

Wealth Daily

Wednesday, 21 October 2026

Earnings Misses, AI Concerns Offset Demand

Today's Must-Know News

Market Movers: The S&P 500 gained 0.28%. Nvidia (NVDA US) slipped 0.29%, despite reported Chinese graphics-card orders worth over US\$35bn at sticker prices; fulfilment is not guaranteed. **ABB (ABBN SW) fell 5.01% in Switzerland** despite third-quarter orders rising 40% YoY and operational EBITA increasing 24%, underscoring AI-spending concerns. **CATL (300750.SZ) fell 2.97% in China before its evening results**: quarterly profit grew 14.5% YoY to RMB21.2bn, below a 41.2% growth estimate. Strong demand therefore coexists with earnings-expectation and supply constraints. (Reuters / ABB / Reuters / Reuters / Market data / Market data / Market data / Market data) **Nvidia (NVDA US) and CATL (300750.SZ) are our Core Recommendations.**

Macro: US September housing starts fell 5.2% MoM and 7.4% YoY to 1.221m annualised, although both declines were statistically uncertain. Permits fell 3.0% YoY to 1.400m, adding evidence of construction weakness. China published one-year and five-year-plus loan prime rates of 3.00% and 3.50% as benchmarks for financing costs. (US Census / PBOC)

FICC: December Brent settled 0.69% lower at US\$108.79/bbl. Expiring November WTI fell 1.80% to US\$101.79, while December WTI closed at US\$97.82. Expiry positioning and Russian-diesel sanctions relief tempered supply fears. The US 10-year par yield eased 3bps to 5.12%; December silver rose 1.59% at the matched 17:00 New York indicative snapshot. (DTN / US Treasury / Market data)

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

Ticker	Security	Rec.	Support	Resistance
1113.HK	CK Asset	-	HKD 43.56 / 42.58	HKD 47.90 / 49.68
9633.HK	Nongfu Spring	-	HKD 40.66 / 39.42	HKD 44.46 / 45.98

Hong Kong IPO Calendar

Ticker	Company Name	Sector / offer	Expected listing
6157.HK	SWL Tour	Water tourism HK\$3.92–5.07	23 Oct 09:00 SGT
3275.HK	Microintelligence	Industrial AI HK\$16.63–21.46	28 Oct 09:00 SGT
2384.HK	Dongshan Precision	Electronics Max HK\$93.80	28 Oct 09:00 SGT

Overnight Markets

Indices

	Price	1D	YTD
STI	5,404.02	-0.15%	+16.31%
KLCI	1,599.58	+0.24%	-4.79%
Dow Jones	52,495.88	+1.02%	+9.22%
S&P 500	7,712.57	+0.28%	+12.67%
Nasdaq	26,424.82	-0.02%	+13.69%
Hang Seng	23,867.74	-1.32%	-6.88%
CSI 300	4,152.11	-0.54%	-10.32%

Government Bond Yields

Term	Yield	1D	YTD
US 2Y 20Oct par	4.79%	+2bps	+132bps
US 10Y 20Oct par	5.12%	-3bps	+94bps
Germany 2Y 20Oct ref.	3.08%	-2bps	+96bps
Germany 10Y 20Oct ref.	3.42%	-1bps	+57bps

Precious Metals

	Price	1D	YTD
Gold Dec26 US\$/oz	4,142.50	-0.43%	-7.51%
20Oct 17NY indicative			
Silver Dec26 US\$/oz	58.140	+1.59%	-19.92%
20Oct 17NY indicative			

Currencies & Crude Oil

	Price	1D	YTD
DXY 20Oct 17NY indic.	101.701	-0.28%	+3.49%
EUR/USD 20Oct ECB ref.	1.1215	-0.09%	-4.55%
Brent Dec26 US\$/bbl	108.79	-0.69%	+80.65%
20Oct settlement			
WTI Nov26 US\$/bbl	101.79	-1.80%	+78.83%
20Oct settlement			

Must Watch Events

Date / SGT	Event
21 Oct 2026 22:30 SGT	EIA oil inventories
22 Oct 2026 20:30 SGT	US initial claims

AI

- **Nvidia (NVDA US) faces excess Chinese demand.** Reuters reported that ByteDance, Alibaba (9988.HK) and Tencent (0700.HK) ordered over 3m RTX PRO 5500 cards, worth over US\$35bn at sticker prices. Nvidia reportedly cannot guarantee fulfilment. The less-powerful, export-compliant workstation chips serve inference workloads, underscoring latent demand, although these reported orders should not be treated as secured revenue. (Reuters) **Nvidia (NVDA US) is our Core Recommendation.**
- **SpaceX (SPCX US) combines AI growth with merger exploration.** 3Q26 revenue rose 161% YoY to US\$14.6bn, including AI revenue up 830% to US\$7.6bn; US\$19.6bn capex underscores funding demands. Musk said independent committees at SpaceX and Tesla (TSLA US) are exploring a merger. (SpaceX / Investing.com)
- **OpenAI accelerates its reported funding push.** Reuters reported that the private company is seeking investor commitments ahead of Anthropic's expected IPO, with roughly US\$30bn of financing potentially valuing it above US\$1.4tn. Its investor pitch cites US\$50bn in annualised revenue, rather than revenue already earned. (Reuters)
- **Super Micro Computer (SMCI US) lifts preliminary sales.** The server maker indicated 1QFY27 revenue of US\$18.5–19.5bn, versus its previous US\$14.5–15.5bn range, and gross margin of 12–12.5%, up from 10.4–10.8%, citing a favourable product mix. Shares rose 11.3% in after-hours trading. (Reuters)

Americas

- **Apple (AAPL US) faces a shipment downgrade.** Loop Capital cut its rating from Buy to Hold and its target from US\$370 to US\$330, citing checks suggesting 13m planned second-half iPhone shipments will not be recovered in 2027. This is a broker estimate, not company guidance. Shares fell 1.00%; supply constraints and launch timing complicate interpreting the cuts as weaker underlying demand. (Investing.com / AppleInsider / Market data)
- **GE Aerospace (GE US) raises guidance but retreats.** 3Q26 adjusted revenue increased 18% YoY to US\$13.3bn and adjusted EPS rose 36% to US\$2.25. FY26 EPS guidance increased to US\$8.00–8.10 from US\$7.65–7.85. Shares nevertheless fell 3.67% as the implied 4Q26 earnings outlook disappointed investors, showing that strong engine-services demand must also translate into sustained near-term profit delivery. (GE Aerospace / Reuters / Market data)
- **3M (MMM US) gains on earnings and data-centre exposure.** Adjusted EPS rose 12% YoY to US\$2.50 on rebased comparatives; FY26 guidance reached US\$9.10–9.15. Shares gained 5.78%. Separately, 85% of a warrant issued to Amazon (AMZN US) would vest as cumulative purchases reach US\$6bn. The arrangement expands data-centre exposure, but that purchasing threshold is not a committed sales forecast. (3M / Reuters / Market data) **Amazon (AMZN US) is our Core Recommendation.**
- **Salesforce (CRM US) agrees to acquire Braze (BRZE US).** The US\$5.66bn enterprise-value transaction offers US\$47.50 cash per share; Braze surged 51.70%. Its customer-engagement and AI decisioning capabilities would extend Salesforce's marketing platform. Completion is expected in Salesforce's FY28, subject to shareholder and regulatory approvals. The deal expands cross-selling opportunities, while integration and approval risks remain before those benefits can be realised. (Salesforce / Market data)

- **Netflix (NFLX US) delivers profit growth with softer advertising.** 3Q26 revenue increased 12% YoY to US\$12.87bn and EPS reached US\$0.87 versus US\$0.59 a year earlier. However, its FY26 advertising-revenue outlook fell to about US\$2.7bn from US\$3bn because new advertising features are rolling out more slowly. The after-close release highlights strong underlying earnings alongside execution risk in a developing growth channel. (Netflix)
- **RTX (RTX US) raises its earnings outlook.** 3Q26 sales increased 11% YoY to US\$25.0bn, while adjusted EPS rose 33% to US\$2.26, including US\$0.25 of tariff-related cost recovery. FY26 adjusted EPS guidance rose to US\$7.65–7.75 from US\$7.10–7.25. A record US\$340bn backlog supports visibility across defence and commercial aerospace, although the recovery contribution tempers extrapolation of the quarter's earnings growth. (RTX)
- **General Motors (GM US) falls as costs cloud guidance.** 3Q26 adjusted EBIT rose 22% YoY to US\$4.1bn and the board approved a US\$20bn buyback. However, the US\$12.75–13.75 FY26 adjusted EPS range has a midpoint below the US\$13.41 consensus. Shares fell 6.84%; higher commodity and logistics costs, plus fewer truck deliveries during model changes, constrain the near-term earnings outlook. (Reuters / Market data)
- **Boeing (BA US) secures MAX 10 certification.** The FAA approved the 737 MAX 10, clearing the aircraft for delivery and commercial service. Boeing reports 1,555 orders from more than 30 customers, representing over 30% of the MAX's current order book. Certification removes a major programme hurdle; production capacity, customer acceptance and delivery execution will determine how quickly the backlog becomes cash. (FAA / Boeing)
- **Equifax (EFX US) rallies despite mortgage pressure.** 3Q26 revenue rose 10% YoY to US\$1.693bn and adjusted EPS increased 11% to US\$2.26. Shares gained 11.33%, although the FY26 adjusted EPS midpoint fell four cents to US\$8.50. AI-driven cost efficiencies are expected to cushion weaker mortgage activity, making operating execution, rather than a housing recovery alone, central to the earnings outlook. (Equifax / Market data)

Greater China

- **CATL (300750.SZ) profit growth undershoots expectations.** CATL reported Q3 profit of RMB21.25bn, up 14.54% YoY, while revenue climbed 58.58% to RMB165.22bn. Reuters' cited forecast implied 41.2% profit growth. The gap highlights battery-market competition despite expanding sales. A-shares closed 2.97% lower at RMB259.08 before the results, so that decline is not an earnings reaction. (HKEX / Reuters / Market data) **CATL (300750.SZ) is our Core Recommendation.**
- **China Mobile (0941.HK) earnings weaken despite customer growth.** Nine-month profit fell 7.9% YoY to RMB106.2bn and revenue declined 1.8% to RMB780.3bn, its 20 October release showed. Principal-business revenue dropped 3.7%, while EBITDA fell 6.7%. Mobile subscribers reached 1.014bn. The divergence puts monetisation and cost discipline in focus as the group expands computing and AI services. (HKEX / Market data) **China Mobile (0941.HK) is our Core Recommendation.**
- **Hansoh Pharmaceutical (3692.HK) rallies on its first post-deal session.** Shares gained 8.32% to HK\$34.38 after Hong Kong's holiday, following the 19 October Roche collaboration announcement. Terms comprise US\$400m upfront, US\$110m on the first anniversary and potentially over US\$15bn in milestones. Those development, regulatory and commercial payments remain conditional; the agreement validates its antibody-drug-conjugate platform without guaranteeing the headline value. (Company / New TimeSpace)

- **Lenovo (0992.HK) drops sharply while expanding its AI partnerships.** Shares closed down 9.98% at HK\$25.26. Separately, Rafay announced joint sales alignment with Lenovo across the Americas, EMEA and Asia-Pacific, offering software that manages GPU infrastructure and meters usage. The collaboration targets monetisation of installed capacity; it supplies no disclosed contract value to offset uncertainty over future commercial returns. (Company / MT Newswires)

Asia ex. China

- **Sea (SE US) outlines a cloud business and possible Monee listing.** In its employee letter, management said roughly 500 staff had rebuilt its platform over two years and would offer Sea Cloud externally. It also said financial-services arm Monee was approaching independence. Shares fell 9.09% to US\$80.43. A possible IPO could fund expansion, but the letter set no transaction timetable. (Company / Fintech News / Market data)
- **Keppel REIT (K71U.SI) proposes a 51% South Central acquisition.** The proposal carries approximately S\$610.9m consideration and 2.01% pro-forma distribution accretion, including income support and specified divestments. The sponsor guarantees S\$2.23m monthly income for up to five years. Units fell 4.85% to S\$0.785. Completion, expected in Q2 2027, requires unitholder approval; lease-up and financing remain central to returns. (Company / SGX / Market data)

EMEA and Others

- **ABB (ABB.N.SW) falls despite record orders and stronger earnings.** Shares lost 5.01% to CHF70.96. Q3 orders rose 40% YoY to US\$12.055bn and operational EBITA increased 24% to US\$2.026bn; revenue grew 14%. Reuters linked selling to doubts about sustainable AI infrastructure spending. Strong equipment demand therefore remains exposed to customers' financing capacity and confidence in eventual returns. (Company / Reuters / Market data)
- **EssilorLuxottica (EL.PA) beats revenue forecasts as wearables growth slows.** Its 20 October release showed Q3 sales of €7.486bn, up 9.0% YoY and 7.2% at constant currencies, above Reuters' cited €7.36bn consensus. Wearables generated €486m, growing 20%, versus nearly 100% growth in Q2. This preserves evidence of demand while making underlying eyecare growth increasingly important to the investment case. (Reuters / Infinance / Market data)
- **BBVA (BBVA.MC) receives a one-notch Morningstar DBRS upgrade.** The bank's regulatory filing confirmed its long-term senior issuer rating rose to AA (low) from A (high), with the outlook moving to stable from positive. Subordinated debt improved to A from A (low). The action supports credit standing, although actual funding costs will also depend on market spreads and rates. (Company / RNS / Market data)
- **Deutsche Börse (DB1.DE) raises its revenue outlook again.** Its 20 October results showed Q3 net revenue rising 13% YoY to €1.633bn and shareholder profit increasing 18% to €559m. Treasury income rose 7%, its first annual increase since 2024, while EBITDA grew 16%. Trading activity and asset-servicing flows support operating leverage; the analyst call is scheduled for 21 October at 20:00 SGT. (Company / Market data)

- **Adidas (ADS.DE) lifts its profit outlook after a record quarter.** Preliminary results showed Q3 revenue rising 9% YoY to €7.252bn and operating profit climbing 37% to €1.008bn. A roughly €200m US tariff refund helped margins. After planned reinvestment, 2026 operating-profit guidance increases to around €2.5bn from €2.3bn; the refund's non-recurring benefit tempers extrapolation. (Company / Market data)

Traders' Corner



Source: TradingView

CK Asset (1113.HK)

Last Price: HKD 45.04

Support: HKD 43.56 (-3.4%) /
HKD 42.58 (-5.5%)

Resistance: HKD 47.90 (+6.2%) /
HKD 49.68 (+10.3%)

Our Technical View

- Price rebounded off its previous horizontal support zone and preserving the integrity of the demand floor.
- The RSI exhibits a sustained positive slope as it climbs toward its neutral 50-midline, signaling an influx of buy-side initiative.
- As long as price holds above this defended support floor, we see continued bullish expansion targeting overhead resistance.

Traders' Corner



Source: TradingView

Nongfu Spring (9633.HK)

Last Price: HKD 41.88

Support: HKD 40.66 (-2.9%) /
HKD 39.42 (-5.9%)

Resistance: HKD 44.46 (+6.2%) /
HKD 45.98 (+9.7%)

Our Technical View

- Price executed a break-and-retest sequence at its resistance-turned-support zone.
- The RSI remains in bullish territory and continues to slope upward with positive velocity, signaling expanding buy-side momentum.
- As long as price holds above this newly converted support floor, we see continued upward expansion toward upper overhead resistance targets.

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