



CIO Office

Global Markets Weekly Kickstart

# Space Potential Set for Lift-off!

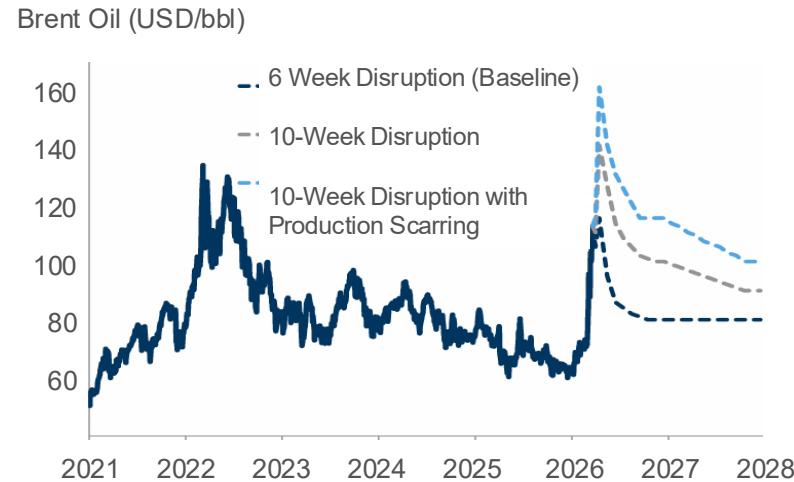
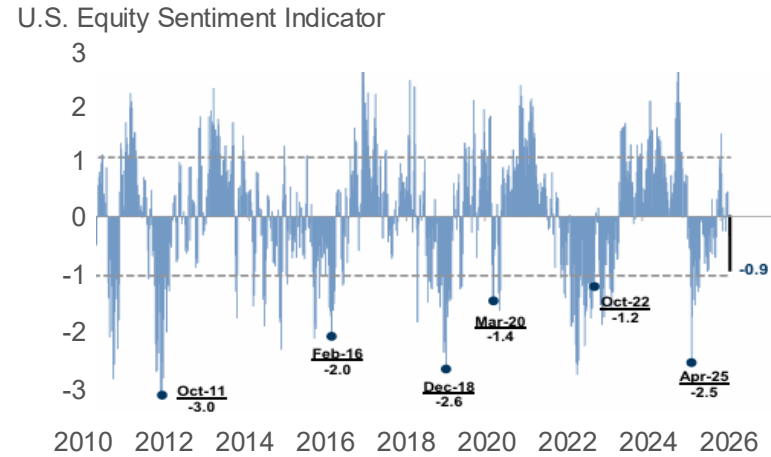
8 April 2026



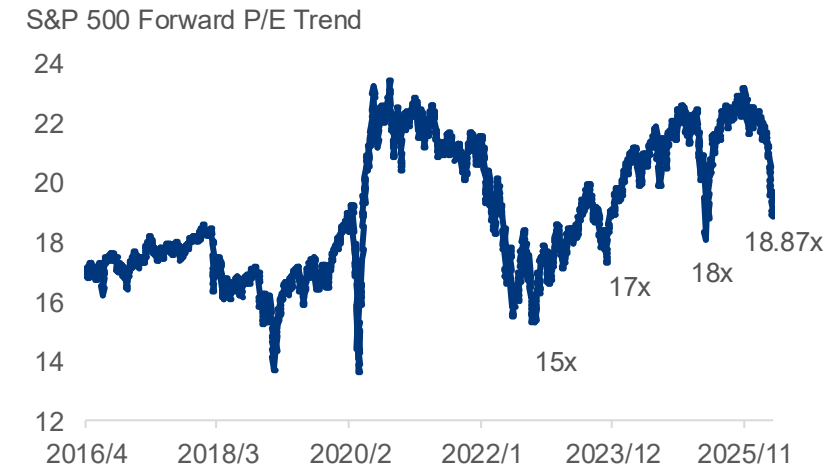
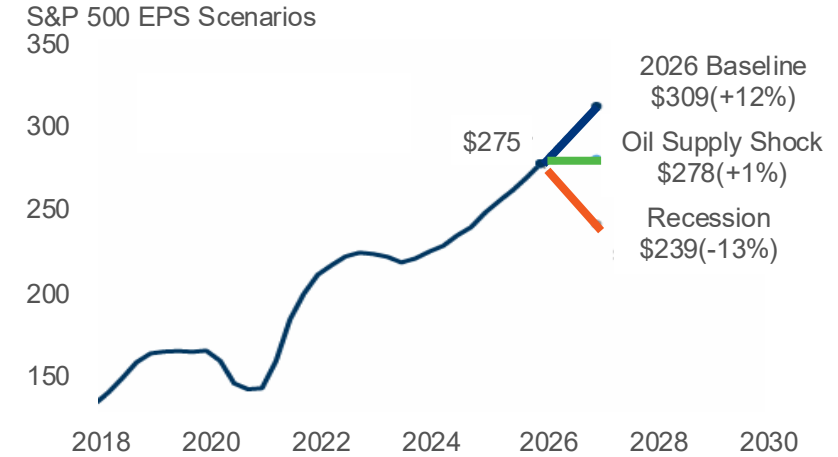
# Israel-Iran Conflict Prolonged; U.S. Valuations Turn Attractive

- ▶ Trump signaled military success against Iran, suggesting its near-term nuclear ambitions have been largely curtailed. However, the Strait of Hormuz remains effectively blocked, with further strikes expected over the next two weeks. Market expectations have shifted from a quick resolution to a prolonged conflict exceeding 10 weeks, raising the risk of further oil price upside. U.S. equity sentiment has turned negative, reflecting growing market caution.
- ▶ Despite stable S&P 500 earnings, with 2026 EPS growth expected at 12%, valuations have corrected sharply. Even under supply disruption scenarios, earnings are still expected to grow unless a full recession occurs. However, risk aversion has driven a de-rating, with forward P/E falling from ~23x peak to ~18x by end-March, near last year's lows. Valuations are now close to one-year trough levels, suggesting improving attractiveness from a value perspective. Focus remains on high-quality companies with earnings growth visibility.

**Market Sentiment Weakens as War Tops 10 Weeks, Oil Prices Surge**



**S&P 500 Earnings Outlook Steady, Valuations Near Liberation Day Levels**



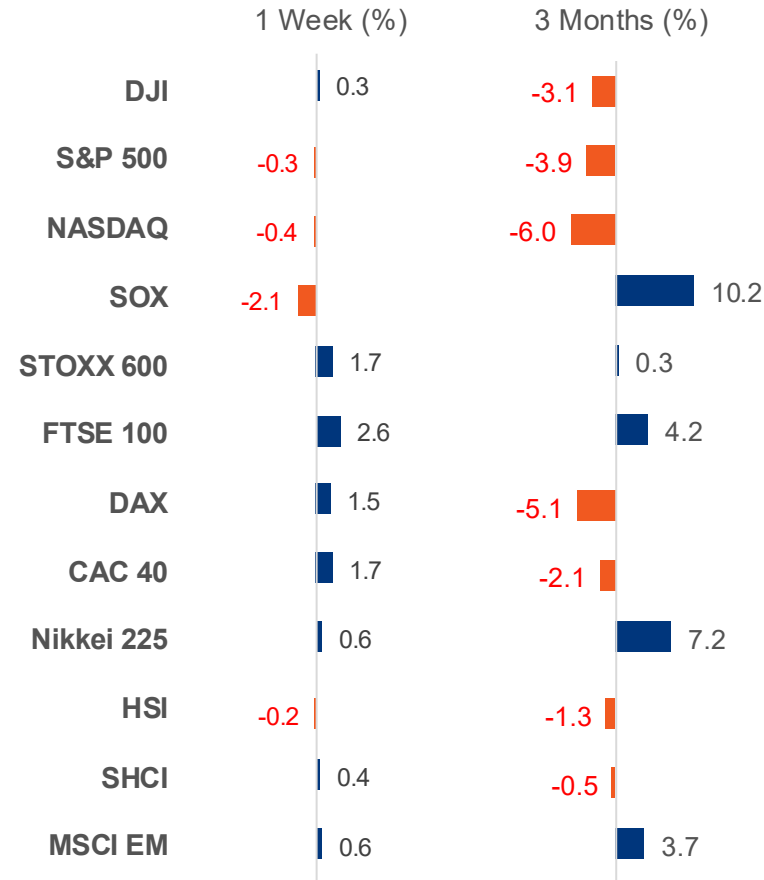
Source: Bloomberg, KGI

## Market Recap

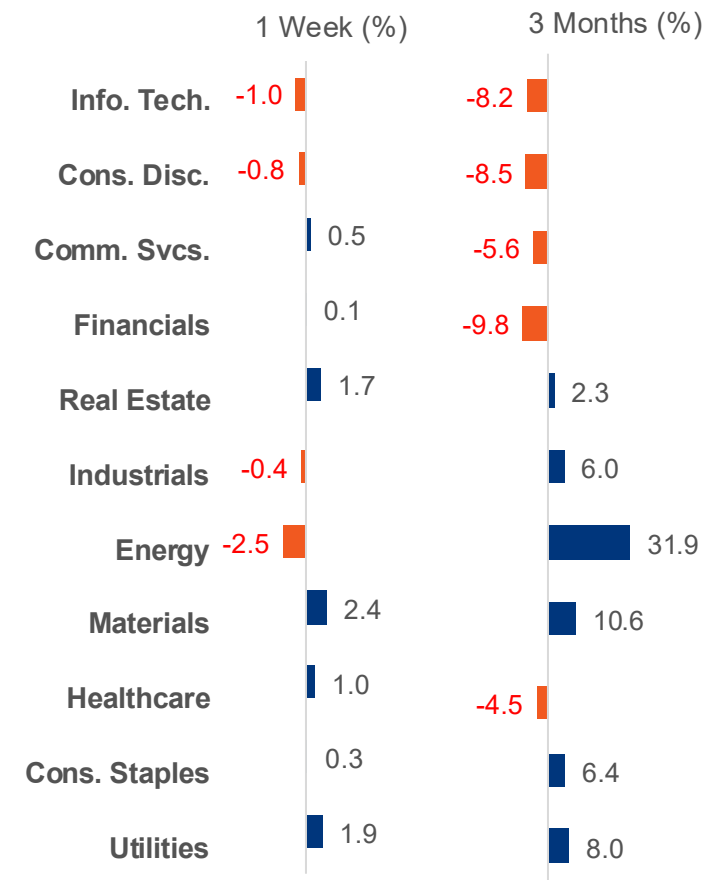
## Ceasefire Signals Emerge but Volatility Persists; Memory Price Weakness Weighs on Tech

- ▶ Iran signaled willingness to end the conflict under security guarantees, while Trump claimed a decisive victory and near achievement of strategic objectives. With the U.S. set to intensify strikes and negotiations over the next 2–3 weeks, near-term uncertainty remains high, capping equity upside. Major indices traded sideways, with the Dow slightly higher, while the S&P 500 and Nasdaq edged lower. The Philadelphia Semiconductor Index underperformed, down 2.1%, as Google's TurboQuant launch raised concerns over weaker future demand for memory and storage. Declines in DDR5 pricing further pressured hardware demand, weighing on tech stocks. European markets were relatively stable, with the UK outperforming due to its defensive sector mix.
- ▶ Sector-wise, aside from tech weakness, energy has been the best-performing sector over the past three months. However, signs of easing geopolitical tensions triggered profit-taking, leading to recent pullbacks.

## Regional Index Performance (%)



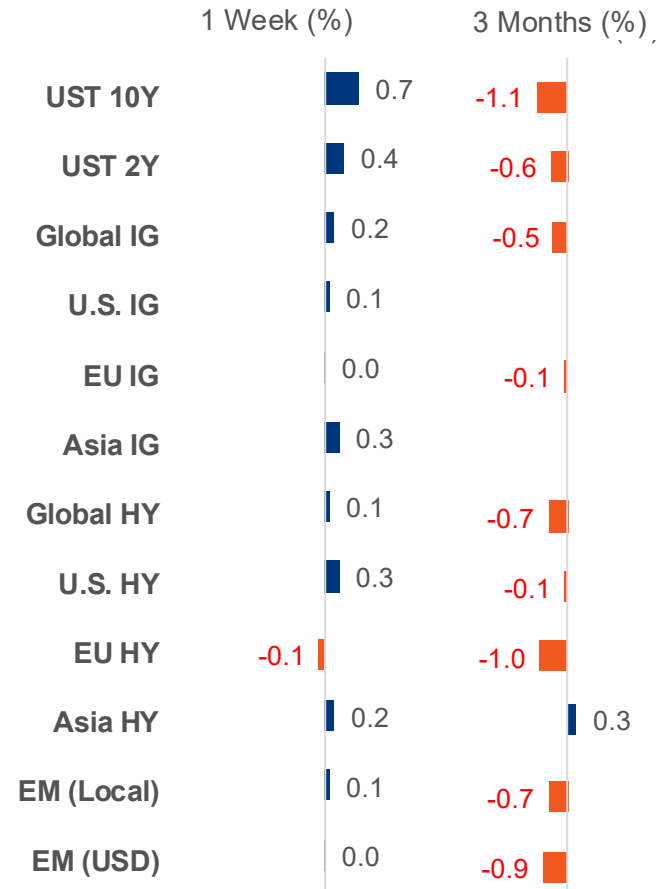
## U.S. Sector Index Performance (%)



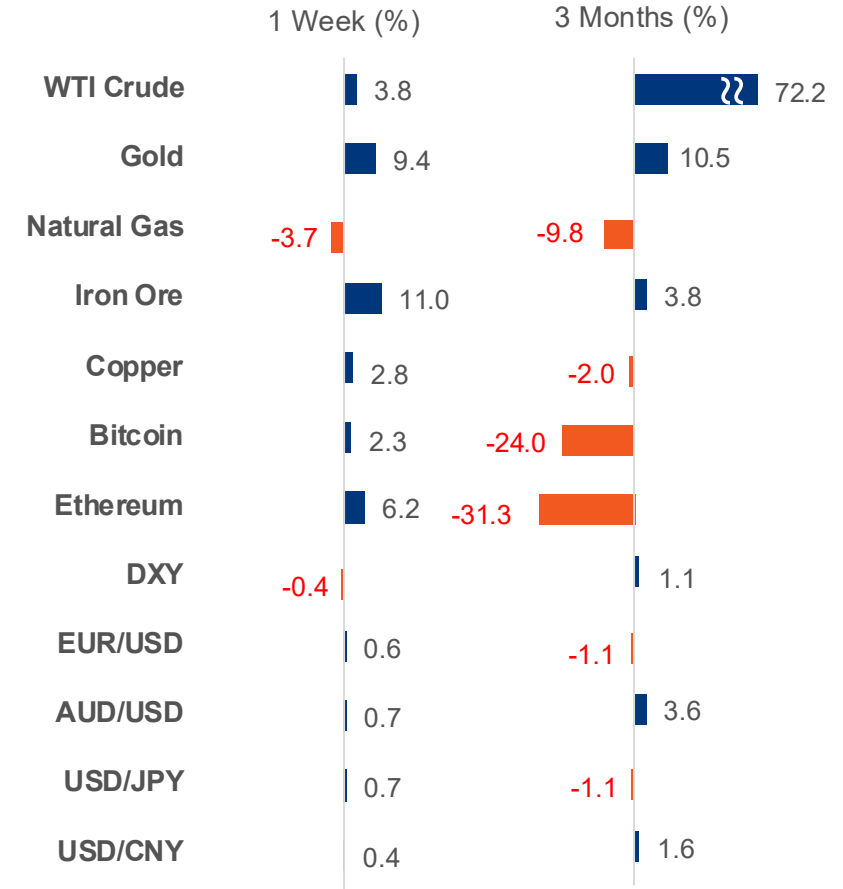
## Powell Eases Rate-Hike Concerns; Bonds and Precious Metals Rebound

- ▶ Bond markets this week reflected ongoing uncertainty around the Israel-Iran conflict, supporting gains across Treasuries and IG credit. However, persistent oil price strength has lifted inflation expectations, keeping bond markets under pressure over the past three months. On the 30th, Fed Chair Jerome Powell emphasized that monetary policy should not react to short-term oil price fluctuations, but remain focused on full employment and price stability, easing market concerns over further rate hikes.
- ▶ Rising inflation expectations had previously pushed long-term yields higher, weighing on non-yielding assets such as gold and silver, triggering profit-taking. This trend reversed after Powell's remarks, with both metals rebounding over the past week. The USD weakened initially on ceasefire signals but recovered after Trump indicated continued military action over the next 2–3 weeks. Overall, the USD remains softer on the week, supporting broad strength in non-USD currencies, with AUD outperforming, up 3.6% over the past three months.

### Performance of Bonds (%)



### Performance of Commodities and Currencies (%)

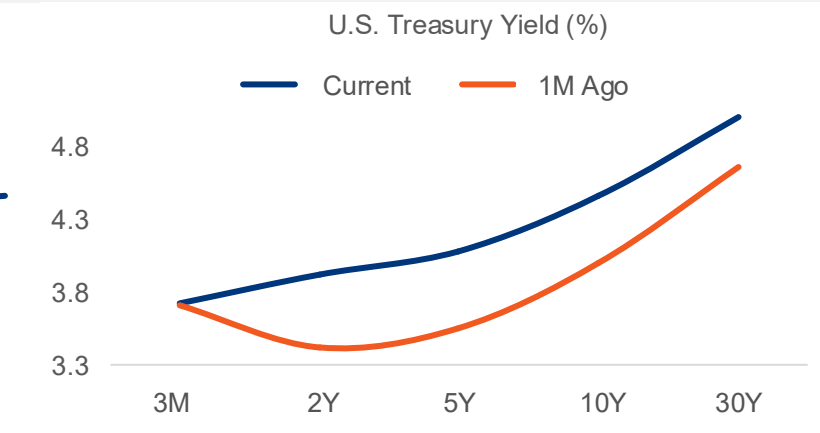
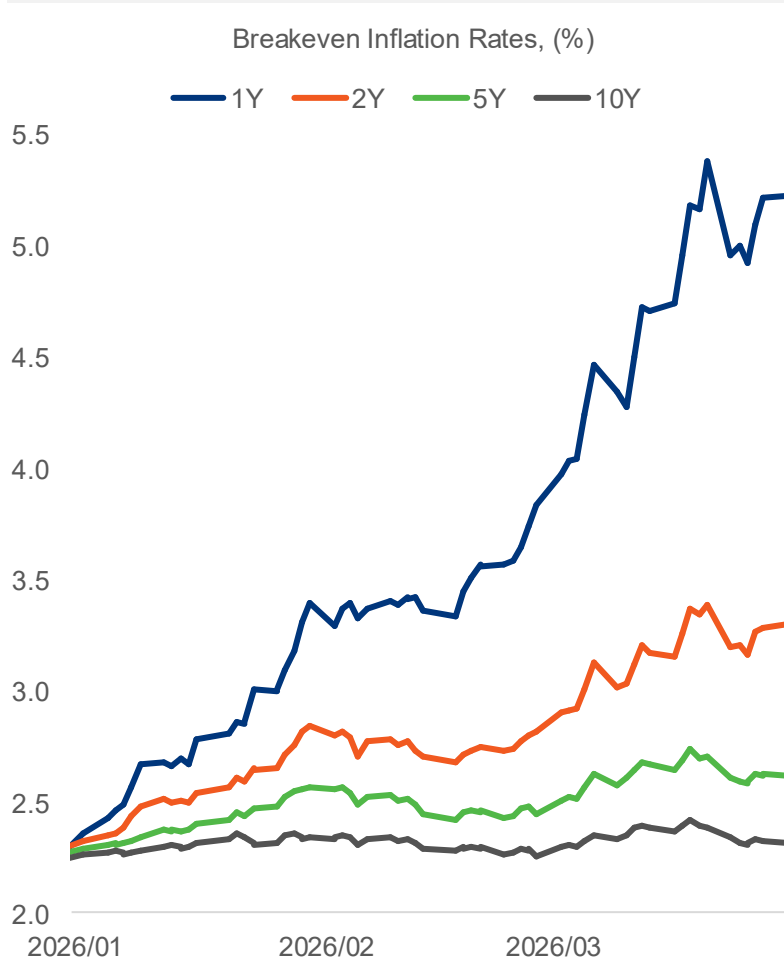


What's Trending

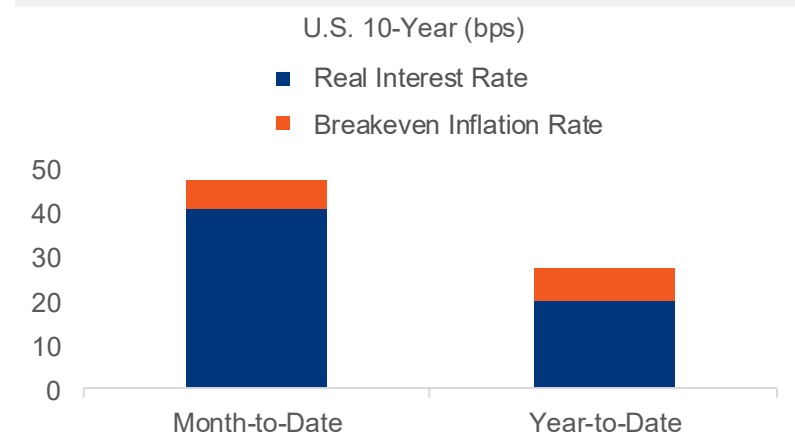
# Rising Inflation Risks Reprice Rate Cuts; 10Y Treasury Yields Surge

- ▶ The Israel-Iran conflict has entered its second month, pushing energy prices higher and driving broader macro spillovers. Oil prices are up over 40% YoY, directly lifting U.S. inflation. While base effects suggest this may be largely one-off, long-term inflation expectations remain anchored.
- ▶ However, the Fed is unlikely to resume rate cuts. The 2Y Treasury yield, reflecting policy expectations over the next two years, is now around 20 bps above the policy rate. Although Jerome Powell indicated no immediate need to adjust policy, rate hikes are no longer off the table. The 10Y Treasury yield has risen around 27 bps since year-end, driven mainly by higher real yields.
- ▶ Even if policy shifts toward tightening, higher rates are unlikely to curb oil-driven inflation but may suppress demand in other sectors, potentially slowing growth. Rising energy costs also crowd out consumer spending, which could eventually cap further increases in yields. We prefer IG credit given stronger fundamentals.

## Surge in Inflation Expectations Over the Next Year | 2Y Treasury Yield Reprices Higher; No Longer Pricing Rate Cuts



## Real Yields Drive Treasury Yield Increases



Source: Bloomberg

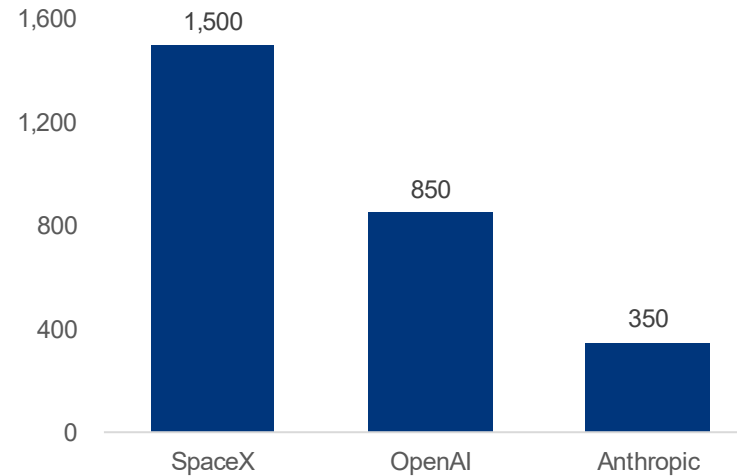
# Mega IPO Buzz; Index Rule Changes Fuel Passive Inflows

- ▶ Major index providers—FTSE Russell, S&P Dow Jones, and Nasdaq—are considering rule changes to shorten IPO inclusion timelines. Currently, S&P may require up to 12 months, while Nasdaq and FTSE typically require around three months. To capture upcoming mega listings such as SpaceX, Nasdaq is proposing faster inclusion, allowing companies with top-tier market caps to be added as early as 15 trading days post-listing. Minimum free float requirements may also be reduced from 10%/5% to 0%. While S&P has yet to announce changes, market reports suggest ongoing internal discussions to address future mega-unicorn listings.
- ▶ According to Bloomberg estimates, assuming a \$1.5tn valuation and 10% free float, passive ETF inflows alone could exceed \$32bn upon inclusion. Active funds may front-run these flows, supporting pre-listing positioning. Market expectations are that SpaceX could file as early as late March/early April, with a potential listing in June, driving recent pre-IPO momentum.

## Index Inclusion Review Period Shortened; Large-Cap IPOs Eligible for Fast-Track Inclusion

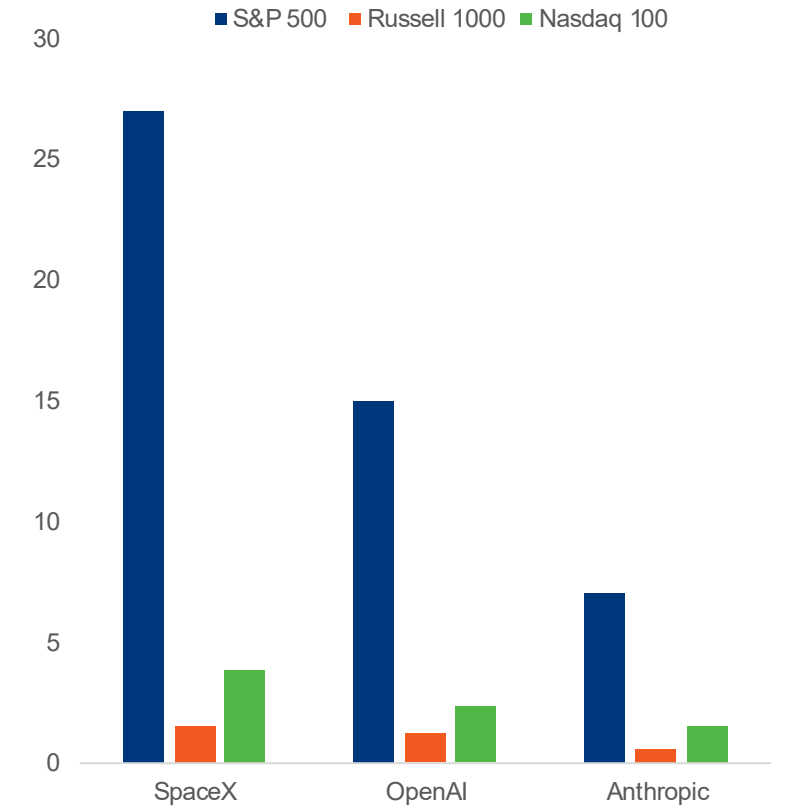
Index Provider	Index	Index Watch Period (Post-IPO)		Min Float	
		Current	Est.	Current	Est.
S&P Dow Jones	S&P 500	12 Months		10%	
Nasdaq	Nasdaq 100	3 Months	Pending	10%	0%
FTSE Russell	Russell U.S. 2000	Quarterly	Pending	5%	0%

Estimated Potential Market Cap (\$bn)



## Estimated Billions in Passive ETF Inflows to IPO

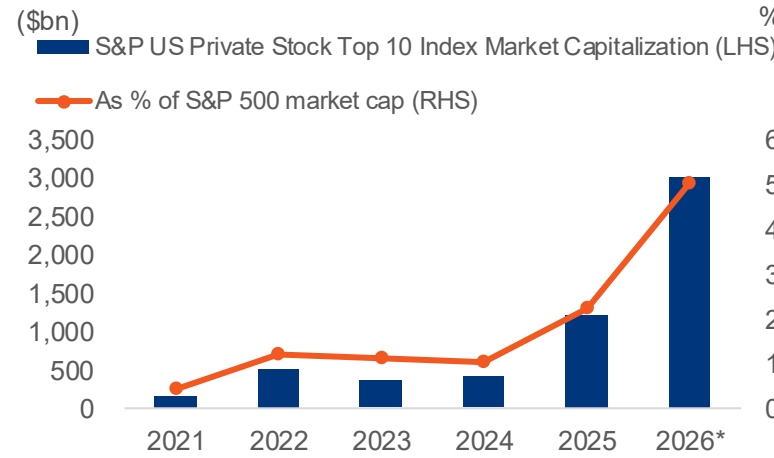
Estimated Passive ETF Inflows (\$bn, based on 10% free float)



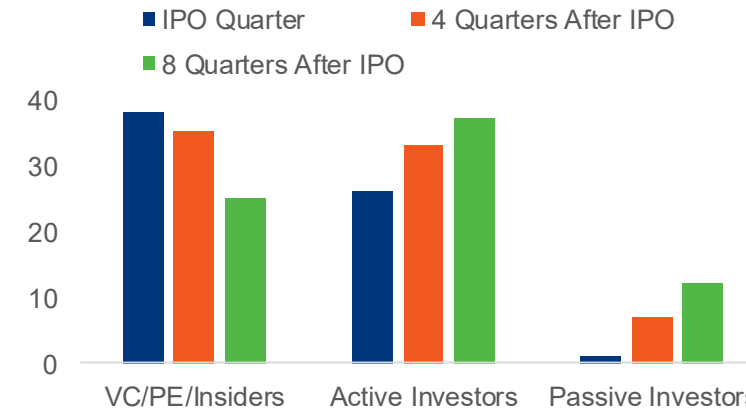
# SpaceX Valuation Rises Post xAI Merger; Strong Post-IPO Inflow Expected

- ▶ Recent AI developments have driven rapid valuation growth among unlisted unicorns — from about USD 1.2 trillion in the S&P U.S. Top 10 Private Stocks (2025) to over USD 3 trillion by end-February 2026, equating to nearly 5% of S&P market cap.
- ▶ As SpaceX is set to become the largest IPO since Tesla, both active and passive funds are expected to position ahead of listing. U.S. equity mutual funds currently hold ~\$162bn in cash, but this represents only ~1.3% of total assets—near a 20-year low—implying likely equity selling to fund allocations post-listing. Looking at Tesla’s S&P 500 inclusion, mega-cap tech initially underperformed over ~20 days but subsequently caught up, suggesting short-term pressure but long-term fundamentals remain key.
- ▶ From historical IPO trends (top 25 U.S. listings), VC/PE and insiders typically refrain from aggressive selling within the first year, while active and passive investors increase holdings. This supportive ownership structure provides strong technical backing for mega-cap IPOs.

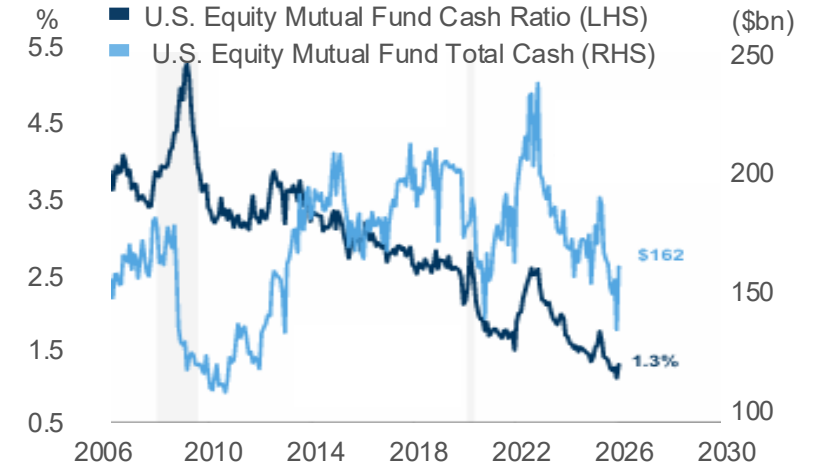
## Surging Private Unicorn Valuations; Strong Post-IPO Momentum Within One Year



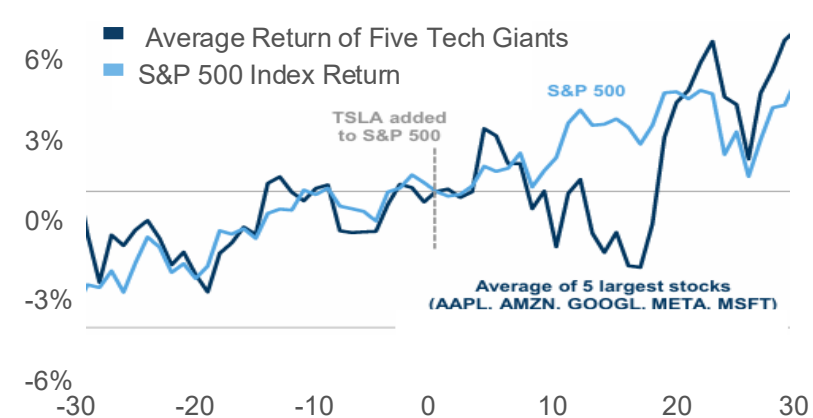
## Average Equity Changes of Top 25 U.S. IPOs Since 2021 (%)



## Low Fund Cash, Potential Rebalancing of Other Giants



## Performance Since Tesla’s Inclusion in S&P 500 (%)



Source: Bloomberg, GS, KGI

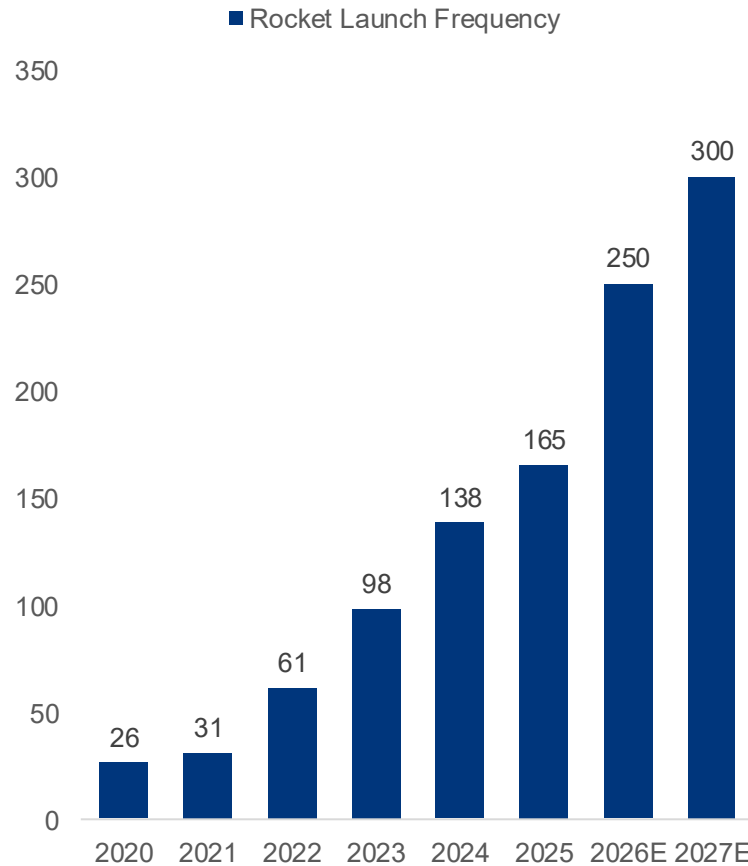
Note: 2026 reflects data as of end-February 2026\*

# Frequent SpaceX Launches Reinforce U.S. Space Dominance; Starlink Underpins Space-Based Data Infrastructure

- ▶ The global space technology market continues to expand steadily, with SpaceX leading commercialization and becoming the most active launch provider across both private and government missions. Its Starlink program leverages reusable rockets and mass satellite production to significantly reduce launch costs. Each Starship launch can carry 60–90 satellites. Global low Earth orbit (LEO) satellites exceeded 5,000 in 2023, with SpaceX accounting for over 50%, reaching breakeven and beginning to generate profits. By 2025, its share is expected to approach 80%, with active satellites surpassing 10,000 this year. Extensive launch experience has driven meaningful cost reductions, with estimates suggesting China’s launch costs remain 6–10x higher than SpaceX.
- ▶ SpaceX is entering a phase of rapid launch acceleration, with launches projected to nearly double from 165 in 2025 over the next two years. Amid rising AI-driven power demand and slow approvals for terrestrial data centers, the concept of space-based data centers is gaining traction, requiring increased launch capacity. This dynamic is emerging as a key catalyst for SpaceX’s IPO, with strong capital support likely driving further upside revisions to launch volumes.

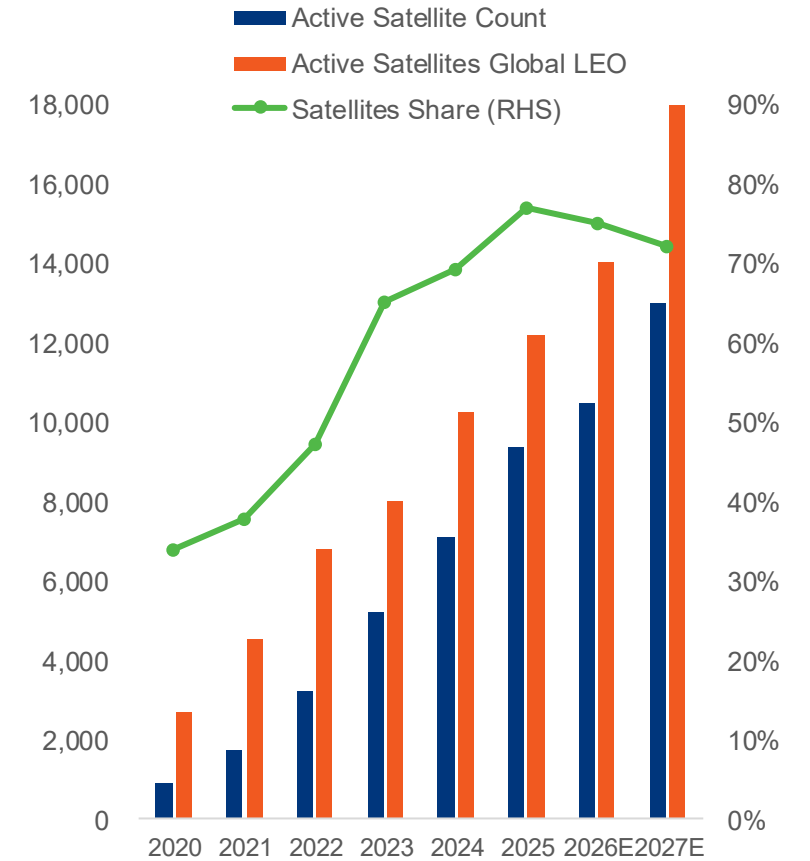
## SpaceX Launch Frequency Accelerates into Expansion Phase

Annual Rocket Launch Count (Actual & Forecast)



## Starlink Leads Commercialization; LEO Satellite Share Near 80%

Active Satellites (Count)



Source: SpaceX, Bloomberg

# Asset Strategy

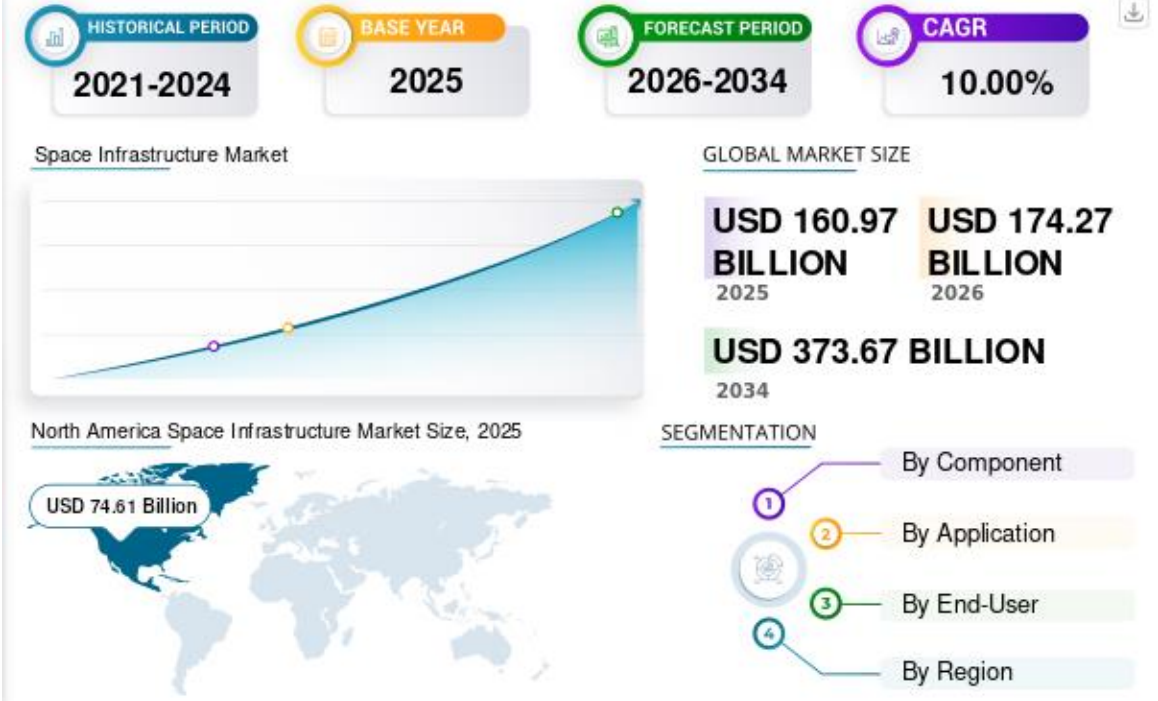
Asset Type	Market View	Preferred Assets
<b>Equities</b>	<ul style="list-style-type: none"> <li>◆ Geopolitical tensions continue to drive oil prices higher, lifting inflation expectations and raising risks of higher production costs and equity valuation resets. U.S. equities are likely to remain volatile near term, with valuation compression. Tech is pressured by concerns over weaker demand following Google's new technology. Given macro uncertainty and rising volatility, we prefer defensive, low-volatility, and high-quality names (e.g., staples, healthcare, utilities, telecom). AI-related sectors (tech, communication services, consumer discretionary, industrials) are preferred later in 2Q.</li> <li>◆ Europe and Japan offer diversification, with Japan showing stronger upside potential. Japanese equities favor value and financials, particularly banks, with additional upside from HALO-themed trading houses. European equities remain supported by fiscal-driven valuations, with Germany and the UK as key markets.</li> </ul>	<p><b>Strategy:</b> Core allocation to large-cap quality and defensive sectors (telecom, utilities); long-term positioning in AI (tech, semis, machinery); non-AI exposure to aerospace, defense, and value stocks</p> <p><b>Regions:</b> Japan (banks, semis); UK and Europe</p>
<b>Bonds</b>	<ul style="list-style-type: none"> <li>◆ Fed policy should not react to short-term oil price fluctuations, but remain focused on employment and inflation stability, helping anchor rate expectations. However, with oil prices elevated and geopolitical risks unresolved, U.S. Treasury yields may trend higher in 2Q. IG credit remains resilient with defensive characteristics. Investors can use rate rebounds to add medium-duration bonds, focusing on attractive risk-adjusted spreads in sectors such as financials, telecom, utilities, industrials, and energy.</li> <li>◆ The USD is firm near term but faces depreciation risks longer term. Diversification into non-USD bonds is recommended, including EUR- and AUD-denominated IG credit.</li> </ul>	<p><b>Types:</b> Medium-duration IG bonds</p> <p>Sectors: Financials, telecom, utilities, industrials, energy</p> <p><b>Satellite Allocation:</b> Non-USD bonds for diversification</p>
<b>Forex</b>	<ul style="list-style-type: none"> <li>◆ Geopolitical uncertainty continues to support oil prices, while major central banks remain cautious. The USD is firm in the near term but biased weaker over the medium to long term.</li> <li>◆ In 2Q, the USD is likely to consolidate at elevated levels, while RMB may strengthen relative to USD. EUR and JPY are expected to trade range-bound.</li> </ul>	<p><b>USD</b> firm short term, weaker medium term (limited downside)</p> <p><b>EUR and JPY</b> range-bound; RMB biased stronger</p>
<b>Commodity</b>	<ul style="list-style-type: none"> <li>◆ Gold is pressured near term by a stronger USD and higher U.S. yields. However, geopolitical risks, competition for strategic resources, and tariff-driven uncertainty continue to support its allocation value. We maintain a constructive medium- to long-term view on gold; sharp corrections present opportunities to accumulate gradually.</li> </ul>	<p><b>Gold:</b> constructive medium to long term; accumulate on dips</p>



## Commercial Spaceflight to Usher in a New Capital Boom

- ▶ U.S. March Nonfarm Payrolls: Added 178,000 jobs, higher than the revised prior decrease of 133,000 jobs, and above market expectations of 65,000 jobs.
- ▶ U.S. March ISM Manufacturing PMI: Came in at 52.77, above the prior 52.44 and exceeding market expectations of 52.3.
- ▶ U.S. February Retail Sales: Rose 0.6% MoM, rebounding from January's 0.1% decline, and beating market expectations of a 0.5% increase.
- ▶ U.S. March ADP Employment: Added 62,000 jobs, lower than the revised prior 66,000, but above market expectations of 40,000 jobs.
- ▶ SpaceX IPO Filing: SpaceX has officially submitted its IPO application to the U.S. SEC. The company, centered on satellite manufacturing and rocket launches, is pursuing a confidential listing process. The planned fundraising size is between USD 40–80 billion, with a potential overall valuation surpassing USD 1.75 trillion. Following the AI investment wave, commercial space is expected to emerge as a new capital market theme. With SpaceX's listing, related industries are projected to attract massive capital inflows, offering broad growth prospects.

### Global Space Infrastructure Market Size and Growth Forecast



# AST SpaceMobile (ASTS)

**Closing Price** US \$92.62

**Target Price** US \$120

A telecommunications company providing space-based broadband networks accessible directly via standard smartphones, serving both commercial and government applications globally.

### Commercialization Accelerates; Scaling Satellite Deployment

AST is transitioning from proof-of-concept to large-scale deployment. BlueBird satellites are entering early commercialization in 2025, with 2025 revenue expected at ~\$709mn and orders exceeding \$1bn. The company targets 45–60 satellites by end-2026. BlueBird supports speeds up to 120 Mbps, with partners including AT&T and Verizon, positioning AST as a key player in satellite-based broadband.

### Strong Strategic Backing from Governments and Telcos

AST has secured partnerships with major telecom operators including AT&T, Verizon, Rakuten, Vodafone, Orange, Telefónica, CK Hutchison, and Taiwan Mobile. It has also received ~\$300mn from the U.S. Space Development Agency (SDA) under the HALO program and holds a strategic role in the Missile Defense Agency’s SHIELD program. Post-2H26 financing, liquidity is expected to exceed \$3bn, supporting expansion and commercialization.

### 4Q25 Earnings Miss; Launch Ramp Key for 2026

4Q25 revenue rose 5,430% YoY to \$43.0mn, below consensus of \$127.5mn. GAAP EPS was -\$0.26 (vs. -\$0.06 expected). Backlog exceeds \$1bn, with a target of one launch every 1–2 months, reaching 45–60 satellites by end-2026.

### Valuation Consensus

Bloomberg 12M average TP: \$98.15 (high: \$139; low: \$41.2)

Source: Bloomberg, Market.us

### 1-Year Price

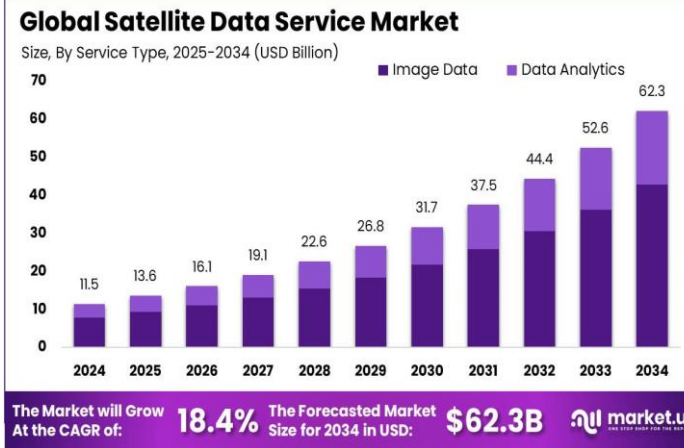


### Financials

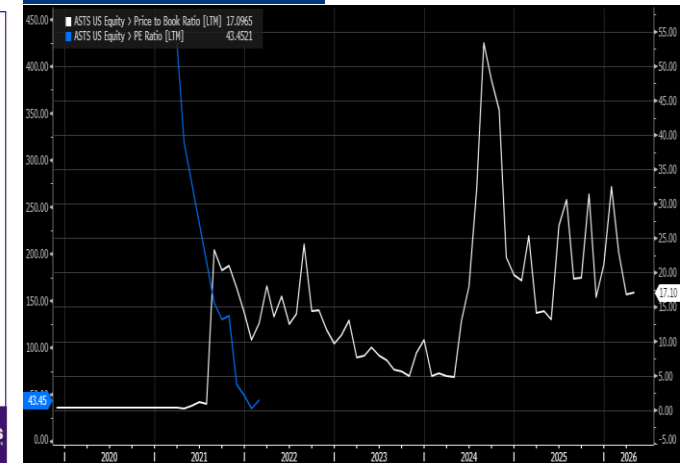
	2023	2024	2025	2026F	2027F
Revenue Growth(%)	N/A	N/A	1505.2	154.4	370.4
EBITDA (%)	N/A	-3964.9	-323.3	-113.6	41.8
EPS(USD)	-1.07	-1.93	-1.33	-1.01	0.06
Net Profit Margin(%)	-85.34	-80.62	31.34	23.82	N/A

Source: Bloomberg; 2026/27F are market estimates

### Global Satellite Data Services Market



### P/E & P/B



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# ATI Inc. (ATI)

**Closing Price** US \$146.63

**Target Price** US \$170

A specialty materials manufacturer producing high-performance alloys, including titanium, nickel-based alloys, stainless steel, and specialty metals, serving aerospace, defense, energy, and industrial customers.

## Moat in Aerospace Materials

ATI is a leading supplier of titanium and nickel-based alloys, with capabilities across six advanced alloys, including five with sole-supplier positioning. It holds a dominant role in key jet engine components. The aerospace backlog is strong, with Airbus and Boeing expected to deliver 8,770 and 6,734 aircraft, respectively, by 2026. Rising OEM and MRO demand supports long-term growth in ATI's titanium and nickel products.

## Defense Business Scaling Up

Defense is becoming a key growth driver, with segment revenue up 68% in 4Q. Global defense spending is projected to reach \$2.63tn in 2025. ATI is benefiting from both defense and commercial aerospace demand, reinforcing its growth outlook.

## 4Q25 Earnings Beat; Positive 2026 Outlook

4Q25 revenue rose 9% YoY to \$1.18bn (vs. \$1.00bn expected). Non-GAAP EPS was \$0.93 (vs. \$0.86 expected). 2026 EBITDA is guided at \$2.16–\$2.26bn, with EPS of \$0.83–\$0.89. Full-year 2026 EBITDA is expected at \$10.25bn, with adjusted EPS of \$3.99–\$4.27 and FCF of \$430–\$490mn.

## Valuation Consensus

Bloomberg 12M average TP: \$160.55 (high: \$191; low: \$140)

Source: Bloomberg

## 1-Year Price

(USD)



## 2026FY Outlook

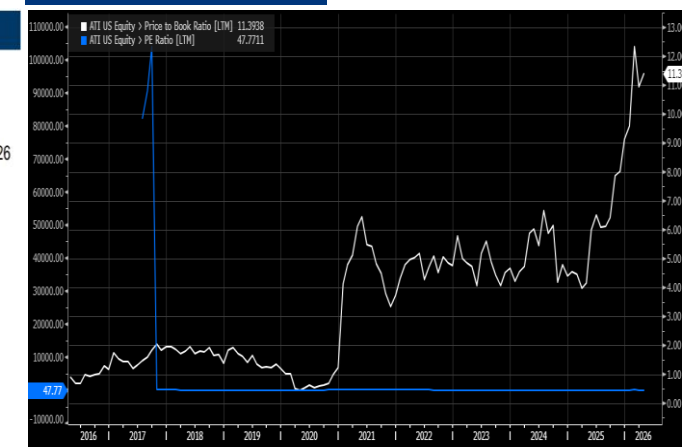
First Quarter 2026		Key Assumptions
Adj. EPS <sup>1,2</sup>	Adj. EBITDA <sup>2</sup>	
\$0.83 - \$0.89	\$216 - \$226 million	<b>Key Drivers</b> <ul style="list-style-type: none"> <li>✓ Double digit growth in Jet Engine and Defense</li> <li>✓ Airframe recovery to begin ramping in second half 2026</li> <li>✓ Specialty Energy emerging growth driver</li> </ul>
Full Year 2026		<b>2026 Focus Areas</b> <ul style="list-style-type: none"> <li>✓ Core Revenue Growth</li> <li>✓ Adjusted EBITDA Growth and Margin Expansion</li> <li>✓ Adjusted FCF Generation</li> <li>✓ Incremental Margins</li> </ul>
Adj. EPS <sup>1,2</sup>	Adj. EBITDA <sup>2</sup>	
\$3.99 - \$4.27	\$975 - \$1,025 million	
Adj. FCF <sup>1</sup>		
\$430 - \$490 million		

## Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	8.8	4.5	5.2	8.5	8.9
EBITDA (%)	16.1	18.3	19.3	20.4	21.6
EPS(USD)	3.07	2.65	3.17	4.18	5.04
Net Profit Margin(%)	64.47	-13.67	19.27	32.02	20.62

Source: Bloomberg; 2026/27F are market estimates

## P/E & P/B



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## Appendix

## Key Economic Data / Events

## ► MAR 2026

**30** Monday

- Eurozone Mar Consumer Confidence (final) (Act:-16.3 Prev:-12.3)

**31** Tuesday

- US Mar Conference Board Consumer Confidence (Act:91.8 Est:87.9 Prev:91.0)
- US Feb JOLTS Job Openings (Act:6,882k Est:6,890k Prev:7,240k)
- Japan Feb Unemployment Rate (Act:2.6% Est:2.7% Prev:2.7%)
- China Mar Manufacturing PMI (Act:50.4 Est:50.1 Prev:49.0)
- China Mar Services PMI (Act:50.1 Est:49.9 Prev:49.5)

## ► APR 2026

**1** Wednesday

- US Feb Retail Sales MoM (Act:0.6% Est:0.5% Prev:-0.1%)
- US Mar ADP Employment (Act:62k Est:40k Prev:66k)
- US Mar S&P Global Manufacturing PMI (final) (Act:52.3 Est:52.4 Prev:51.6)
- US Mar ISM Manufacturing (Act:52.7 Est:52.3 Prev:52.4)
- Japan Mar S&P Global Manufacturing PMI (final) (Act:51.6 Prev:53.0)
- Eurozone Feb Unemployment Rate (Act:6.2% Est:6.1% Prev:6.1%)

**2** Thursday

- US Initial Jobless Claims (Act:202k Est:212k Prev:211k)

**3** Friday

- US Mar Nonfarm Payrolls (Act:178k Est:65k Prev:-133k)
- US Mar Unemployment Rate (Act:4.3% Est:4.4% Prev:4.4%)
- US Mar S&P Global Services PMI (final) (Act:49.8 Est:51.1 Prev:51.7)

**6** Monday

- US Mar ISM Services PMI (Act:54.0 Est:54.9 Prev:56.1)

**7** Tuesday

- US Feb Durable Goods Orders MoM (prelim) (Est:-1.0% Prev:0.0%)
- Eurozone Apr Sentix Investor Confidence (Est:-8.0 Prev:-3.1)

**8** Wednesday

- Eurozone Feb Retail Sales MoM (Est:-0.2% Prev:-0.1%)

**9** Thursday

- US Initial Jobless Claims (Est:210k Prev:202k)
- US Mar FOMC Minutes US Feb PCE YoY (Est:2.8% Prev:2.8%)
- US Feb Core PCE YoY (Est:3.0% Prev:3.1%)
- U.S. Q4 GDP Annualized QoQ (final) (Revised:0.7% Prev:4.4%)
- Japan Mar Machine Tool Orders (prelim) (Prev:24.2%)

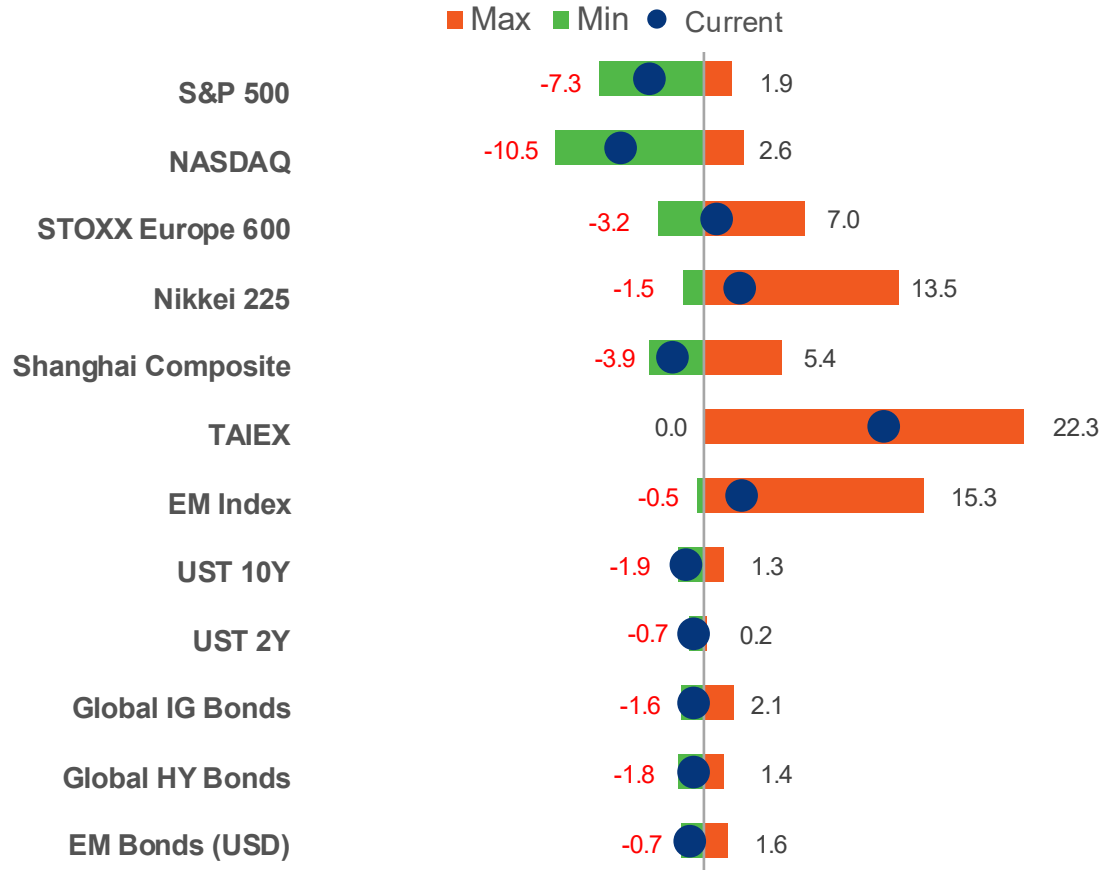
**10** Friday

- US Mar CPI YoY (Est:3.4% Prev:2.4%)
- US Mar Core CPI YoY (Est:2.7% Prev:2.5%)
- US Apr Michigan Consumer Sentiment (prelim) (Est:51.5 Prev:53.3)
- US Feb Durable Goods Orders (final) (Prev:0.0%)
- Japan Mar PPI YoY (Est:2.3% Prev:2.0%)
- China Mar CPI YoY (Est:1.1% Prev:1.3%)

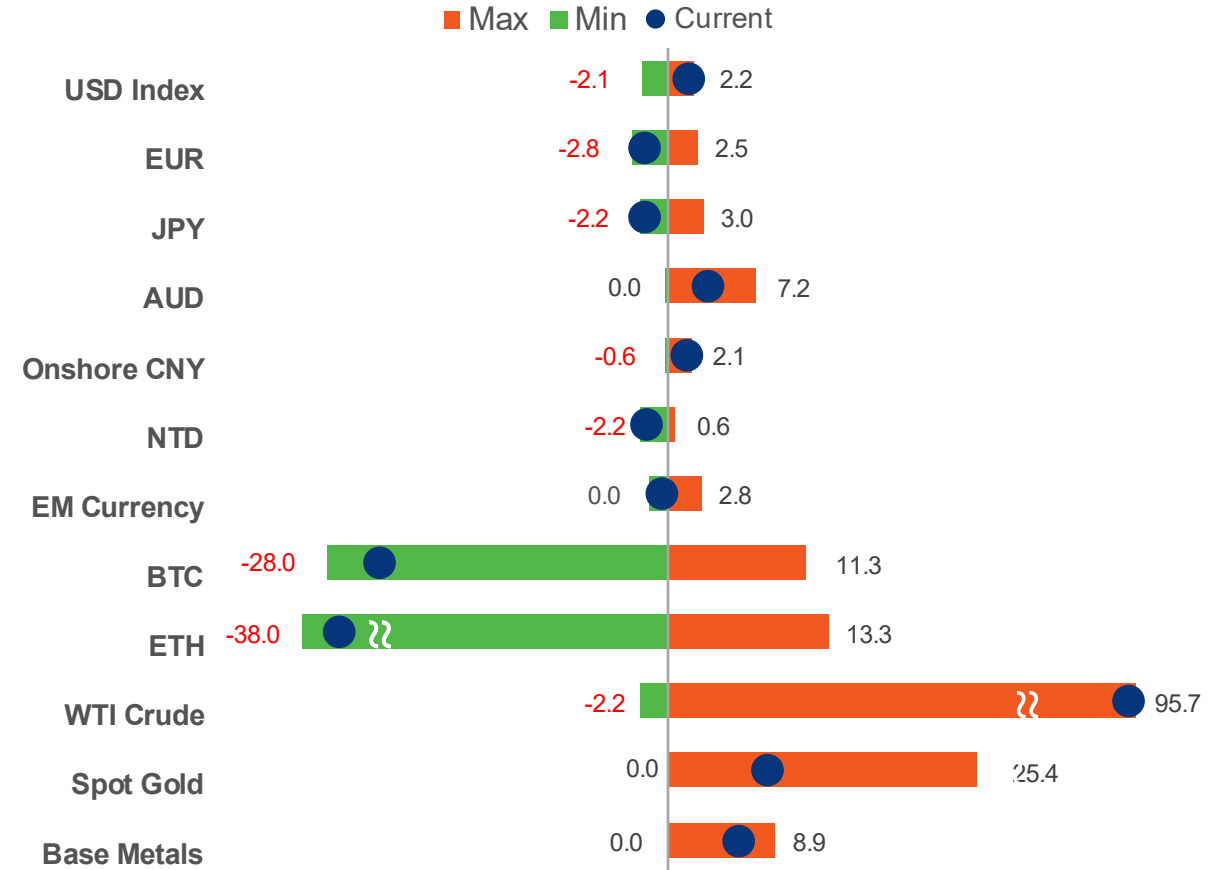
Source: Bloomberg

# Major Market / Asset YTD Performance

## Equities & Bond Markets YTD Performance (%)

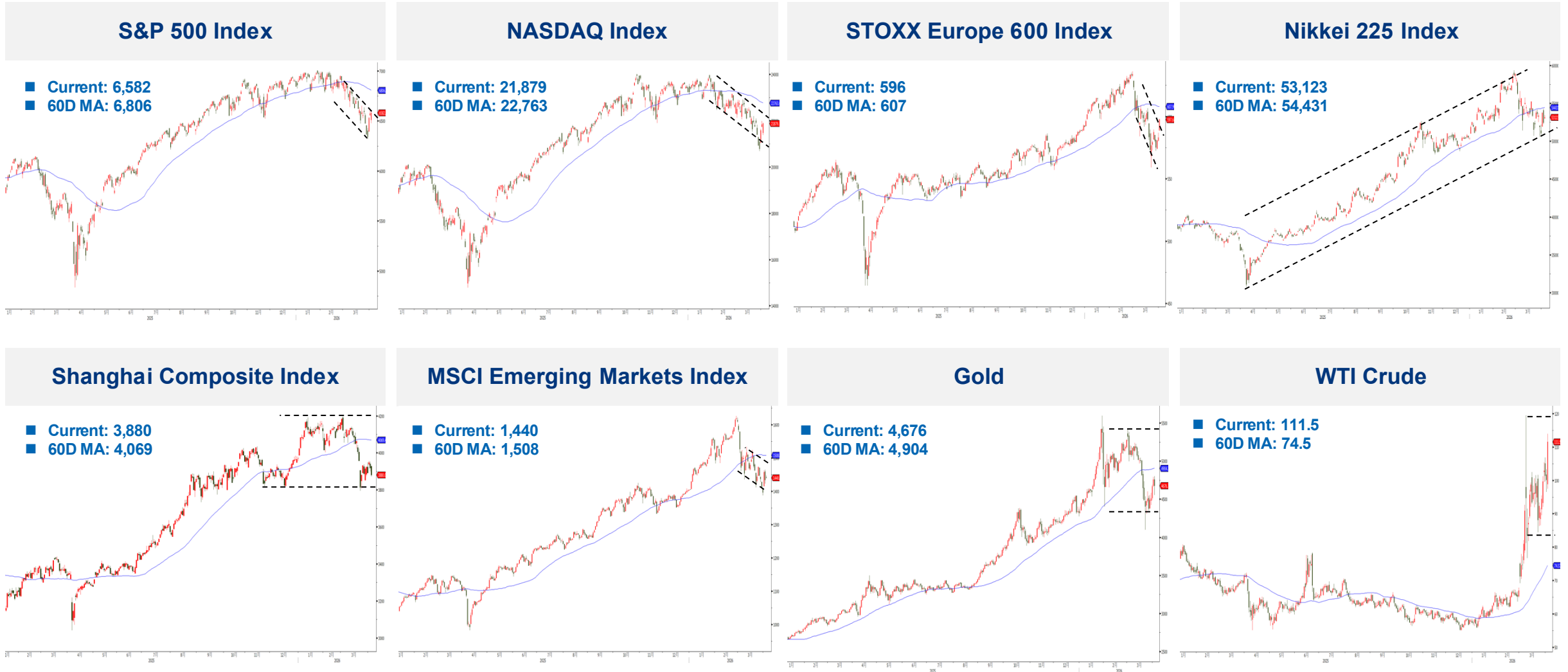


## Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg

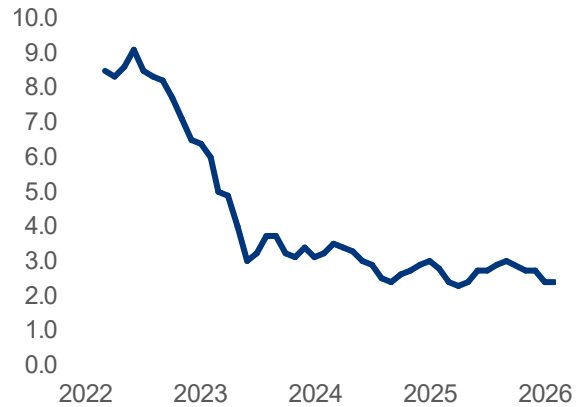
# Technical Analysis



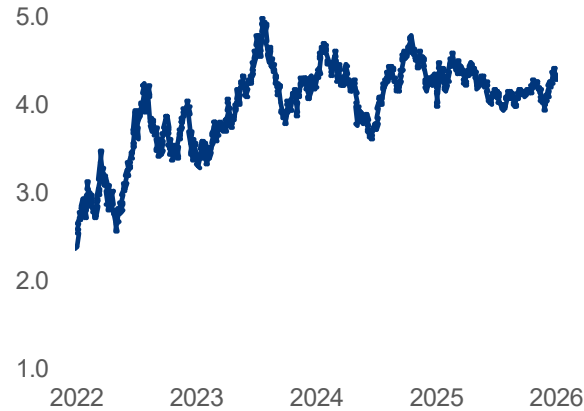
Source: Bloomberg

# Market Monitor

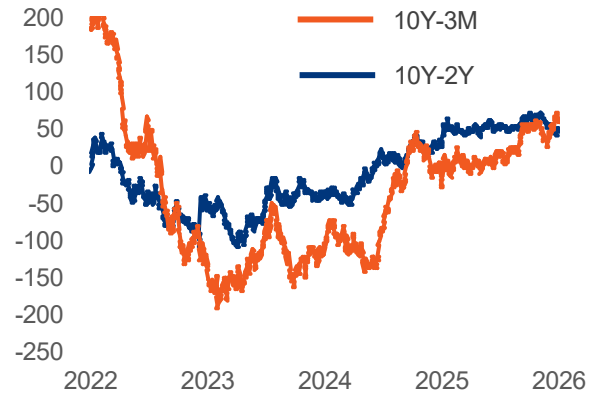
**U.S. CPI YoY (%)**



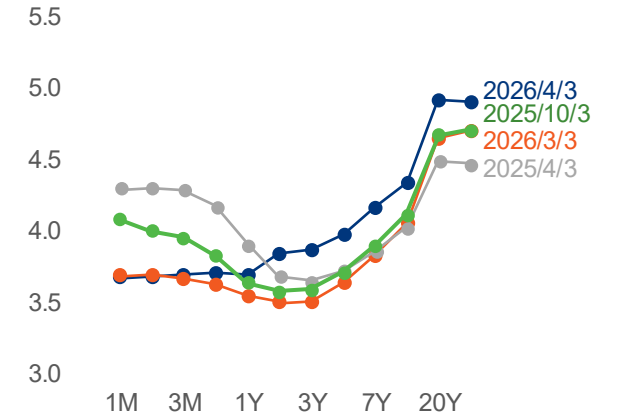
**U.S. 10-Year Treasury Yield (%)**



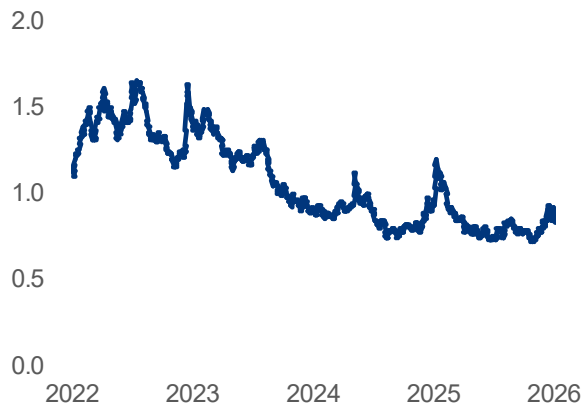
**U.S. Treasury Yield Spread (bps)**



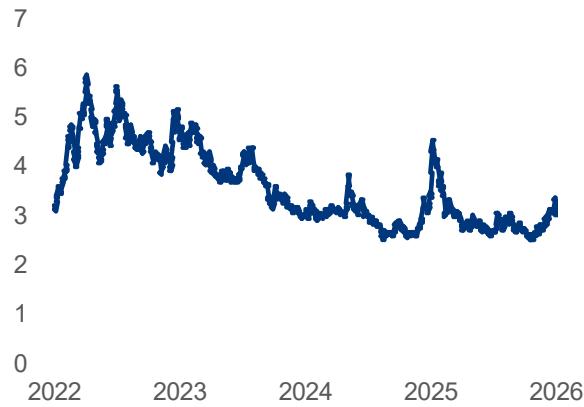
**U.S. Treasury Yield Curve (%)**



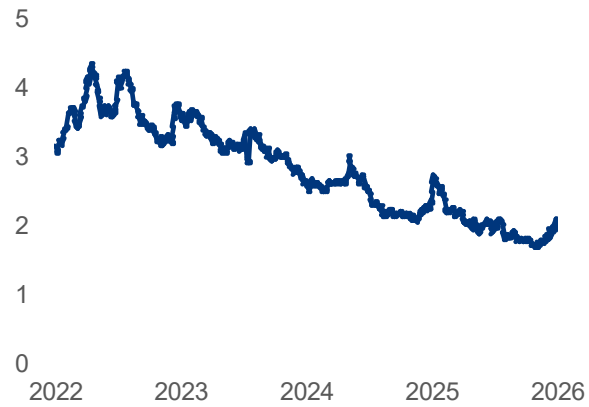
**USD IG Credit Spread (%)**



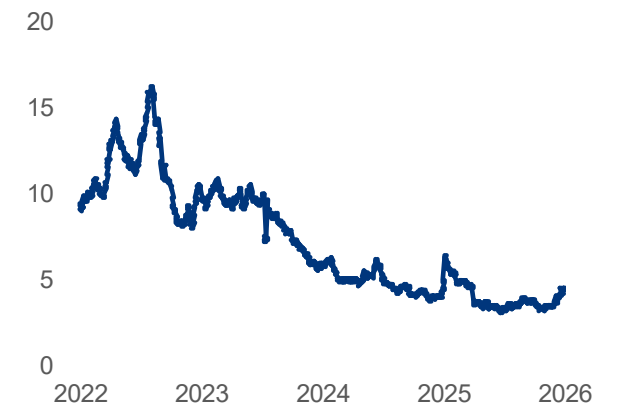
**USD HY Credit Spread (%)**



**USD EM Credit Spread (%)**

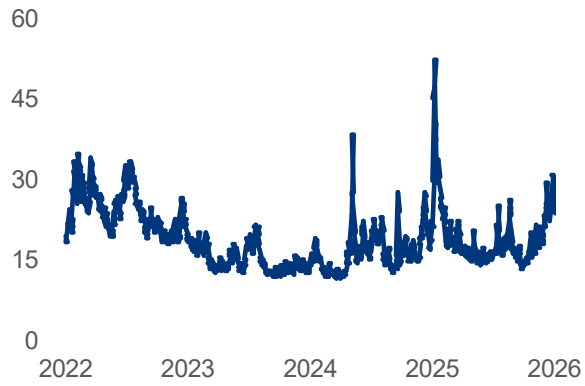


**USD Asia Credit Spread (%)**

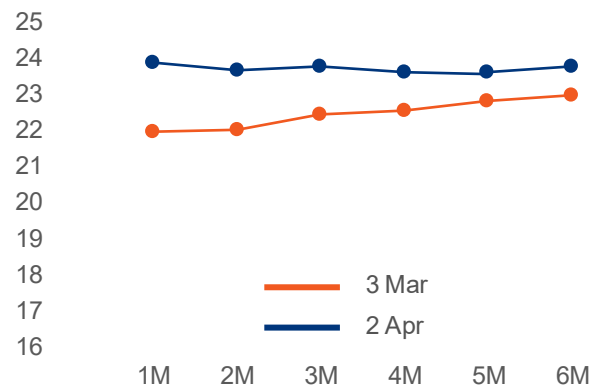


# Market Monitor

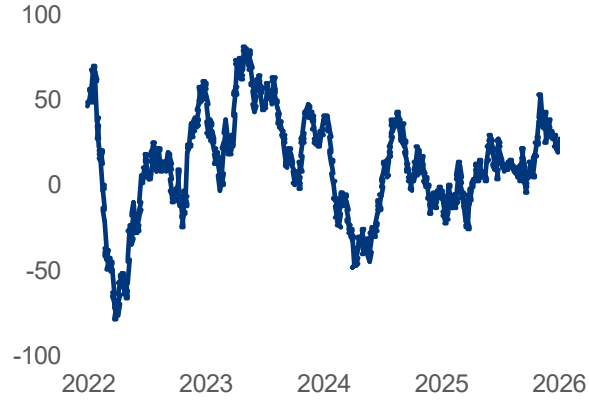
VIX Index



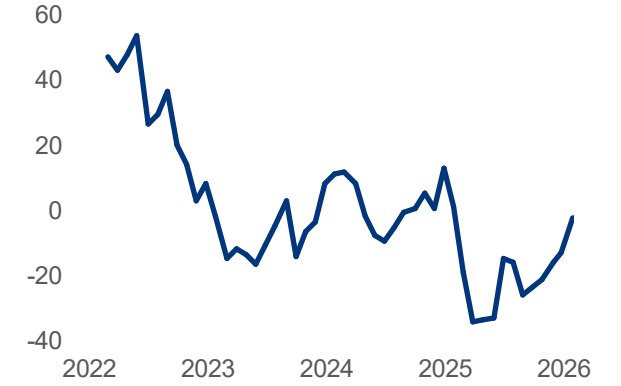
VIX Term Structure



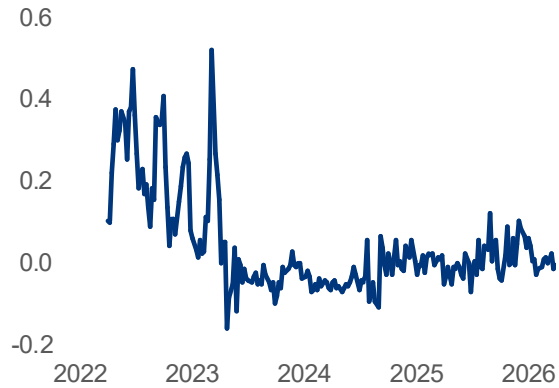
U.S. Citi Economic Surprise Index\*



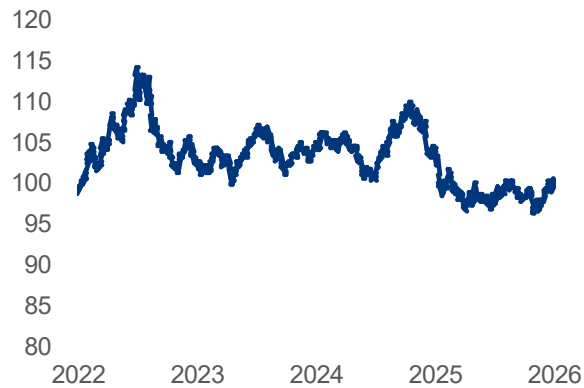
U.S. Citi Inflation Surprise Index\*



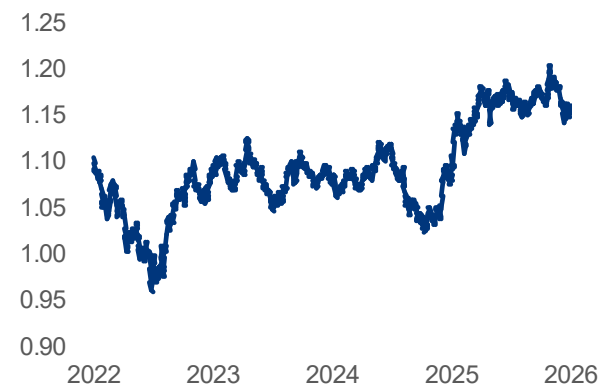
TED Spread (bps)



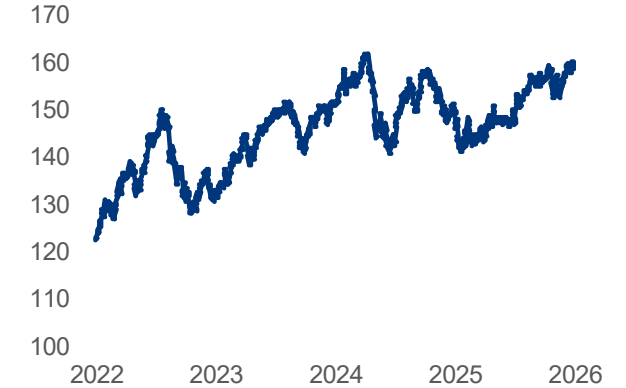
U.S. Dollar Index



EUR to USD



USD to JPY



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