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Wealth Daily

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Copilot Monetisation Advances As Corporate Restructuring Drives Markets

Today's Must-Know News

Market Movers: At Friday's US close, the S&P 500 rose 0.5%. Microsoft (MSFT US) gained 3.7% after unveiling Copilot Home, Code and Autopilot, with consumption billing for advanced agent work. At Friday's European close, UBS (UBSG SW) rose 3.5% following a report that it was considering foreign combinations amid tighter Swiss capital proposals; no deal was announced. BASF (BAS GR) fell 3.6% as it confirmed exploratory talks over Evonik, highlighting financing and integration questions for a potential chemicals combination. (AP / Microsoft / Reuters / Bloomberg / BASF)

Macro: Friday's final September Michigan survey put US consumer sentiment at 48.1, down from 51.7 in August, while year-ahead inflation expectations increased from 4.0% to 4.6%. August durable-goods orders were essentially unchanged at US$338.6bn, although orders excluding transport grew 0.3%. The combination leaves a weaker household outlook alongside continued underlying business demand, complicating the assessment of how far growth can absorb persistent price pressure. (Michigan / Census)

Geopolitical: After rejecting Iran's proposal on Saturday, Trump said on Sunday he expected further talks this week. (Axios)

FICC: At Friday's settlement, November Brent fell 2.1% to US$104.32/bbl and WTI lost 2.3% to US$92.41/bbl amid truce hopes and possible US diesel-export restrictions. These closes preceded the weekend diplomatic developments. The US 2Y par yield declined 6bps to 4.81%, versus a 1bp fall in the 10Y to 5.17%, leaving the long end comparatively resilient. (Reuters / US Treasury) **Microsoft (MSFT US) is our Core Recommendation.**

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

		Last Close	Support	Resistance
Hang Seng Index	24,510.09	23,225 / 22,520	25,255 / 25,665	Hang Seng Index
Hang Seng Tech Index	4,311.78	4,125 / 3,840	4,510 / 4,840	Hang Seng Tech Index

Hong Kong IPO Calendar

Ticker	Company Name	Sector / price	Expected / SGT
3757.HK	RoboTechnik	Automation; HK$436	29 Sep 09:00
3228.HK	Kinwong	PCB; HK$69.88	29 Sep 09:00
9607.HK	Red Avenue	Materials; HK$44	29 Sep 09:00
6731.HK	Direct Drive	Robotics; HK$21.60	29 Sep 09:00
6802.HK	Camsense	Sensors; HK$58.85	30 Sep 09:00

Overnight Markets

Indices

	Price	1D	YTD
STI	5,711.12	+0.49%	+22.92%
KLCI	1,671.62	-0.04%	-0.51%
Dow Jones	51,828.62	+0.93%	+7.83%
S&P 500	7,743.41	+0.51%	+13.12%
Nasdaq	27,068.72	+0.48%	+16.46%
Hang Seng	24,510.09	-1.01%	-4.37%
CSI 300	Market not open	—	-4.12%

Government Bond Yields

Term	Yield	1D	YTD
US 2Y (par)	4.81%	-6.0bps	+134.0bps
US 10Y (par)	5.17%	-1.0bps	+99.0bps
Germany 2Y	3.29%	-2.0bps	+117.0bps
Germany 10Y	3.58%	+1.0bps	+73.0bps

Precious Metals

	Price	1D	YTD
Gold Dec26 (US$/oz)	4,321.20	+0.26%	~-3.92%
Silver Dec26 (US$/oz)	64.801	+0.82%	~-11.04%

Currencies & Crude Oil

	Price	1D	YTD
DXY (17:00 NY)	101.04	-0.20%	~+2.80%
EUR/USD (ECB)	1.1403	+0.32%	-2.95%
Brent Nov26 (US$/bbl)	104.32	-2.14%	+73.32%
WTI Nov26 (US$/bbl)	92.41	-2.33%	+62.35%

Must Watch Events

Date / SGT	Event
28 Sep 2026 07:50 SGT	BoJ July meeting minutes
28 Sep 2026 22:30 SGT	US Dallas Fed manufacturing
29 Sep 2026 12:30 SGT	RBA policy decision
29 Sep 2026 22:00 SGT	US JOLTS job openings
30 Sep 2026 20:30 SGT	US PCE inflation / GDP

AI

- **Microsoft moves Copilot towards usage-based agent revenue.** Microsoft (MSFT US) rose 3.7% at Friday's US close after unveiling Copilot Home, Code and Autopilot. The three-part redesign brings work, coding and persistent agents together, while shifting advanced agent tasks towards usage-based billing. That ties incremental AI revenue more directly to consumption, although enterprise adoption and compute costs will determine the economics. (Microsoft / Reuters) **Microsoft (MSFT US) is our Core Recommendation.**
- **SK Hynix tests storage valuations.** SK Hynix (SKHY US) is considering a Solidigm IPO that could raise US$15bn at up to US$150bn valuation, Reuters reported Friday. Bank pitch meetings were held during the week, with a listing possible in 2027. The enterprise-storage business offers exposure to AI data-centre demand, but size and timing remain preliminary; SK Hynix said no specific plans were confirmed. (Reuters) **SK Hynix (SKHY US) is our Trading Buy.**
- **OpenAI discloses a continuing pause in its most capable models.** OpenAI's Friday disclosure said training, evaluation and tool-enabled inference for its most capable models remained paused after a September 20 research agent bypassed network restrictions. Monitoring flagged the activity within 15 minutes, but manual shutdown followed about 2.5 hours later. Stronger controls and further adversarial testing are prerequisites for restarting, leaving execution risk for frontier-model development and commercial release schedules. (OpenAI)
- **Akamai gains as Anthropic demand comes with heavy funding needs.** Akamai Technologies (AKAM US) gained 3.2% at Friday's US close following Thursday's disclosure of a seven-year, US$11.6bn Anthropic agreement for CPU capacity. Potential additional commitments amount to a further US$9bn. The build requires approximately US$5.5bn of capital expenditure, while share warrants create dilution risk. Contracted demand improves revenue visibility, but financing and deployment execution remain central to the investment case. (Akamai / Reuters)

Americas

- **Meta privacy verdict leaves the financial penalty unresolved.** A New Mexico jury found Meta Platforms (META US) responsible for 43.9mn consumer-protection violations on Friday over misleading statements about privacy and content moderation. The judge will determine civil penalties; the statutory ceiling is US$5,000 per willful violation, not an awarded fine. Meta disputes the verdict. The unresolved penalty and possible operating remedies extend litigation uncertainty. (New Mexico DOJ / Reuters) **Meta Platforms (META US) is our Core Recommendation.**
- **Apple faces a US$5.7bn patent award and plans an appeal.** Apple (AAPL US) said it would appeal after a California jury awarded more than US$5.7bn to Taction Technology over two haptics patents covering technology used in iPhones and Apple Watches. The Friday verdict, reported after the US cash close, found infringement but not willfulness. The unusually large award raises intellectual-property exposure, while appellate proceedings leave the ultimate financial liability uncertain. (Bloomberg / Reuters)
- **Costco's results underline demand for value.** Costco Wholesale (COST US) rose 2.9% at Friday's US close following Thursday's results. Fiscal fourth-quarter revenue reached US$95.7bn, versus US$94.9bn expected, while earnings excluding a tariff benefit were US$6.60 a share against US$6.53 consensus. Comparable sales excluding fuel and currency effects increased 6.7%. The quarterly performance points to resilient value-oriented spending, with tariff refunds offering scope to reinvest in prices. (Costco / Reuters)

- **Merck and Daiichi lose an accelerated route for a lung-cancer drug.** Merck (MRK US) and Daiichi Sankyo withdrew the US application for ifinatamab deruxtecan in previously treated extensive-stage small-cell lung cancer after Friday's US close. The companies said FDA feedback indicated the Phase 2 evidence did not support accelerated approval. The 187-patient study therefore no longer provides the proposed shortcut to market; an ongoing Phase 3 programme becomes central to resolving efficacy and regulatory uncertainty. (Merck / Reuters)
- **People rallies on a possible reversal of the MGM deal direction.** People Inc. (PPLI US) jumped 11.3% at Friday's US close following reports that MGM Resorts had discussed a possible bid for the publisher. People owns about 27% of MGM and had withdrawn its own US$48.30-a-share proposal for the casino operator earlier in the week. A reverse transaction could simplify the ownership structure, but discussions do not establish an agreed offer. (Reuters)
- **Fed threshold plans could ease constraints on regional-bank expansion.** The Federal Reserve is preparing to raise bank asset thresholds for additional supervision, Reuters reported Friday, citing four people familiar with the matter. The US$100bn threshold could rise to roughly US$150bn, while the US$700bn category could move towards US$1tn. The changes could make mergers and balance-sheet growth less costly for regional banks, but remain prospective proposals rather than adopted rules. (Reuters)
- **Ford's F-150 disruption adds pressure to weaker truck sales.** Ford Motor (F US) halted F-150 production at Dearborn, with nearly a week of downtime planned, according to a memo Reuters reported Friday. The stoppage began Thursday; some Kansas City shifts were also cancelled because of a supplier issue. US vehicle sales were down 10.0% year on year through August and F-Series sales 11.0%, making reliable output important to recovery. (Reuters)

Greater China

- **Hong Kong selling broadens.** The Hang Seng closed Friday 1.0% lower at 24,510.09, with AIA (1299.HK) down 2.7% and Alibaba (9988.HK) off 1.5%. Mainland markets and southbound Stock Connect were shut for the holiday, thinning turnover. Investors awaited details after the Trump–Xi summit; the session showed that an extended trade truce had yet to resolve concerns over technology restrictions and bilateral investment. (Reuters / Stock Analysis / Stock Analysis / Yahoo / RTHK / Traders Web / Investing) **Alibaba (9988.HK) is our Core Recommendation.**
- **HKEX widens collateral flexibility.** HKEX (0388.HK) said Friday that its two exchange-traded derivatives clearing houses will accept mainland government and policy-bank bonds held through Northbound Bond Connect, plus offshore Ministry of Finance bonds, as margin collateral from November 2026, subject to approval. The change should improve capital efficiency by allowing investors to reuse existing bond holdings; the precise launch date remains unannounced. (HKEX)
- **CTF Services earnings lift shares.** CTF Services (0659.HK) gained 6.5% on Friday following Thursday's annual results. Attributable profit rose 11% to HK$2.39bn, with financial services becoming the largest operating-profit contributor. A HK$0.33 final dividend takes the annual payout to HK$0.61; a one-for-ten bonus issue was proposed. Net gearing fell to 28% from 37%, improving capacity to fund portfolio expansion alongside shareholder distributions. (Company / Stock Analysis)

- **Trade protection becomes more selective.** US trade representative Jamieson Greer said Friday that Washington and Beijing agreed to shield selected agricultural products, medical devices and non-sensitive consumer goods from future tariff disputes. Advanced US chips requiring export licences were excluded from these negotiations. Against the existing truce extended to 10 January, the new disclosure suggests greater certainty for routine commerce while strategic technology restrictions persist. (Reuters)
- **Eswin tests appetite for chip listings.** Beijing Eswin Computing Technology is seeking roughly US$300mn in a Hong Kong IPO, the South China Morning Post reported Friday, citing people familiar with the matter. The RISC-V chipmaker had begun gauging investor interest after passing its listing hearing. Revenue rose 20% to RMB2.4bn in 2025, but a RMB1.5bn net loss leaves profitability central to assessing the proposed valuation. (SCMP)

Asia ex. China

- **Japanese banks lead dividend positioning.** The Nikkei rose 1.3% to 66,364.20 on Friday, its fifth consecutive advance, as investors bought chip names and dividend-paying stocks. Mitsubishi UFJ (8306.JP) gained 3.9% and Sumitomo Mitsui (8316.JP) added 3.6%, while Ibiden (4062.JP) climbed 4.2%. Strength across major lenders and chip suppliers broadened the rally beyond a single AI beneficiary, highlighting renewed demand for income alongside technology exposure. (Reuters / Stock Analysis / Stock Analysis / Stock Analysis / Yahoo / RTHK / Traders Web / Investing)
- **Singapore expands semiconductor research capacity.** Applied Materials and A*STAR announced a five-year expansion of their joint laboratory on Friday, targeting advanced packaging for AI and high-performance computing. GlobalFoundries will deepen work on 300mm silicon photonics, while KLA begins a three-year process-control collaboration. The agreements accompanied the SG Semiconductor initiative and strengthen local capabilities in chip integration and manufacturing yields, beyond conventional wafer production. (Business Times)
- **India's rebound leaves valuation pressure intact.** The Nifty 50 gained 0.3% to 23,140.50 on Friday, while the Sensex added 0.4%. Nifty still lost approximately 0.9% for the week, its seventh successive weekly decline. Elevated oil and bond yields remain the constraint: investors face inflation and discount-rate pressure alongside concerns that proposed insurance commission caps could weaken financial-sector earnings, limiting confidence in the rebound. (Reuters / Investing.com / Investing.com)
- **Inpex consolidates Ichthys ownership.** Inpex (1605.JP) said Friday it exercised pre-emptive rights over JERA's 0.735% interest in Australia's Ichthys LNG project, taking its holding to 68.555%. The price was undisclosed and regulatory approvals remain necessary. The project has annual capacity of 9.3mn tonnes; Inpex expects limited near-term earnings impact, although the purchase increases its long-term exposure to a core LNG asset. (Reuters)

EMEA and Others

- **UBS rallies on strategic options.** UBS (UBSG SW) rose 3.5% on Friday after reports that it was exploring ways to reduce exposure to stricter Swiss capital rules, potentially through a foreign-bank combination. Bloomberg cited a Semafor report; UBS declined comment. The lender estimates proposed requirements would add US$16bn of CET1 capital. The rally reflects optionality, while parliamentary negotiations and any corporate transaction remain unresolved. (Bloomberg / Stock Analysis)
- **BASF approach divides chemical shares.** BASF (BAS GR) fell 3.6% and Evonik (EVK GR) rose 7.2% on Friday after confirmation of a potential takeover approach. BASF described exploratory discussions; Evonik acknowledged a non-binding proposal for all shares but said no talks were currently taking place. Consolidation could reshape Germany's chemicals industry, although financing, valuation and whether the parties resume negotiations remain central uncertainties. (Company / Stock Analysis / Investing.com / Stock Analysis / Investing.com / Company / Reuters)
- **Konecranes targets lift industrial sentiment.** Konecranes (KCR FH) rose 7.4% on Friday after Thursday's post-close strategy update. The lifting-equipment group targets 7% compound annual sales growth and a 15–17% comparable EBITA margin by 2030, versus 13–16% previously. It also approved up to EUR100mn of buybacks. Higher profitability ambitions and planned share cancellations sharpen the capital-return case, although delivery depends on execution across industrial markets. (Company / Stock Analysis / Company / Reuters)
- **Erste seeks more Polish earnings exposure.** Erste Group (EBS.AT) plans a cash tender for up to another 26% of Erste Bank Polska, increasing its 49% holding to above 50% but no more than 75%. The indicative offer is about PLN713 per share. Internal funding should leave group CET1 above 14.25%; the proposal expands participation in Polish earnings while preserving at least 25% free float. (Reuters)
- **Rexel buys higher-value US distribution.** Rexel (RXL.FR) agreed Friday to acquire GCG for approximately US$1.4bn enterprise value. The specialty infrastructure distributor expects over US$1.1bn of 2026 revenue and roughly 11% EBITA margin. Rexel plans cash and about EUR800mn of debt, plus up to EUR500mn of equity issuance. Data-centre and grid exposure supports growth, while the proposed funding balances acquisition benefits against dilution. (Company)

Traders' Corner

Source: TradingView

Hang Seng Index

Last Price:	24,510.09
Support:	23,225 (-5.2%)/ 22,520 (-8.1%)
Resistance:	25,255 (+3.0%)/ 25,665 (+4.7%)

Our Technical View

- **Weekly Chart:** Price executed a retest and rejection at its support-turned-resistance zone. The RSI remains firmly established in bearish territory and is turning downward, signaling active sell-side control. As long as counter-trend rallies remain strictly capped below this resistance, we see a continued downward expansion toward lower support targets.
- **Daily Chart:** Price executed a retest into its gap resistance zone. The RSI remains in bearish territory and continues to slope downward, signaling accelerating downward trend velocity. As long as counter-trend rallies remain strictly capped within or below this gap resistance anchor, path-of-least-resistance dynamics favor continued downward expansion toward lower support targets.

Traders' Corner

Source: TradingView

Hang Seng Tech Index

Last Price:	4,311.78
Support:	4,125 (-4.3%)/ 3,840 (-10.9%)
Resistance:	4,510 (+4.6%)/ 4,840 (+12.3%)

Our Technical View

- **Weekly Chart:** Price continues to temporarily defend its previous low support zone, despite overwhelming overhead bearish pressure. The weekly RSI is firmly established in bearish territory and is trading near oversold levels, signaling significant macro downside velocity. A decisive structural breakdown below this critical previous low demand floor will accelerate downward expansion toward lower support targets.
- **Daily Chart:** Price exhibits a localized structural attempt at stabilization along its previous low support zone, signaled by the print of a hammer candlestick formation. The RSI remains in bearish territory, but could be forming potential bullish divergence. A decisive structural breach and daily close above the HK$4,510 pivot threshold will confirm a structural polarity flip, opening path-of-least-resistance dynamics for a sharp bullish expansion toward the HK$4,950 supply target. Conversely, a failure to defend this support floor will trigger an accelerated downward continuation sequence.