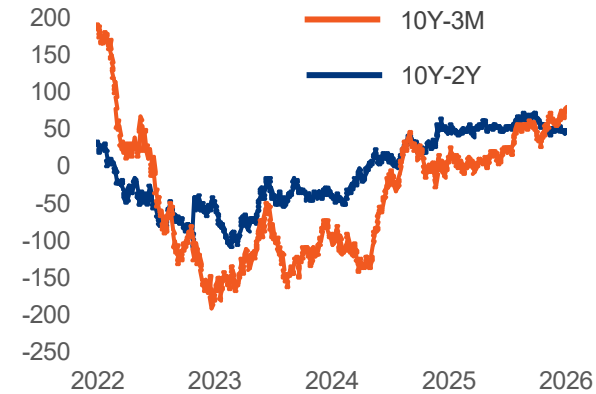
**U.S. CPI YoY (%)**



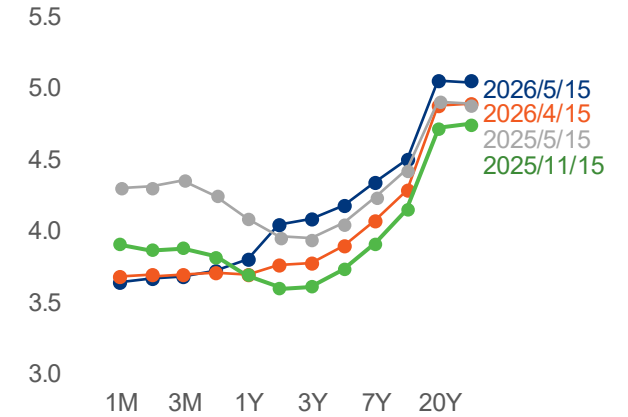
**U.S. 10-Year Treasury Yield (%)**



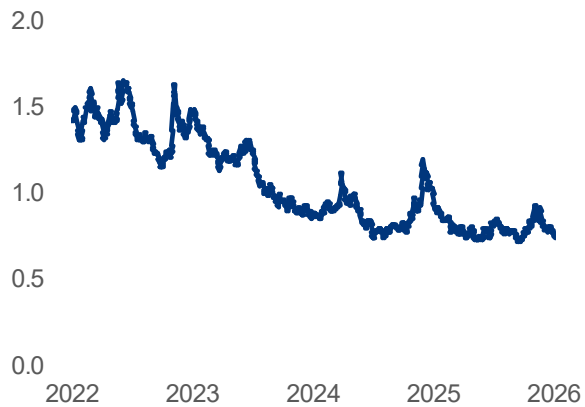
**U.S. Treasury Yield Spread (bps)**



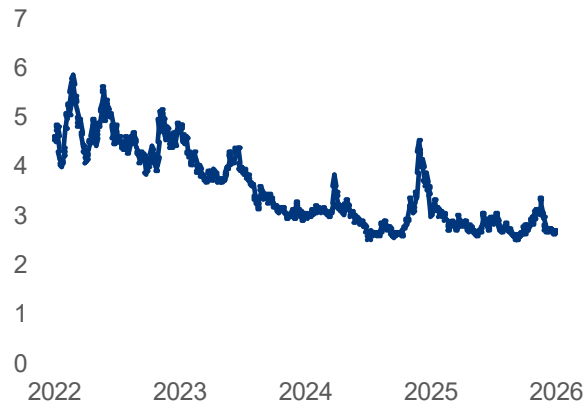
**U.S. Treasury Yield Curve (%)**



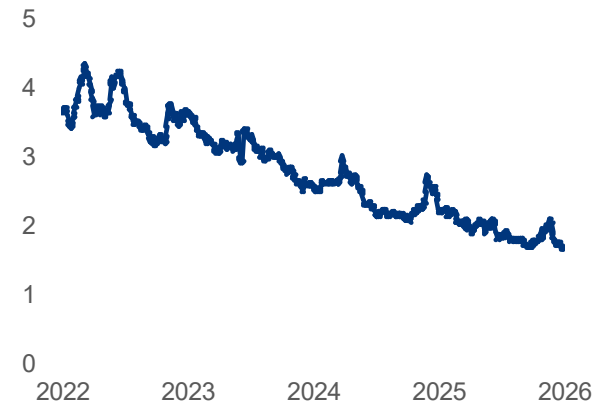
**USD IG Credit Spread (%)**



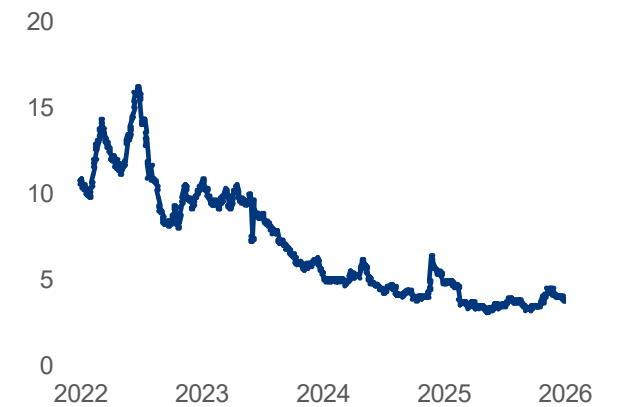
**USD HY Credit Spread (%)**



**USD EM Credit Spread (%)**



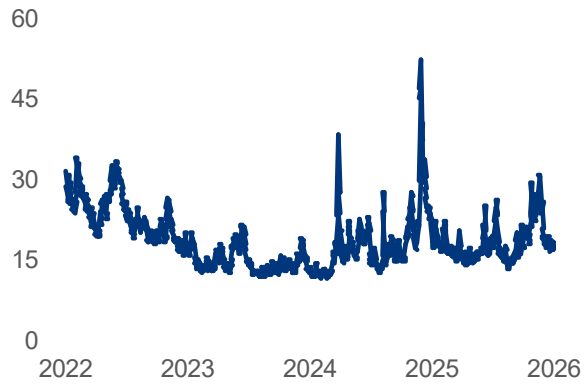
**USD Asia Credit Spread (%)**



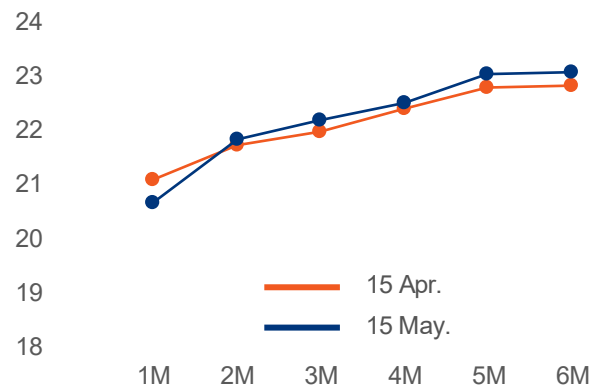
Source: Bloomberg

# Market Monitor

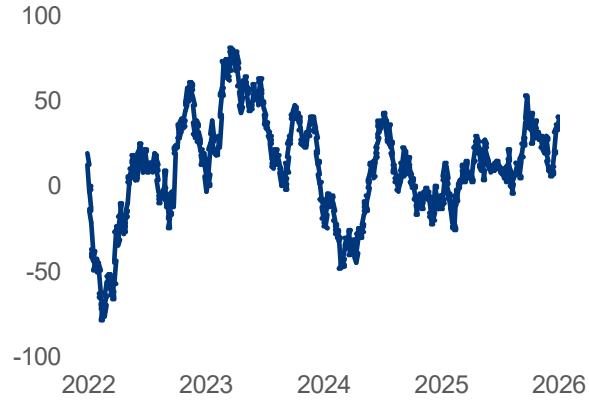
**VIX Index**



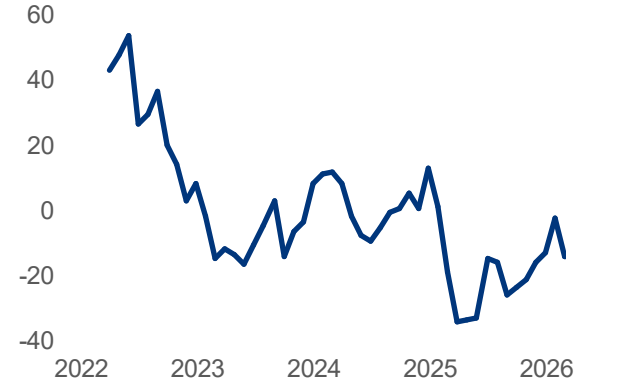
**VIX Term Structure**



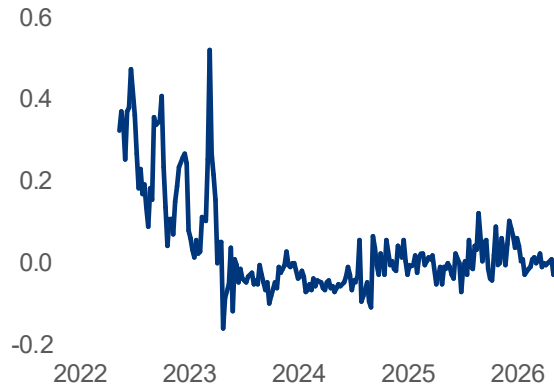
**U.S. Citi Economic Surprise Index\***



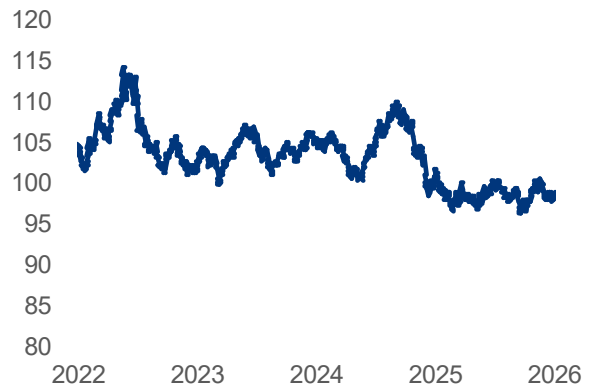
**U.S. Citi Inflation Surprise Index\***



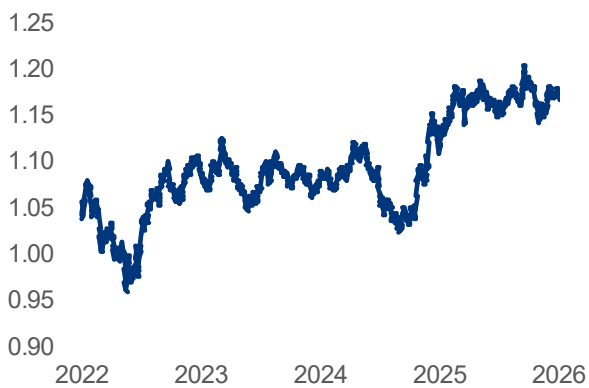
**TED Spread (bps)**



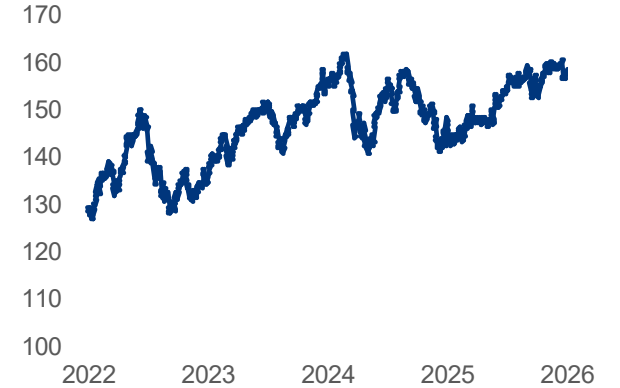
**U.S. Dollar Index**



**EUR to USD**



**USD to JPY**



Source: Bloomberg

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