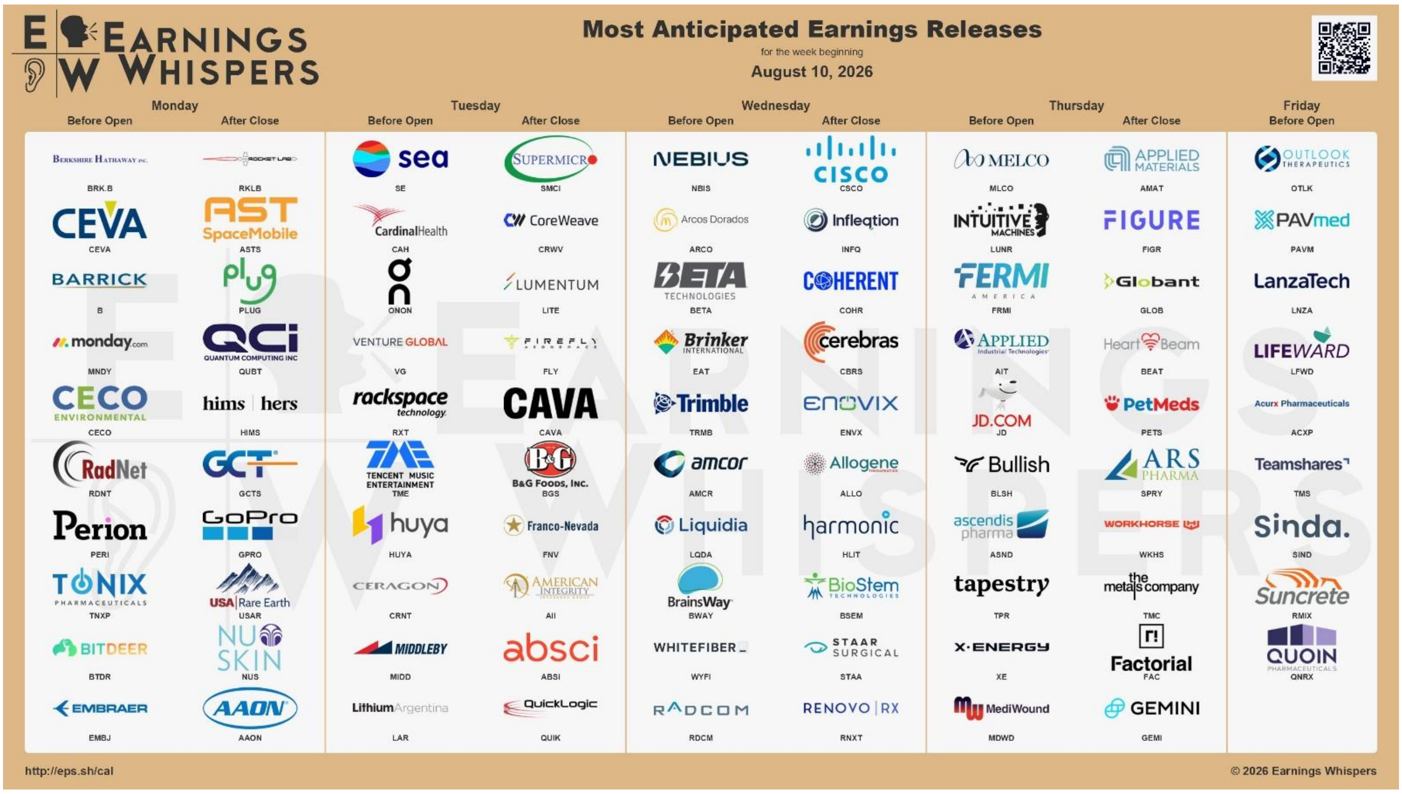
SPX Earnings Season Update; SHOP Earnings Beat (We Own)
Added to T1 Energy at $4.70; Applovin (APP) Add; Atlassian (TEAM) Crushes Earnings (Up 32%, We Owned It), VISN Earnings
Special Situations Update (WBD, D/NEE, SHAK)

Economic Calendar: Most important econ events next week are NFIB Small Business Optimism, Existing Home Sales, **CPI, PPI,** Retail Sales, and UMich Sentiment

United States | Browse | 21:27:34 | 08/09/26 - 08/16/26
Economic Releases | All Economic Releases | View Agenda Weekly

	Date Time	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/11 11:00	NFIB Small Business Optimism	Jul	97.4	--	97.4	--
22)	08/11 13:15	ADP Weekly Employment Change	Jul 25	--	--	15.000k	--
23)	08/11 15:00	Existing Home Sales	Jul	4.05m	--	4.09m	--
24)	08/11 15:00	Existing Home Sales MoM	Jul	-1.0%	--	-2.4%	--
25)	08/12 12:00	MBA Mortgage Applications	Aug 7	--	--	-2.9%	--
26)	08/12 13:30	Real Avg Weekly Earnings YoY	Jul	--	--	0.3%	0.2%
27)	08/12 13:30	Real Avg Hourly Earning YoY	Jul	--	--	0.1%	0.0%
28)	08/12 13:30	CPI MoM	Jul	0.1%	--	-0.4%	--
29)	08/12 13:30	Core CPI MoM	Jul	0.2%	--	0.0%	--
30)	08/12 13:30	CPI YoY	Jul	3.4%	--	3.5%	--
31)	08/12 13:30	Core CPI YoY	Jul	2.5%	--	2.6%	--
32)	08/12 13:30	CPI Index NSA	Jul	333.993	--	333.952	--
33)	08/12 13:30	Core CPI Index SA	Jul	336.766	--	336.065	--
34)	08/12 19:00	Federal Budget Balance	Jul	-$383.0b	--	-$291.1	--
35)	08/13 13:30	Initial Jobless Claims	Aug 8	202k	--	199k	--
36)	08/13 13:30	Initial Claims 4-Wk Moving Avg	Aug 8	--	--	198.75k	--
37)	08/13 13:30	Continuing Claims	Aug 1	1795k	--	1801k	--
38)	08/13 13:30	PPI Final Demand MoM	Jul	0.2%	--	-0.3%	--
39)	08/13 13:30	PPI Ex Food and Energy MoM	Jul	0.3%	--	0.2%	--
40)	08/13 13:30	PPI Ex Food, Energy, Trade MoM	Jul	0.3%	--	0.1%	--
41)	08/13 13:30	PPI Final Demand YoY	Jul	4.9%	--	5.5%	--
42)	08/13 13:30	PPI Ex Food and Energy YoY	Jul	4.1%	--	4.7%	--
43)	08/13 13:30	PPI Ex Food, Energy, Trade YoY	Jul	--	--	5.1%	--
44)	08/14 13:30	Retail Sales Advance MoM	Jul	0.1%	--	0.2%	--
45)	08/14 13:30	Retail Sales Ex Auto MoM	Jul	0.2%	--	-0.2%	--
46)	08/14 13:30	Retail Sales Ex Auto and Gas	Jul	0.3%	--	0.4%	--
47)	08/14 13:30	Retail Sales Control Group	Jul	0.3%	--	0.5%	--
48)	08/14 15:00	U. of Mich. Sentiment	Aug P	54.7	--	55.2	--
49)	08/14 15:00	U. of Mich. Current Conditions	Aug P	54.0	--	54.8	--
50)	08/14 15:00	U. of Mich. Expectations	Aug P	55.0	--	55.4	--
51)	08/14 15:00	U. of Mich. 1 Yr Inflation	Aug P	4.2%	--	4.2%	--
52)	08/14 15:00	U. of Mich. 5-10 Yr Inflation	Aug P	3.3%	--	3.3%	--
53)	08/14 15:00	Business Inventories	Jun	0.1%	--	0.3%	--

Upcoming Earnings



Special Situations Update

Warner Brothers (WBD) was topical on 8/6 following a slew of headlines, including: 1/ UK CMA approval, 2/ the UK Culture Secretary's decision not to intervene in the merger on public interest grounds, 3/ Q2 earnings, and 4/ a statement from Regal Cinema's CEO backing the merger. In supporting the deal, Regal's CEO highlighted Paramount's merger commitments around theatrical releases, as well as the uncertainty created for studios and other stakeholders while the deal is in limbo. Support from Regal, the US' 2nd largest movie chain, follows a recent Oped from the CEO of AMC (the largest) also in support of the transaction. According to some estimates, the two chains account for ~40% of US theater viewership, and approaching ~50% for blockbuster films. Overseas the UK CMA cleared the transaction in Phase 1. In terms of the movie studio market, the regulator highlighted competition from Universal, Disney and Sony, as well as from a range of smaller studios. Lastly on Q2 earnings, WBD sales missed consensus by ~5% but EBITDA was in-line. At first glance on the top line, it looks like most of the miss was at the studio segment with slight weakness in Networks, and an in-line Streaming number.

Largest US Transactions:

					8/5/2026 Last		8/4/2026 1D Chg		7/29/2026 1 Wk Chg		7/6/2026 1 Month Chg	
	Target	Buyer	Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
1	NSC	UNP	$75,614	Cash/Stock	$42.62	12.5%	($1.28)	(0.4%)	($2.65)	(1.0%)	($6.89)	(2.9%)
2	WBD	PSKY	$65,411	Cash	$5.03	19.4%	($0.18)	(0.8%)	($0.33)	(1.5%)	$0.15	0.7%
3	D	NEE	$60,467	Stock	$1.64	2.4%	($0.10)	(0.1%)	$0.20	0.4%	($0.26)	(0.3%)
4	KVUE	KMB	$36,499	Cash + Stock	$0.26	1.3%	($0.00)	(0.0%)	($0.00)	(0.0%)	($0.20)	(1.0%)
5	AVB	EQR	$26,957	Stock	-$0.41	(0.2%)	($0.22)	(0.1%)	($0.26)	(0.1%)	($1.38)	(0.7%)
6	ROKU	FOXA	$21,540	Cash & Stock	$5.92	4.0%	($0.02)	(0.0%)	($1.89)	(1.3%)	($1.98)	(1.5%)
7	PEN	BSX	$12,724	Cash or Stock	$0.21	0.1%	($0.39)	(0.1%)	($1.32)	(0.4%)	($1.73)	(0.5%)
8	WBS	SAN	$12,626	Cash + Stock	($0.29)	(0.4%)	($0.82)	(1.0%)	($0.68)	(0.9%)	($0.97)	(1.2%)
9	TECH	Merck KGaA	$11,295	Cash	$1.00	1.4%	$0.09	0.1%	$0.03	0.0%	($1.08)	(1.5%)
10	WTRG	AWK	$10,999	Stock	$1.33	3.4%	$0.02	0.0%	($0.09)	(0.1%)	($0.60)	(1.6%)
11	GSAT	AMZN	$10,841	Cash or Stock	$5.06	6.1%	($0.68)	(0.8%)	$3.98	4.7%	$2.24	2.5%
12	AES	GIP & EQT	$10,491	Cash	$0.30	2.0%	($0.02)	(0.1%)	$0.12	0.8%	($0.13)	(0.9%)
13	APGE	ABBV	$10,107	Cash	$0.88	0.7%	($0.04)	(0.0%)	($0.03)	(0.0%)	($0.73)	(0.6%)
14	QRVO	SWKS	$7,895	Cash + Stock	$1.56	1.6%	($0.02)	(0.0%)	($0.18)	(0.3%)	($3.24)	(3.9%)
15	SLAB	TXN	$7,190	Cash	$12.77	5.9%	$0.16	0.1%	($1.79)	(0.9%)	($0.66)	(0.3%)
16	ACA	CRH	$7,136	Cash	$4.68	3.2%	($0.10)	(0.1%)	($0.45)	(0.3%)	$0.06	0.0%
17	CZR	Fertitta Entertainmen	$6,057	Cash	$0.90	3.0%	$0.02	0.1%	($0.33)	(1.1%)	$0.04	0.1%
18	TXNM	BX	$5,935	Cash	$3.89	6.8%	$0.24	0.4%	$0.33	0.6%	($0.72)	(1.4%)
19	VAL	RIG	$5,320	Stock	$1.34	1.7%	($0.05)	(0.0%)	$0.10	0.1%	($0.24)	(0.4%)
20	UNF	CTAS	$5,270	Cash + Stock	$20.58	7.1%	($1.29)	(0.4%)	($0.39)	0.1%	($1.66)	(1.1%)
					Average			(0.2%)		(0.1%)		(0.8%)
					Average (mkt cap)			(0.3%)		(0.4%)		(0.9%)

Recent transactions

Date	Target	Buyer	Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
8/3	LNTH	Curium	$6,588	Cash	$ 1.00	1.0%	($0.39)	(0.4%)				
8/3	SUPN	INDV	$2,674	Stock	$ 0.11	0.2%	($0.23)	(0.5%)				
8/3	ATKR	PRY IM	$3,159	Cash	$ 1.32	1.4%	($0.15)	(0.2%)				
8/3	ITGR	KKR	$4,226	Cash	$ 2.00	1.6%	$0.05	0.0%				

In other news, VA Governor Abigail Spanberger announced she will be "intervening" in this proposed merger of Dominion & Nextera; APGE announced it has received HSR approval; BHF reported earnings & is still seeking approval from insurance regulatory authorities in NY, MA, and DE; and Starboard revealed a stake in SHAK last week sending the stock up 12%.

Details:

- WBD - Regal Cinemas CEO Eduardo Acuna Backs Paramount-Warner Bros. Merger. Eduardo Acuna, Regal Cinemas CEO, in a newly released statement revealed he believes the merger between Paramount & Warner Brothers should move forward. Acuna goes on to state a long fight in court is costly not only to theaters, but to the entire movie making ecosystem. Paramount now has backing from the two largest theater chains in the United States after AMC Theaters CEO Adam Aron publicly supported the deal last week.
  - UK CMA Clears Transaction Between PSKY & WBD. 6 August 2026: The CMA has cleared the anticipated acquisition by Paramount Skydance Corporation of Warner Bros. Discovery, Inc.
  - Public statement- Proposed acquisition of Warner Bros Discovery by Paramount: decision of no intervention on Public Interest Intervention or Foreign State Influence grounds.
- D/NEE - Virginia Governor to Intervene in the Merger. Virginia Gov Abigail Spanberger (D) announced in a Washington Post Oped this morning that her administration will formally intervene in the State Corporation Commission's (SCC) review of the transaction. The Governor noted: "As a Virginian, I am deeply skeptical about whether selling our primary, state-regulated utility to an out-of-state company is good for the commonwealth." She highlighted "three nonnegotiable priorities": 1/ Affordability of energy costs with sustained long-term savings, 2/ employment for in-state workers, and 3/ energy production ("plan to accelerate progress toward producing affordable, reliable, local and clean power").
- APGE – Receives HSR Approval. On July 6, 2026, Parent and Apogee each filed a Premerger Notification and Report Form under the HSR Act with the Antitrust Division of the DOJ and the FTC in connection with the Merger. The required waiting period under the HSR Act for the Merger expired at 11:59 p.m., Eastern time, on August 5, 2026,
- BHF – Reports Q2 Earnings. Brighthouse Financial reported earnings last night and came up short of revenue & EPS expectations posting ($2.105bn rev vs 2.22bn est & EPS of $4.45 vs $4.86 est). The completion of the merger remains subject to receipt of insurance regulatory approvals in Delaware, New York and Massachusetts. All other conditions to the closing of the merger have been satisfied or waived (other than those conditions that, by their terms, are to be satisfied at the closing and are capable of being satisfied at the closing). Accordingly, if the merger has not closed by September 6, 2026, because the remaining insurance regulatory approvals have not yet been obtained, the merger agreement will be automatically extended to December 6, 2026. The merger is expected to close in 2026.
- SHAK - Shake Shack Shares Jump on Starboard Stake. Shake Shack stock rose 12% after the head of Starboard Value said the activist investment firm has built a stake in the burger brand. Starboard CEO Jeff Smith said in a Wednesday interview on Bloomberg TV that the firm has a position in the stock worth several hundred million dollars.
- DBRG – DigitalBridge Request FERC to Authorize Transaction No Later Than August 12th. "At this time, the DigitalBridge Public Utilities could receive all remaining regulatory authorizations by August 12, 2026. Therefore, the DigitalBridge Public Utilities respectfully request that the Commission authorize the pending transaction by no later than August 12, 2026, so that these public companies can immediately close without further delay and expense."
- EA - EA Announces Completion of Acquisition by PIF, Silver Lake, and Affinity Partners. Electronic Arts Inc. ("EA" or "Electronic Arts"), a global leader in interactive entertainment, today announced that its acquisition by PIF, Silver Lake, and Affinity Partners (collectively, the "Consortium") has successfully closed. The Consortium's agreement to acquire EA was previously announced on September 29, 2025, and was approved by EA stockholders at the special meeting of stockholders held on December 22, 2025.

Updated Asset Allocation

Recent incremental adds:

- TE (T1 Energy)
- UBER
- APP
- RDDT (at $137)
- TLT
- RWT
- NOK
- CFTR – PRA Preferred
- DDOG – bought it back after earnings, after making 100% on it in the Spring
- GOOG – this week after key engineer loss took it down 5%
- Short term short in DOCS from 37 to 31/32 on Friday
- **We also covered 25% of our hedges on the weak jobs data this week**

		8/1/2026	
Cash, HY Savings, CDs		18.00%	IBKR cash sweep, earning interest ~4%
1, 2, 5 YR Treasury & TFLO (Floating Rate Treasury)		13.00%	TreasuryDirect, some 3 month rolling off soon
TLT & ZROZ (25-year Treasury)		**1.20%**	--> May only increase to 10% after next 10Y yield spike over 5.0%, down from 23%+ peak for reasons below
Breakdown			--> Increasing risk of sharp deficits with tax extensions & cuts (tariffs could support prices as well)
GOVZ	0.00%		--> There is not much spending we can even cut (Defense, Medicare/Medicaid, Social Security, Interest Can't Be Cut)
TLT	0.90%		--> There is not much spending we can even cut (Defense, Medicare/Medicaid, Social Security, Interest Can't Be Cut)
EDV	0.30%		
ZROZ	0.00%		
Japanese Bond Exposure		0.50%	--> New position, will increase as Japan hikes for the last time in 2026 (optional edge for JPY)
JAAA (AAA CLO) (4.8% floating yld)		2.00%	--> Cut and holding at 2.0% until next rate cut, will be replaced by agency mortage bonds, LT treasuries, or HY after credit widens
JBBB (CLO Mezz, 5.8% floating yld)	0.00%	0.00%	--> Cut to 0% until spreads widen
EIC (CLO Mezz (75%), CLO Equity (25%), 12% yield paid monthly	1.10%	0.90%	
EARN (CLO mezz/equity, discount to NAV, 17% dividend yield paid monthly)	0.20%	0.20%	--> Sold ECC, OXLC near breakeven after large dividends
MUNI	0.20%	0.20%	--> Were cheap to treasuries, not as much anymore
Agency Mortgage Exposure (outside of preferreds/common)			
MBB (Agency Mortgage Bonds Unlevered, low 0.04% fee)	0.10%	**1.45%**	--> Cut back exposure after $200 billion US bond buy announcement, waiting for pullback to take back to 2%
MTBA (lower duration agency MBS)	1.25%		
RISR (IO hedge)	0.10%		
BSJO (Corp, Short Duration), **VCLT** (Corporate, Longer Duration Bonds, low 0.04% fee)		0.25%	--> Going to 2-3% when defaults accelerate, but have cut back on multi-year tight credit spreads
Rotated out of single name high yield bonds, just ETFs for now given where HY spreads are...	0.25%		
Prefs & Baby Bonds (RWTS, ELLA, STRD, STRK, STRC, SATA, CFTR-A/CANFIT, AGNCZ, NLY/PJ, Citizens, DX-C, BFH Prf, RITM-F, RITM-D/B, BW PRA, CTVA, FFH, NGL, ENB, ET, SR, SPMA, GS, MS, JPM, TWO, DX, AGNC, NLY, SLFCN, AQN, GLOP B & more)		**26.50%**	--> going to 25-30%+ in 2026, but several names have been called away like CEQP, ETP, NSUS, ARGD
IVR, FTAIM, FBRT, MITT-C, ARGO BB/Pref, EIAA, EIDP, AEL, Baby Bonds: RWTQ, RWTN, PMTW, CIMO, CIMP, ADAMH, CGABL, AOMD, ECCU, ECCW, ECCX, MFAO, MFAN, PMTU, RCB, SAJ, SAY, RPGXL, SBBA, ABLLL, OXLCM, OXLCL, OXLCG	23.50%		--> added RWTS, ELLA, STRD, STRK, STRC after selloff, SATA, CANFIT, sold BWSN and other BW baby bonds at large profit, shrinking CTBB/QVCC, NGL, higher risk names
PFFA Index Allocation	3.00%		
CEFs (PDI, PDO, PAXS, PTY, EMO, KYN, NML, SRV, TYG, ASA, SABA, NTG, ASGI, DMA, STEW, CTF-U, SPE, KMF, BRW, NPCT)		1.25%	
BDCs (cut back to almost 0% on software and SOFR risk, BXSL left and two small trackers in GBDC, MSDL); offset by MAIN short at 2x NAV	0.10%		--> Took profits in BXSL above NAV, and then bought back below NAV, hedged with MAIN
Merger Arbitrage & Activism (Event-Driven)		1.00%	--> Took profits in ROIV, ABUS, KYIV, SNCR, GOGL, TH, RCM, GAN, X, CORZ, AY, LSXMA and SPR, but more attractive M&A opportunities going into 2027 when rates fall
WBD/PSKY (20% spread), NSC/UNP (13% spread), ROKU/FOXA (6% spread), ZIM (30% spread), PZZA (50% potential spread)	1.00%		--> Have room to increase positions, added to WBD, NSC, ROKU, ZIM, PZZA
Litigation Arb (Event-Driven)		0.40%	
FIRY (former SKLZ after $719mn judgment, going to appeal)	0.40%		--> Added to SKLZ, which became FIRY
Capital Structure Arb (Event-Driven, Long Bond, Short Equity)		0.30%	
ABR, PEB (increased pref ratio); (cut VNO, HPP)	0.30%		
Liquidations		0.00%	
No liquidation positions at the moment	0.00%		
Value Equity/Catalyst (General Basket)		**12.00%**	--> Sold GEO at 18.60, back in at $13, now at $30/share!
BDX, MTN, MCO, SPGI, AXP, PYPL, HUM, FICO , OPRA, GEO, TEVA, MITK, DG, JNJ, MMM, HHH, REGN, BAH, RKT, Credit Agricole (CRARF), (JHG Acquired)	7.00%		--> Need to include thematic baskets (ex-M&A/pref) for full common equity exposure of >19%
IBKR, JEF, DK, SNDK, HCC, BTU, AMBC, FIP, FTAI, CI (biggest insurance exp), UNH, CVS, HUM, LRCX, ARIS, NEE, EADSY, FORR, WTTR	5.00%		--> Eyeing Latam (weaker dollar) for new adds, dollar strengthened due to war in 1H26, expect it to weaken in 2027
Growth Basket		**7.00%**	--> Will be adding more aggressively to quality growth names in 2026
RDDT, APP, NOW, SE, SHOP, MSFT, AMZN, MELI, GOOG, CRWD, DDOG, HUBS, WIX, MU, ANET, APLD, FSLR, MA, V, TEAMS, SPOT, NTAP, IGV, DRAM, BE (trimmed half of BE after up 30%)	6.50%		--> Added several SaaS names that have done well since 1Q, especially cybersecurity, added Semis after July selloff
TSM, ASML, NVDA, UBER, CSU, SKM (Anthropic exposure), BOX, BW, VISN, PWRL, SKHY, SNOW, Samsung preferred, sold of out SNDK after making 35% on a trade in July	0.50%		
AI/Power Basket		0.50%	
CEG, VST, SRE, TE (T1 Energy)	0.50%		
Agency MREIT Basket (DX, AGNC, NLY)		0.70%	--> Sold all TWO after and trimmed AGNC after it reached premium to book value
AGNC	0.00%		
DX	0.50%		
NLY	0.20%		
Non-Agency mREIT Basket (RWT, EFC, REM, RITM)	0.95%	0.95%	--> Added RWT at a $3 handle after index rebalancing, no longer in EIXIX
GLP-1 Long & Contrarian Basket (No exposure)	0.00%	0.00%	
Emerging Market (ex-China) Baskets (EWY - Korea post-blowup, EPI - India, VNAM - Vietnam, EWW - Mexico, MELI, Walmex, Agua etc., Indonesia, ECH (Chile), EPU (Peru)		**4.00%**	--> Increased exposure to EWY after Korean stocks fell 45% in July
UK/EU Basket (EPOL)	0.20%	0.20%	
Copper Basket (HBM, ERO, FQVLF, GLNCY, TECK, NGLOY in merger arb)		1.20%	--> Partial Profits on FQVLF invested into TECK and NGLOY
China Internet Recovery Basket (KWEB, BABA, BIDU, JD, PDD, XNET, SOGP)		2.00%	--> Increased Ahead of Anticipated China Stimulus, Dollar Cost Avg. Lower, While Selling Covered Calls
Oil Tanker Basket (IMPP, trimmed FRO, HAFN, DHT, STNG)	0.40%	0.40%	
Offshore OFS Basket (NE, TDW, HAL, SLB)	0.10%	0.10%	--> Reduced ahead of Iran peace, will add again after, VAL acquired, DO acquired
Energy Equities (ET, RRC, CNX, EXE, EQT, BP, DK, PARR, AR, CVX, OXY, FEC, BTE, FEC, CRGY, PSX)		0.30%	--> Reduced ahead of Iran peace, will add again after
Energy Commodities		0.40%	
Oil (USO)	0.00%		
Gas (UNG)	0.00%		
Uranium (SRUUF, CCJ)	0.40%		
Rare Earths (USAR, MP, METC)	0.00%		
Platinum (Recyclers, Miners & Spot) (EXX, JMAT LN)	0.50%	0.50%	
Gold & Silver		**11.10%**	--> Have sold most of silver, adding back slowly, have trimmed 300 bps worth of gold and 30 bps of gold equities back in March
Gold (GLD), PHYS	7.00%		
Silver (SLV)	0.40%		
Sprott Physical Silver (PSLV)	0.30%		
Miners (GDX)	0.70%		
A-Mark (AMRK)	0.00%		
SSRM (junior gold)	0.30%		
SIL (silver miners)	0.20%		
GNT (Gamco Gold Fund)	0.20%		
AGI (Alamo Gold)	0.30%		
KGC (Kinross Gold)	0.20%		
Crypto ETFS & DATS (IBIT, FBTC, GDLC, ETHA, MSTR, BITW, SBET, BMNR, UPXI, FWDI, BTBT); Offset by Short ORBs, BRR and ASST below**), cut back by 25% and sold covered calls to generate 25 bps income**	1.50%	**1.50%**	--> Sold FGNX after buyback and sold SQNS at loss, cut back by 25% and sold covered calls to generate 25 bps income
Agriculture Basket (ADM, BG, CTVA - sold)		0.00%	--> Cut Back after 1Q Rally
ADM, BG, CTVA	0.00%		
Odd Lot Dutch Tenders (none at the moment, successfully received cash from SILA, MNST and TLNE)	0.00%	0.00%	
SPACs (no SPACs at the moment)	0.00%	0.00%	
Shorts		-10.00%	
ARKK, QQQ, CVNA, TSLA, MRNA, DJT, LAW, JKS, BRR, ASST, ORBS, CRCL (covered CRCL short)		**100.00%**	
Quantum: QTUM ETF, QBTS, IONQ, QUBT, RGTI			
Nuclear: OKLO, SMR			
Other: VCX, SPCE, HTZ, NVTS, CAR			

Weak Payrolls → BAD NEWS IS GOOD NEWS! 10 YEAR DOWN, RISK ASSETS

- **-23k jobs vs expectations of 80k**
- **Hourly earnings only up 0.1% vs 0.3%e. No wage inflation here!**

Browse 13:30:40 08/07/26 - 08/14/26

All Economic Releases View Agenda Weekly

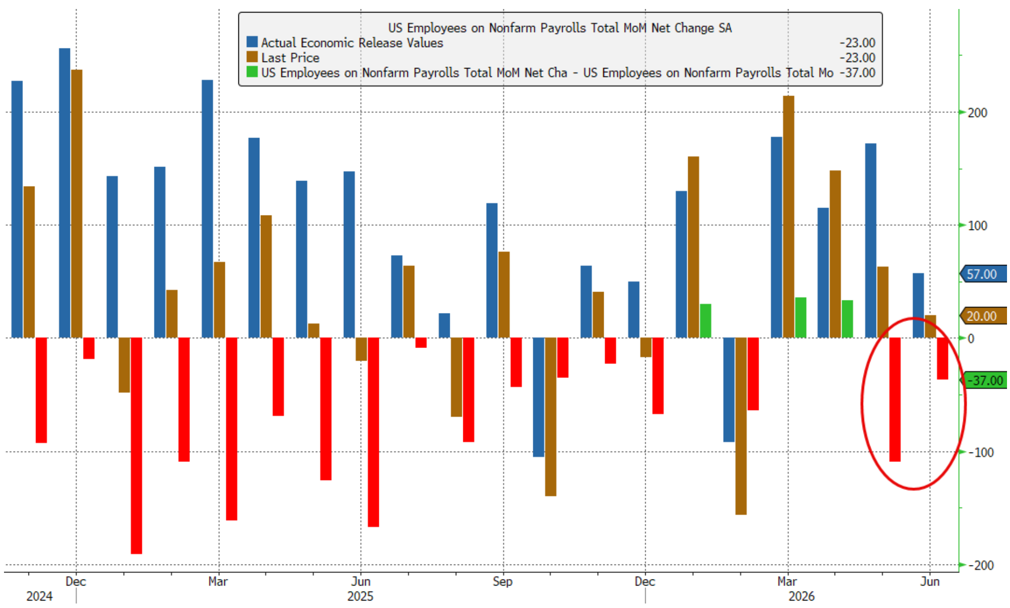
M	R	Event	Period	Surv(M)	Actual	Prior	Revised
		Change in Nonfarm Payrolls	Jul	80k	-23k	57k	20k
		Two-Month Payroll Net Revision	Jul	--	-103k	-74k	--
		Change in Private Payrolls	Jul	82k	30k	49k	30k
		Change in Manufact. Payrolls	Jul	4k	5k	3k	11k
		Nonfarm Payrolls 3-Mo Avg Chg	Jul	--	20k	111k	77k
		Average Hourly Earnings MoM	Jul	0.3%	0.1%	0.3%	--
		Average Hourly Earnings YoY	Jul	3.5%	3.2%	3.5%	--
		Average Weekly Hours All Employees	Jul	34.3	34.3	34.3	--
		Unemployment Rate	Jul	4.2%	4.1%	4.2%	--
		Labor Force Participation Rate	Jul	61.6%	61.4%	61.5%	--
		Underemployment Rate	Jul	8.0%	7.9%	7.9%	--

Released On 8/7/2026 8:30:00 AM For Jul, 2026

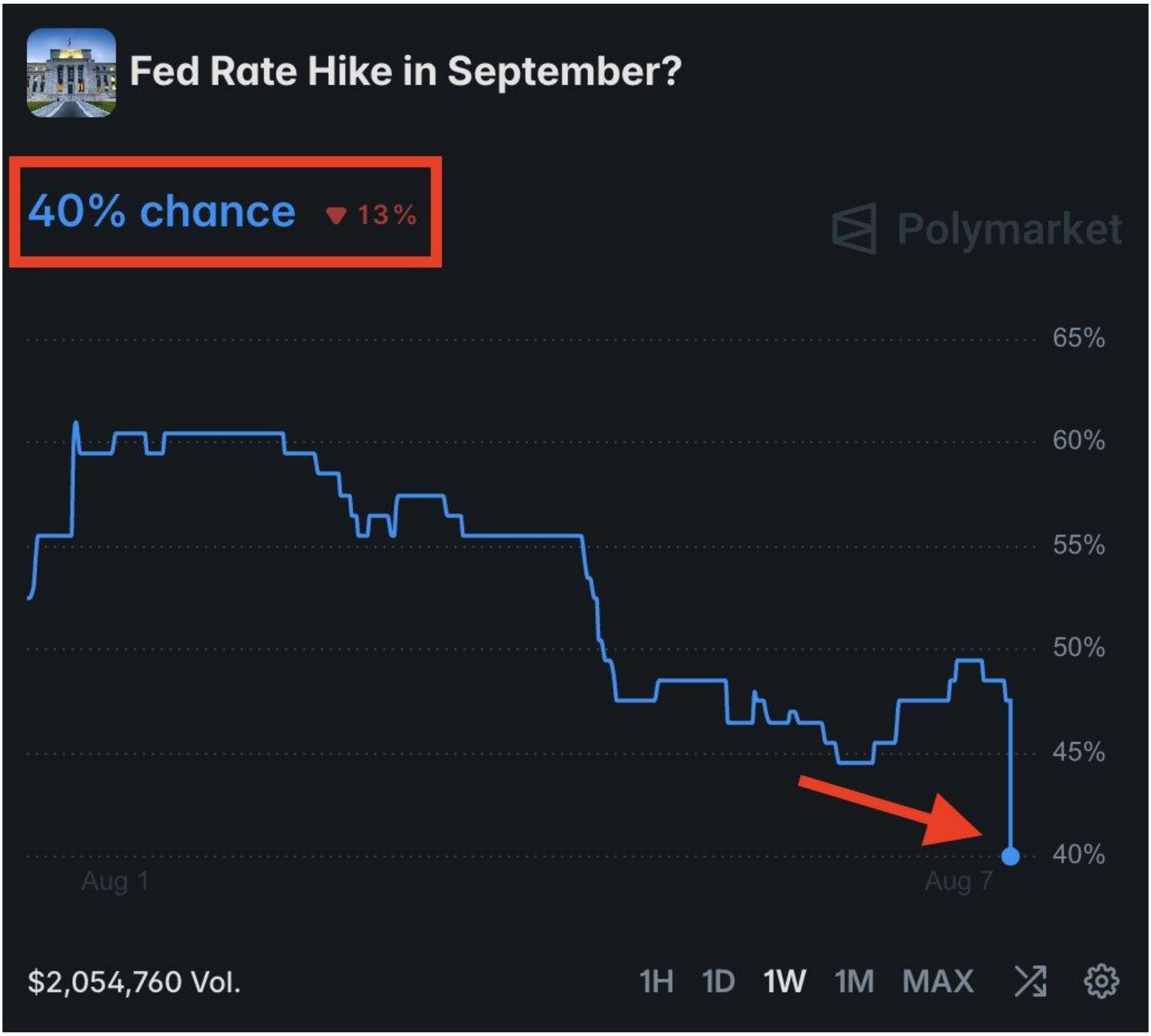
	Prior	Prior Revised	Consensus	Consensus Range	Actual
Nonfarm Payrolls - M/M	57,000	20,000	88,000	50,000 to 140,000	**-23,000**
Unemployment Rate	4.2 %		4.2 %	4.1 % to 4.3 %	**4.1 %**
Private Payrolls - M/M	49,000	30,000	90,000	40,000 to 110,000	**30,000**
Manufacturing Payrolls - M/M	3,000	11,000	4,000	2,000 to 9,000	**5,000**
Participation Rate	61.5 %				**61.4 %**
Average Hourly Earnings - M/M	0.3 %		0.3 %	0.3 % to 0.3 %	**0.1 %**
Average Hourly Earnings - Y/Y	3.5 %		3.5 %	3.5 % to 3.5 %	**3.2 %**
Average Workweek	34.3 hrs		34.3 hrs	34.2 hrs to 34.3 hrs	**34.3 hrs**

Biden admin tricks are back with labor:

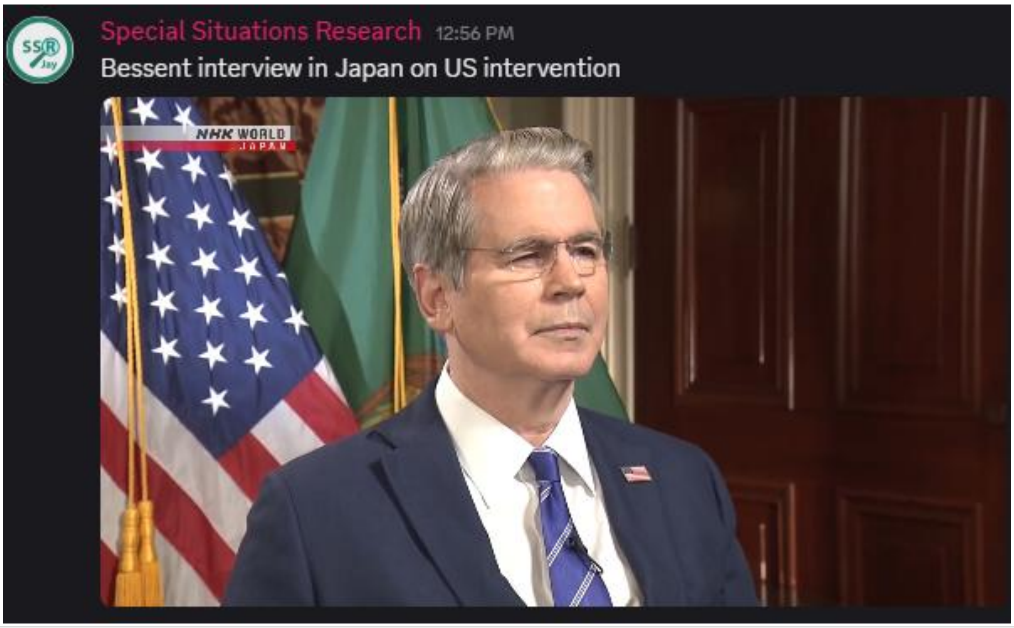
- May revised down by 66,000, from +129,000 to +63,000
- June revised down by 37,000, from +57,000 to +20,000
  - ➔ employment in May and June combined was 103,000 lower than previously reported



Fed Rate Hike Odds Fall



US Sold Euros to Buy Yen to Support Bank of Japan (Joint Intervention)



Iran War Update

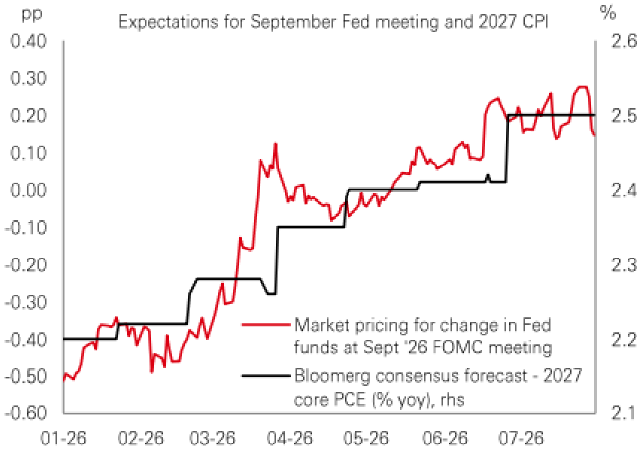
Trump has no choice but to back off or the Iran war, not just due to midterms now, but to avoid a hike in September...

Should I stay or should I go?

The Federal Reserve kept the funds rate unchanged at its July meeting, as widely expected. Attention now shifts to September, with markets pricing a two-thirds chance of a hike. With Chair Warsh unwilling to manage policy expectations and reiterating the Fed is data dependent, **upcoming macro releases take on added importance and risk market volatility**.

Following a strong spring, payroll growth has moderated, while household sentiment suggests a softer labour market than the headline 4.2% unemployment rate implies. Any further summer cooling could prompt investors to reassess whether a September hike should be pushed back. Inflation data will be equally pivotal: a second consecutive subdued core CPI reading would cast doubt on whether broad-based price pressures are taking hold, particularly as labour cost growth appears contained and the housing market remains subdued.

The decision could go to the wire, with further CPI and payrolls releases landing shortly before the meeting. Inherently unpredictable developments in the Middle East may also influence the decision. Even if the Chair favoured using it, forward guidance could be a hostage to fortune at this point. #Fed #uncertainty



8/4/26 Qatar said language has been drafted around an Iran/US temporary ceasefire:

- Qatar Foreign Ministry spokesperson says language for a possible US-Iran interim deal "has been drafted" and "is being circulated between the parties."
- The focus is on prevent further escalation, reopen Strait of Hormuz and create conditions to resume Washington-Tehran talks.

Another fake ceasefire in progress? Or are we to believe it's for real this time? There's nothing on the ground-level at all that currently suggests the warring sides are imminently about to agree to a new ceasefire, or are so much as back at the negotiating table.

And yet Tuesday morning headlines are now being driven by a Qatari Foreign Ministry statement saying that "language" for a possible US-Iran resolution "has been drafted" and "is being circulated between the parties."

via Doha News

Ministry spokesman Majed Al-Ansari didn't offer any time line for a potential deal in relaying the statement before a press briefing but said that current diplomatic efforts are focused on preventing further escalation, reopening the Strait of Hormuz and creating conditions to resume talks.

He described that the focus is on short term resolution that would restart US-Iran talks and return the sides to mediation, but also admitted that there's "nothing the the books when it comes to direct talks." This comes as President Trump has told Iran that he wants to see a deal done on the Hormuz Strait immediately, per Bloomberg.

This was enough for regional media, including Israel's i24 to report 'progress' in the Omani mediated Hormuz talks, with the American side - as yet only participating indirectly - said to be "much more" flexible in their demands than even the Omani side, amid Iranian recalcitrance.

"Iran has conveyed a message: any solution that we agree to and sign must also be approved by Washington," i24 has written. This somewhat forced and perhaps manufactured return yet again to peace optimism has sent oil sliding...

BRENT CRUDE OIL FALLS BELOW $80 FOR FIRST TIME SINCE MID JULY

The day prior, President Trump continued to address Tehran in threatening language, however. He said before reporters in the Oval Office: "I want to give them every last chance before decapitation. Very tough to do what what we have planned, still planned. We'll see what happens, but it's very, very tough thing to do. I think I'm very proud of the fact that I will give people a chance."

Just on the heels of the above 'draft deal' headlines, and in a carefully timed CNBC appearance, Washington brought out its heavy hitter to re-anchor the administration's narrative, seeking to assure markets that a diplomatic deal with Tehran is not only real, but imminent - potentially coming together even as soon as Tuesday through Wednesday.

"We may have an Iran deal tomorrow to open Hormuz," Treasury Secretary Scott Bessent declared, signaling that a major diplomatic resolution is within reach. He pointed out that physical maritime traffic is already quietly resuming, regardless of headline volatility.

Bessent claimed the administration is seeing "quite a few ships coming out of Hormuz, even now," suggesting the chokehold is loosening ahead of an actual deal and formal signature. With physical crude flows expected to resume, Bessent predicted that elevated energy prices will soon settle down, paving the way for a massive "relief trade" across broader markets:

"We are in talks with the Iranians, and I think there is a chance we may have a deal today or tomorrow to open the Strait and move towards a more normalized position in this conflict," Bessent said in an interview with CNBC.

Asked if Tehran would be allowed to charge a toll, Bessent said the deal would allow freedom of movement in the strait.

"It would be freedom of movement," he said. "Even though things are still a little dicey there over the past few days, we saw quite a few ships coming out even now."

Of course, we've heard all of this before, and notably Bessent's commentary came just after Iranian President Masoud Pezeshkian insisted that while Tehran would defend its borders, it does not seek to expand the war, according to state media. An advisor to the Supreme Leader also reiterated that if the blockade continues, US vessels and forces will face serious risks and casualties. And there's this not so small hiccup in the strait emerging Tuesday:

A vessel has been struck in the Strait of Hormuz near Oman, the UK maritime security firm Vanguard says. One crew member is missing.


Drop Site @DropSiteNews · Follow

🔺 Senior Iranian figure warns US forces will "face serious risks and casualties" if the Hormuz blockade continues

Mohsen Rezaei, senior military advisor to the Supreme Leader and former longtime commander of the Islamic Revolutionary Guard Corps (IRGC), warned that US vessels Show more

محسن رضایی @ir_rezaee
If the blockade continues, American vessels and forces will face serious risks and casualties. The U.S. must change its behavior — or we will not tolerate this. We will never permit the opening of a second corridor in the Strait of Hormuz.

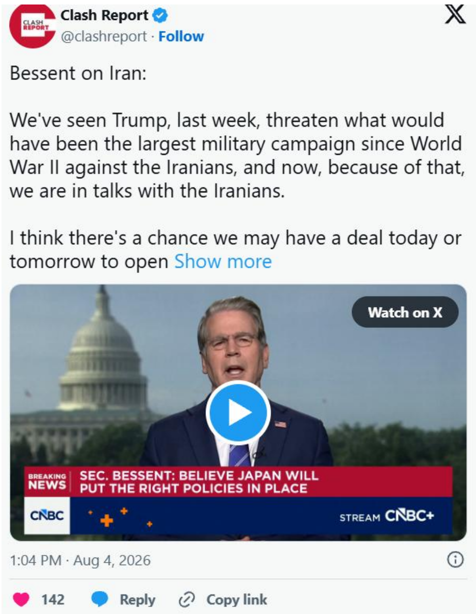
9:24 AM · Aug 4, 2026

Looming large over all of this is the fact that the Iranians have still denied that they are in formal talks with Washington, which Trump the day prior described as a ruse, venting his frustration while insisting that the Iranians have been engaging. The Hormuz blueprint as it basically stands:

Reuters: Iran would gain full control over vessels entering the Strait of Hormuz under a temporary plan being discussed with Oman, an Iranian official says.

Outbound vessels would use the route between Iran and Oman, with Oman approving their exit only after notifying Tehran. The plan would give Iran full visibility over outbound traffic and the ability to intervene if needed and Iran is unlikely to accept any other proposal to open the strait

The Bessent clip:



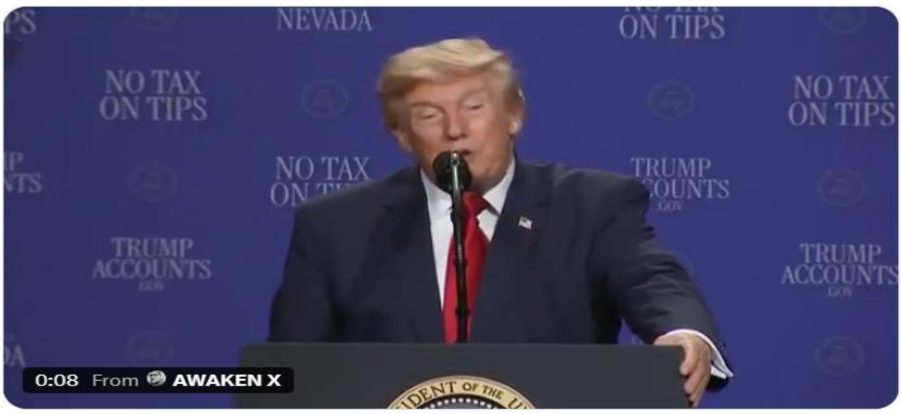
Amid the sudden and dubious return to 'optimism', let's recount how we got here...

Trump's Iran Strike Threats: A Timeline

- March 21: Trump threatened to "hit and obliterate" Iranian power plants unless Hormuz reopened within 48 hours.
- March 23: Delayed strikes for five days, citing "productive conversations" with Iran.
- April 7: Warned "a whole civilization will die tonight."
  - Hours later: A two-week ceasefire was announced.
- April 21: Said he expected "to be bombing" if talks failed.
  - Later that day: Extended the ceasefire.
- May 17: Warned, "the Clock is Ticking."
- May 18: Paused planned strikes after requests from Qatar, Saudi Arabia, and the UAE.
- June 11: Said the U.S. would hit Iran "VERY HARD TONIGHT."
  - Hours later: Canceled the operation, saying a deal was near.
- August 1: Said the U.S. was "locked and loaded."
- Later: Called off the attack to pursue a deal with Tehran.

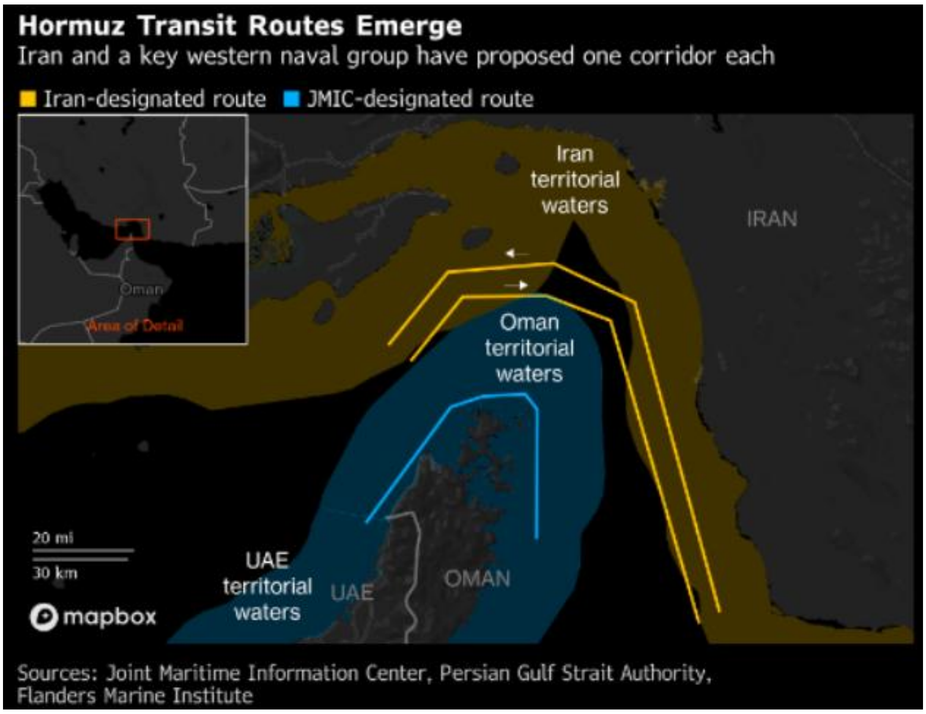
8/6/26: Oil up 3.5% today as Iran seeks to bypass the U.S. and set up a temporary 60 day deal with Oman... this is as Trump says oil prices are falling:

https://x.com/awakenyoubyinf_/status/2085416120102551850/video/1



Iran Rejects US Talks as Trump Displays Patience for Hormuz Deal

- Iran and Oman are close to a pact to establish a shipping route through the Strait of Hormuz, but a final deal has not been reached.
- Iran has ruled out direct talks with the US, citing repeated violations of a short-lived interim peace agreement, and is instead exchanging messages through intermediaries.
- The US is taking a patient approach, with President Donald Trump saying the US can wait for Iran's economic suffering to soften its stance, as Iran faces huge inflation and a lack of money.
- “As long as the American violation of the Memorandum of Understanding continues and the US does not make amends for its violations, there is no possibility of resuming negotiations,” Araghchi was cited as saying by state TV. Araghchi also said a pact with Oman to establish a shipping route through the strait was “very close.”
- That didn’t seem to bother Trump, who on Sunday told Axios in a short phone call that the US was now “low-keying it.”
- “We are only semi-negotiating with them,” he said. “We are just watching Iran with its huge inflation and the fact they have no money.” Sunday’s remarks follow weeks of Trump threatening massive airstrikes on Iran only to pull back, saying he wanted to give negotiations a chance.
- Iranian year-on-year inflation reached 77% recently, according to Iran’s central bank.
- Tehran on Saturday upped the ante by renewing a hefty list of demands for Washington as conditions for a full reopening of Hormuz, indicating any immediate respite for oil and gas supplies may be limited.
- The Strait of Hormuz, through which one-fifth of the globe’s oil and gas is shipped, has become a key factor in the war the US and Israel started on Feb. 28. Trump has demanded the resumption of open navigation for months.
- With a deal elusive, the situation in the Middle East stayed volatile on Sunday. Iranian-backed Houthi rebels claimed they’d struck Saudi Aramco’s Jizan oil refinery in the kingdom. Saudi authorities earlier reported a fire at the facility but it was quickly extinguished and no injuries reported.
- US Vice President JD Vance on Saturday suggested there’d been recent progress in talks, but he remained skeptical. The question, he said, is whether Iran will be able “to give the things that are necessary for us to be happy, for us to feel like we’ve gotten what we need out of this particular engagement,” he told Fox News.
- Washington has repeatedly suggested it’s part of negotiations over the management of Hormuz, which Iran disputes.
- “Some intermediary countries are trying to re-establish the ground for negotiations,” Araghchi was quoted as saying on Sunday. “At present, we are not negotiating with the US — the exchange of messages is taking place through intermediaries.”
- Oman, which borders the strait across from Iran, said its talks with Tehran were progressing in “a positive and constructive atmosphere.” In a post on X, authorities called for a halt on actions in the strait to give space for diplomatic efforts.
- Iran’s demands include that the US lifts its naval blockade on Iranian ports, withdraws military forces from around Iran, removes sanctions, releases frozen assets and pays compensation for war damage, according to Mohammad Bagher Zolghadr, a hardliner who heads the Supreme National Security Council.
- Traffic through the chokepoint has been largely blocked since the start of the war, but some ships have continued to ferry cargoes as part of a shuttle program involving US military help.
- Oil prices swung between gains and losses last week, with Brent eventually settling above $83 a barrel as traders weighed the prospects of a deal that’s expected to clear the way for the restoration of millions of barrels of supply from the Persian Gulf.



Delta $DAL CEO just exercised options and sold $19 million of his stock holdings after its 30% run-up in the last 3 months

- Nice sale ahead of the next Iran escalation

(Bloomberg) -- Delta Air Lines Inc.'s Chief Executive Officer Edward H Bastian reported a series of insider stock transactions to the US Securities and Exchange Commission.

- Delta Air Lines shares rose 0.4% in the past month

Here are the details of the filing:

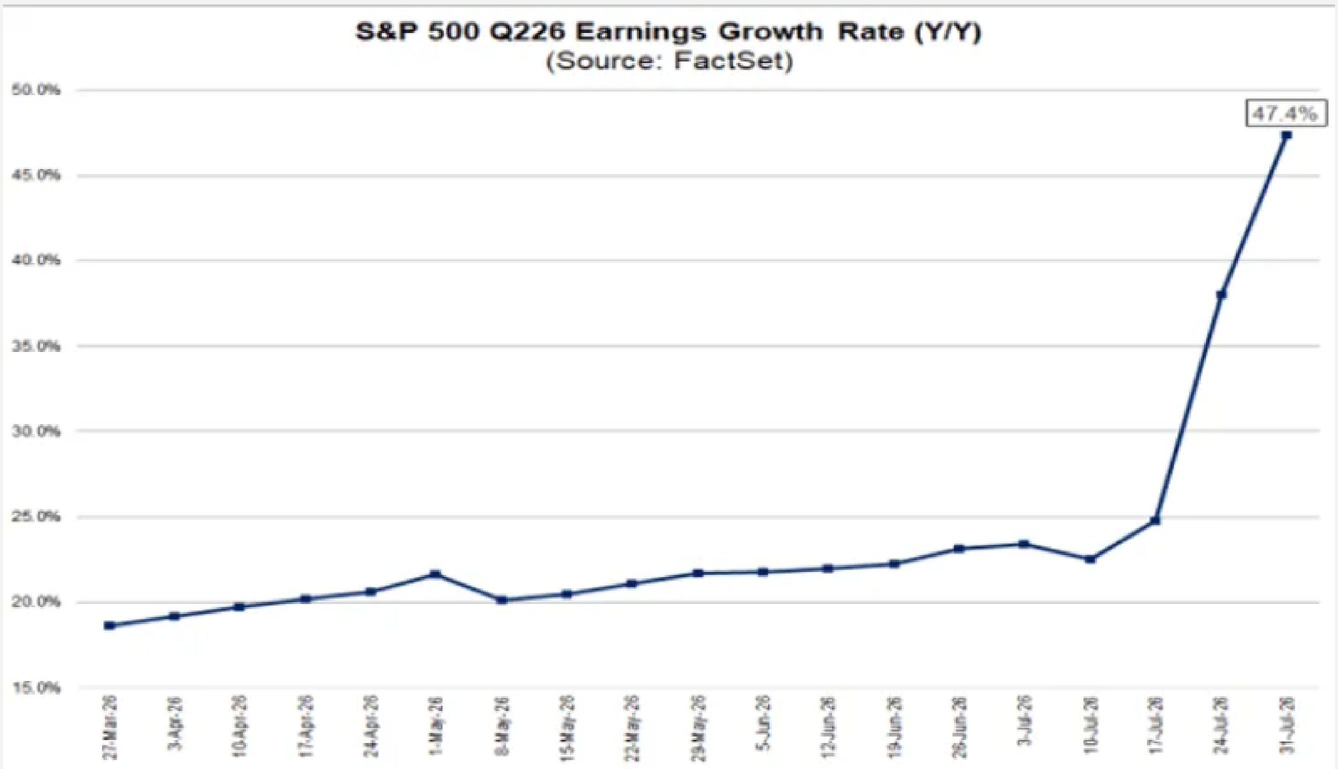
Type	Transactions	Dates	Direct/Indirect	Shares	Amount	Prev Holding %
Exercise or conversion of derivative	1	Aug. 4	D	206,510	$10.2 million	15%
Open market or private sale	1	Aug. 4	D	-206,510	$19.2 million	-13%

The Trump administration is drafting a ban on U.S. imports of new models of Chinese data center components, four people familiar with the matter told Reuters, as it seeks to protect the infrastructure that undergirds the AI boom. (Reuters)

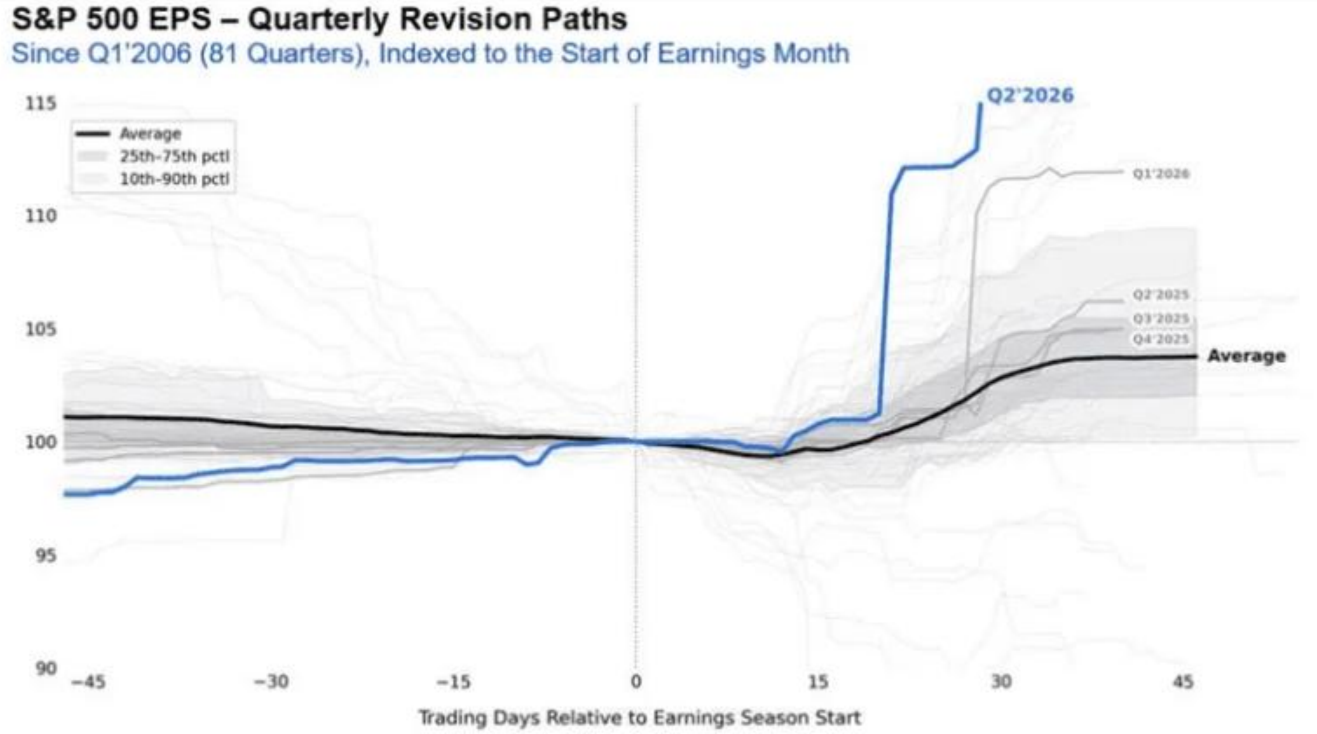
- The proposed FCC rule, expected this year, aims to prevent espionage, malware, and supply chain risks.
- The move could hit China's Zhongji Innolight while benefiting U.S. rivals such as Coherent and Lumentum, though it may increase costs for cloud providers like AWS.

The second quarter of 2026 earnings season has been extraordinary by all measures:

The pace of growth on a year-over-year basis has been off the charts and has wildly surpassed analyst estimates going into the quarter. 2Q26 Headline EPS for the S&P 500 is tracking at 47.4% vs. 23% expected at the start of reporting season. The two charts below show how much earnings estimates have jumped as we have progressed through the quarter, and how positive revisions to EPS estimates have only been larger one other time since 2006.

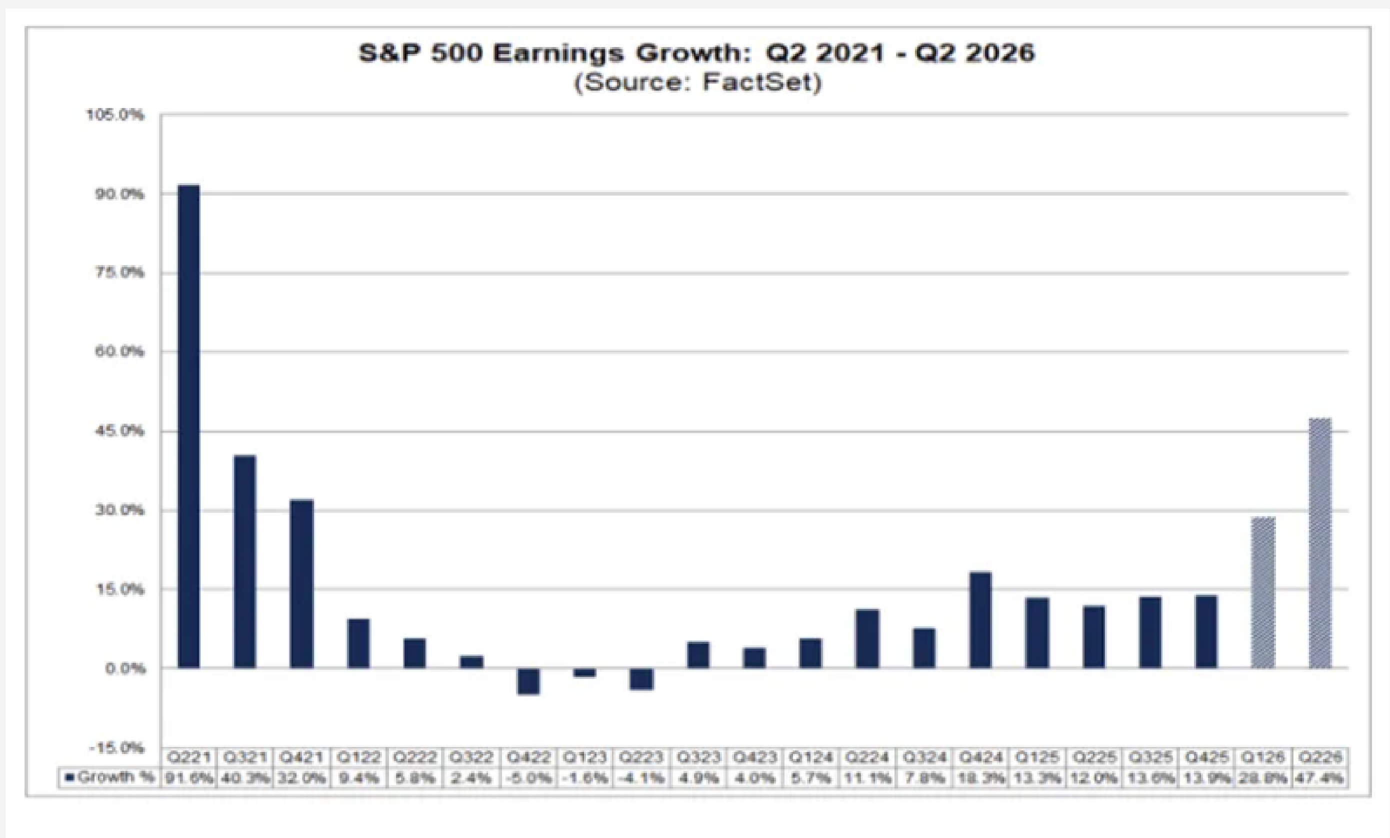


Source: FactSet, as of 7-31-26

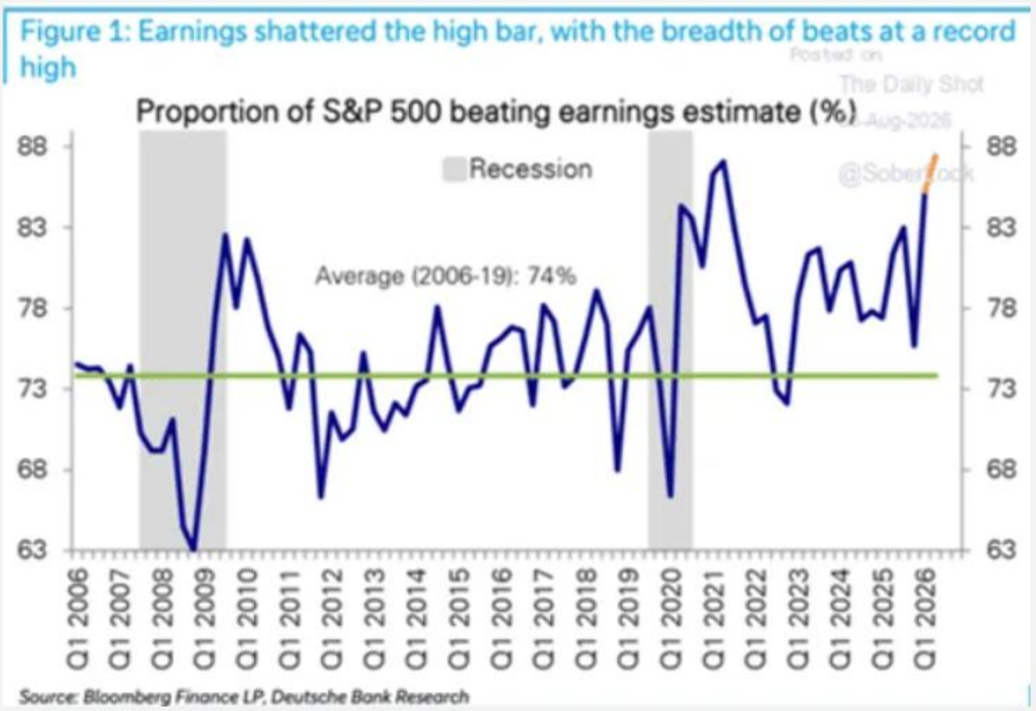


Source: Bloomberg as compiled by Citadel Securities, Global Market Intelligence, as of July 30, 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

As seen below, this headline 47.4% EPS growth is the fastest pace of growth since 2Q21, when earnings were rebounding from the COVID reopening trade.



Before we start listing off all of the caveats that are needed when looking at this eye-popping, nearly-50% headline growth number, we have to acknowledge that there is a healthy breadth to how earnings are beating expectations. The next chart shows how the current beat rate of 88% (meaning 88% of companies are beating sell-side consensus estimates) is at a record high and well above the long-term average.

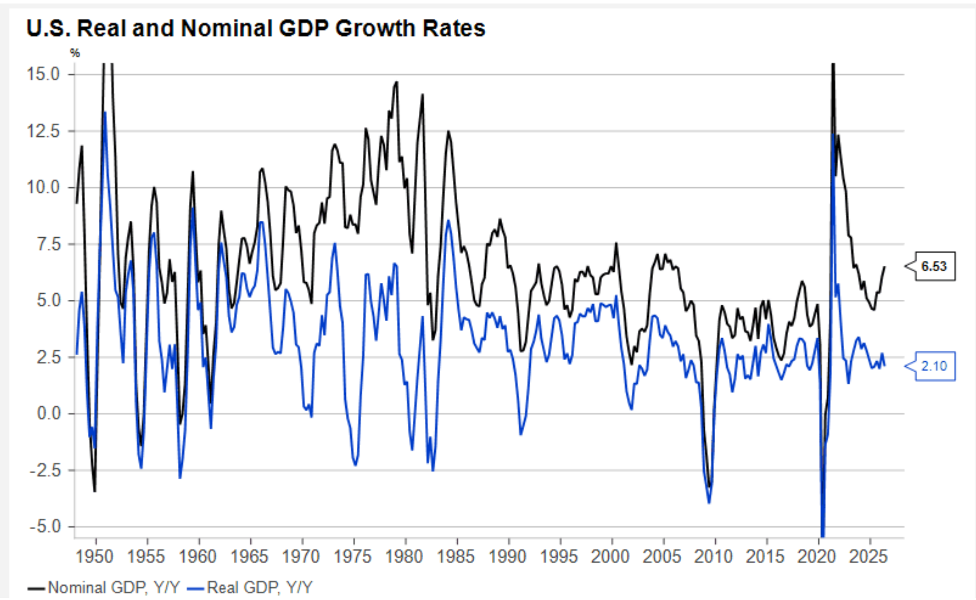


As of 8-5-26

Further, a robust level of beats is happening across sectors, which is important to flag as we talk about the ultra-dominance of tech/Mag 7 within the absolute earnings growth levels.

As of 8-5-26

We must note that the source of this broad based strength in earnings is thanks in part to strong nominal economic growth in the quarter as well. The chart below shows the acceleration in nominal GDP in 2Q26 to 6.5% YoY (or growing at an 8.1% annualized rate). Though this nominal GDP acceleration (black line) was driven by higher inflation, not higher real growth (blue line), the translation to earnings is that earnings are a nominal calculation, so earnings growth benefits from rising prices/inflation.



So the summary thus far is: 2Q26 has delivered incredibly strong headline earnings growth, with robust breadth across sectors supported by a resilient U.S. economy. However (and this is an emphatic however!), now we have to introduce our caveats.

The Caveat of One-Time Gains

The first and second quarters of 2026 have benefitted from unusually large non-operating, unrealized gains on investments at both Alphabet (GOOG/GOOGL) and Amazon (AMZN).

These gains are so big that if you remove the impact from these paper profits, the YoY earnings growth for 2Q26 falls from 47% to 28% (28% is still a very impressive growth rate, given we are not emerging from a downturn).

It is helpful for us to take some time to understand what these gains are in order to better anticipate how earnings could progress in the coming quarters (buckle up for some basic financial accounting, but it will be worth it!).

Both Alphabet and Amazon have large investments in companies that have seen significant valuation increases in the 1H of 2026.

Both Alphabet and Amazon have investments in Anthropic, which had its valuation vault from $183B at the end of 2025, to $380B in 1Q26, and $965B in 2Q26 as it raised incremental rounds of capital. Alphabet has an investment in SpaceX (SPCX), which had its valuation launch from $800B at the end of 2025, to $1.25T in 1Q26, to an IPO valuation of $1.77T at its IPO in 2Q26.

Without getting too technical, these changes in valuation for Anthropic and SpaceX get reflected as non-operating, unrealized (because the companies didn't actually sell any shares) gains on the income statement. And these gains have been HUGE.

The tables below show key statistics from 1Q26 and 2Q26 for Alphabet and Amazon that illustrate these gargantuan gains. As an example, Alphabet reported $9.11 of earnings in 2Q26, up nearly 300% YoY, but only $2.88 of that earnings came from its operations (which was up a more modest 30%). The rest of Alphabet's earnings, or $6.23) came from gains on investments, primarily Anthropic and SpaceX. You can see a similar dynamic with Amazon.

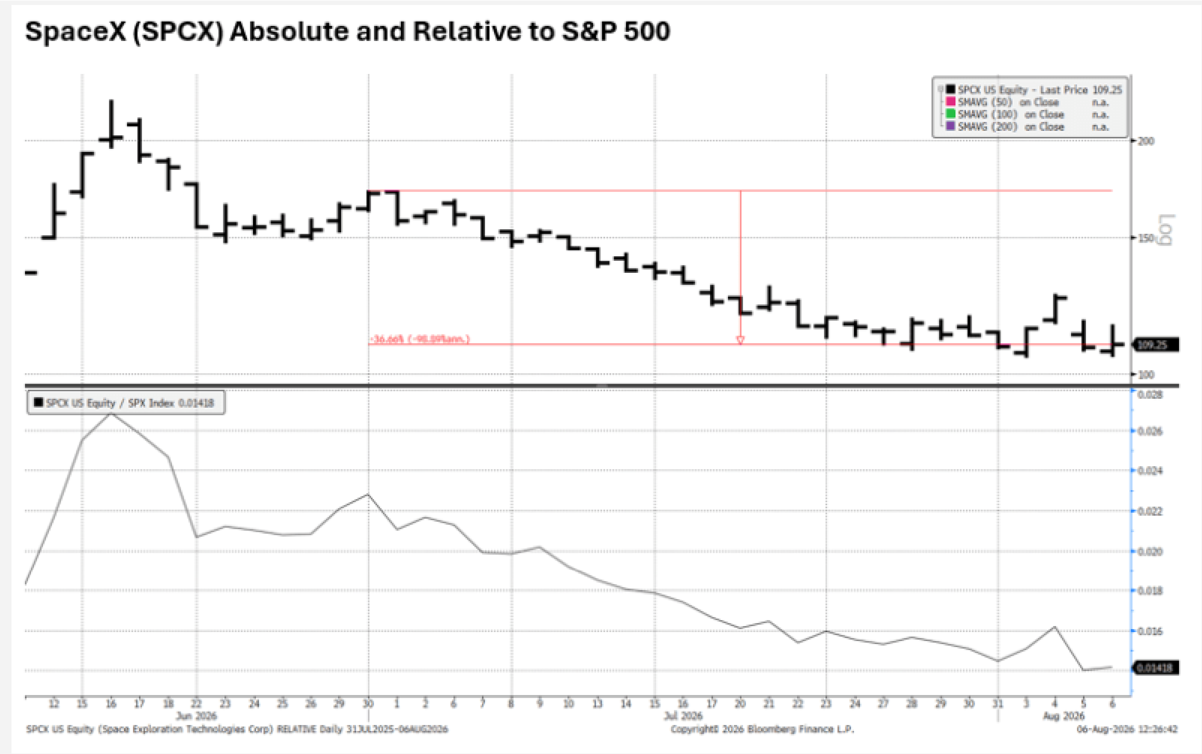
Alphabet (GOOG/GOOGL) Key Statistics

	1Q26	YoY	2Q26	YoY
Total Revenue	$110B	*22%*	$119.8B	*24%*
Total Operating Income	$39.7B	*30%*	$40.8B	*30%*
Operating Margin	36.10%	*2.2 bps*	34.0%	*1.6 bps*
Gains on Equity Securities	$36.9B	*276.50%*	$99B	*7574%*
Total Net Income	$32.3B	*81%*	$112.1B	*298%*
Reported Headline EPS	$5.11	*82%*	$9.11	*294%*
Core Operating EPS (Est.)	$2.76	*-1.80%*	$2.88	*24.70%*

Amazon (AMZN) Key Statistics

	1Q26	YoY	2Q26	YoY
Total Revenue	$181.5B	*17.00%*	$200.6B	*20.00%*
Total Operating Income	$23.9B	*30.00%*	$27.5B	*43.00%*
Operating Margin	13.10%	*1.3 bps*	13.7%	*2.3 bps*
Gains on Equity Securities	$16.8B		$53.4B	
Total Net Income	$30.3B	*77.20%*	$62.6 B	*244.00%*
Reported Headline EPS	$2.78	*74.80%*	$5.75	*242.30%*
Core Operating EPS (Est.)	$1.56	*-1.90%*	$1.88	*11.90%*

We are already starting to see how fleeting these paper gains can be, as we see the valuation of SPCX plunge in public trading. SPCX is down over 40% since the end of June, so if this valuation were to persist through the rest of this quarter, Alphabet would have to record a mark-to-market loss on its position.



Further, in order for more gains to be recognized on an investment like Anthropic, the AI company would have to raise incremental capital either through private markets or an IPO. If Anthropic does not raise capital in 3Q, for example, then neither Alphabet nor Amazon will recognize gains for the current quarter.

As we look to 2027, we do not think it is likely that we will see the magnitude of gains repeat, which means that the reported GAAP EPS for Alphabet and Amazon have the potential to decline in 1Q and 2Q 2027.

Given how much these gains have boosted total S&P 500 earnings (remember 2Q26 earnings would be 20 percentage points lower without the gains!), these gains are likely to act as a Pierce the Veil-esque "dangerous dead weight" for 2027 growth statistics.

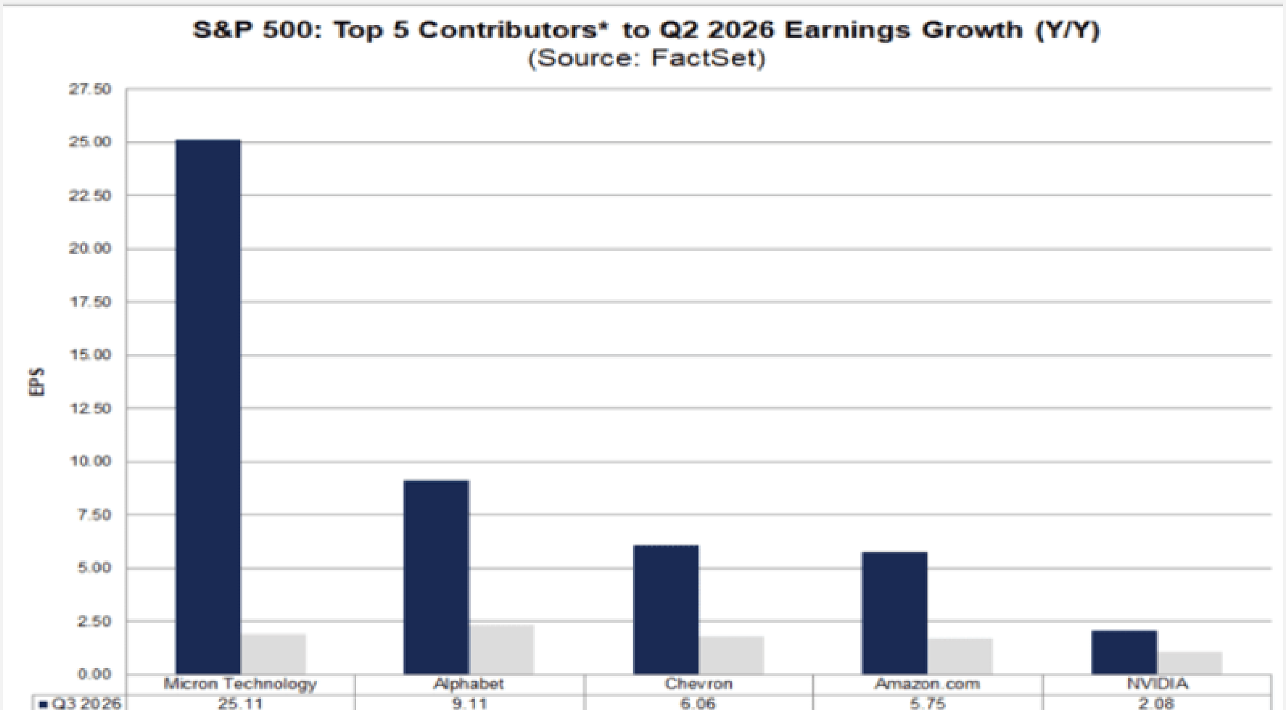
Interestingly, top-down analysts do not seem too concerned (or aware?) that a large chunk of 1Q and 2Q 2026 earnings are unlikely to repeat in 2027. The chart below of technicolor spaghetti shows, for example, how 1Q27 estimates of $94.58 are well above 1Q26 of $80.69 that include these significant gains (estimated to be ~$6 of EPS in 1Q26). When stripping out the gain, the implied growth rate for 1Q next year jumps from a fulsome 17% to an aggressive 27%. As we are learning in 2026, "never say never" when it comes to supernormal earnings growth, but this estimate sure does set a high bar to kick off next year.

S&P 500 Earnings for 1Q26, 2Q26, 1Q27, and 2Q27

The high bar for 1Q27 raises the question as to whether or not there is much upside left to the 2027 full year earnings estimate, which now sits at $405/share, or +13% growth on top of 2026's stellar 30% growth. As we near 2027, the equity market is likely to be come increasingly sensitive to changes in these forward earnings estimates, meaning downward pressure on 2027 earnings could usher in more volatility, while upward revisions would support continued price gains.

S&P 500 Earnings for 2025, 2026, and 2027

No discussion about the prospects for 2027 earnings growth over 2026's stellar numbers would be complete without acknowledging the massive contribution that memory stock earnings are making to overall S&P 500 earnings this year. The chart from FactSet below shows how Micron (MU) not only is the largest contributor to S&P 500 earnings in 2Q, but its $25 contribution is nearly 25% of total S&P 500 earnings for the quarter.



	Micron Technology	Alphabet	Chevron	Amazon.com	NVIDIA
Q3 2026	25.11	9.11	6.06	5.75	2.08
Q3 2025	1.91	2.31	1.77	1.68	1.05

*Not in order of contribution

Given the industry expects a continued shortage of memory supply compared to ravenous AI demand, MU is expected to double earnings again in 2027, but this 100% growth rate is a meaningful deceleration from 2026's expected 850% (not a typo!) growth.

The continuation of this memory and tech infrastructure cycle is highly dependent on the hyperscalers' willingness and ability to spend aggressively on physical AI infrastructure. Thanks to negative free cash flow (meaning hyperscalers in aggregate are set to spend more on capex than their operating cash flows in 2027), hyperscaler's ability to spend is partially dependent on debt and equity markets that are helping to fund this spend (for now, capital markets appear wide open for funding hyperscaler investments, but at an increasingly higher price).

It is not just the external financing that is important to consider, it is the circular financing that must be appreciated. Consider these statistics in light of last week's news that NVDA is considering a $250B backstop of OpenAI's infrastructure spending: OpenAI makes up 40% of MSFT's cloud backlog and currently accounts for 70% of MSFT's AI revenue, while MSFT is 22% of NVDA's revenue and NVDA is 17% of MU's revenue.

All of this is to say that a key real operating (not like those "so far so fake" paper gains) reason why S&P 500 earnings have been able to deliver such powerful growth in 2026 has been the ultra-powerful memory trade. Memory remains a highly cyclical, highly competitive industry, so a deceleration in AI capex spend (of which we are seeing no evidence of at this time), would result in amplified downside in these earnings.

Circular Conclusion

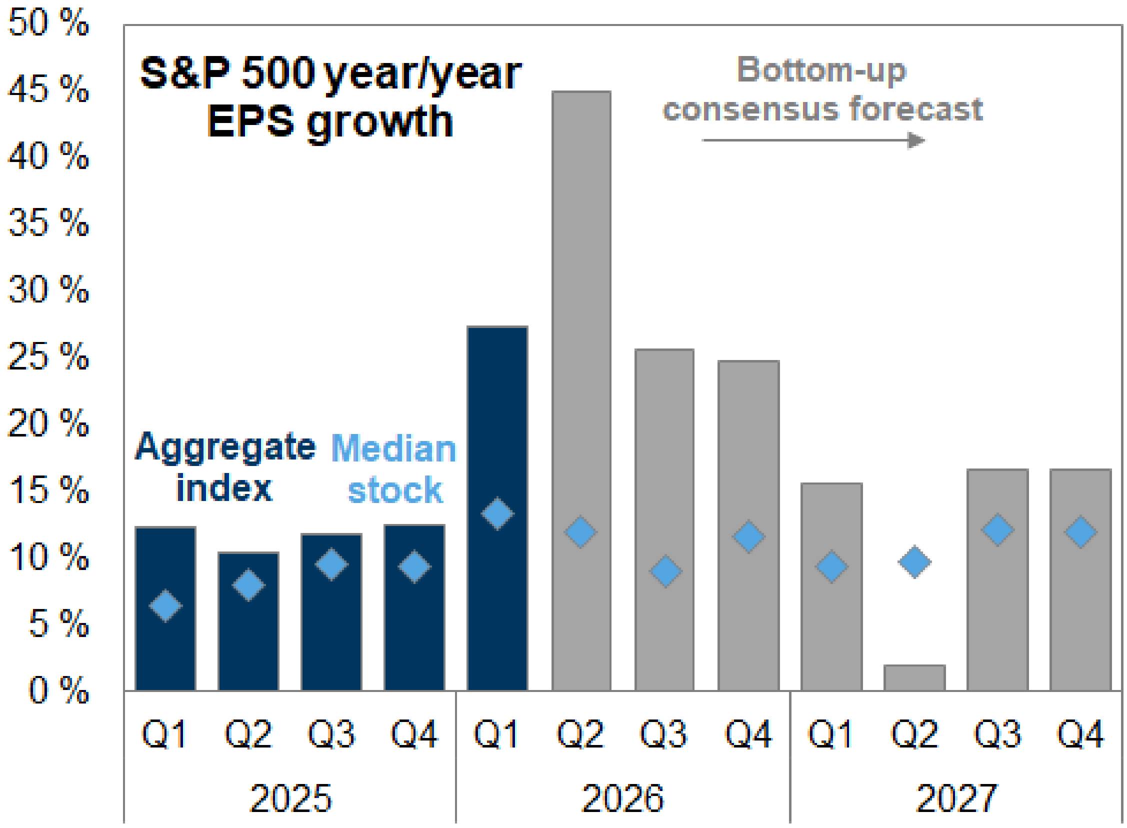
Overall, even if we remove the one-time gains from 1Q and 2Q 2027 earnings, the underlying operating earnings growth rate remains highly impressive. There has been breadth to these earnings, helped by nominal GDP, but the dominant driver of large upside to estimates has been the "So Far So Fake" paper gains from Alphabet and Amazon and the memory super cycle.

These are all important features to appreciate as we think about the prospects for 2027 growth, on which the market will grow increasingly focused as this year enters its final months.

The "So Far So Fake" one-time gains plus the memory earnings surge in 2026 do create notably tough comparisons for 2027, and arguably could be seen as an period of "over earning", where today's high growth sets up for weaker growth in the future.

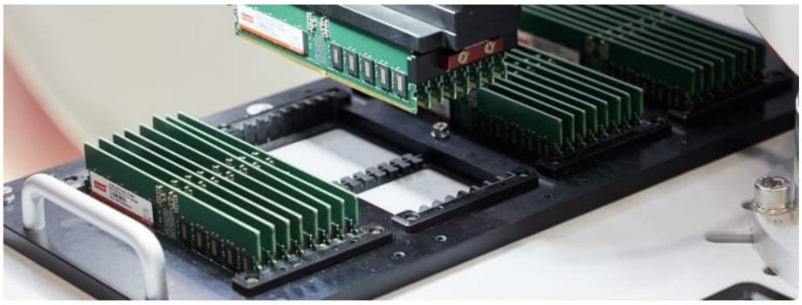
For now, 2026 and 2027 estimates continue to climb higher, giving no signal that there is any concern about over earning, unsustainable growth, or tough comparisons this year or next. The resilience of the U.S. economy is a supportive factor for this optimism, but arguably it is the continuation of the external and circular financing of the AI infrastructure boom that will matter far more.

Exhibit 40: Realized and consensus year/year S&P 500 EPS growt



$MU, Samsung, and $SKHY sold out of 2027 memory chip (DRAM/HBM and NAND) capacity

- SK Hynix, $MU, and Samsung have sold out of 2027 capacity for DRAM/HBM.
- $SNDK, Samsung, Micron current annual NAND capacity has been sold out, with Kioxia and SK Hynix expected to finalize allocations by August 2026.
- Customers are being allocated only 60–70% of the volumes they initially requested
- Industry insiders pointed out that 2027 will enter the most severe moment of memory shortage
- Allocation amounts are mostly decided, but final shipment pricing will be determined closer to delivery
- Source: Digitimes, citing industry sources.
- Hard to see those memory "oversupply" claims in early-mid 2027 when they're all sold out of capacity already.



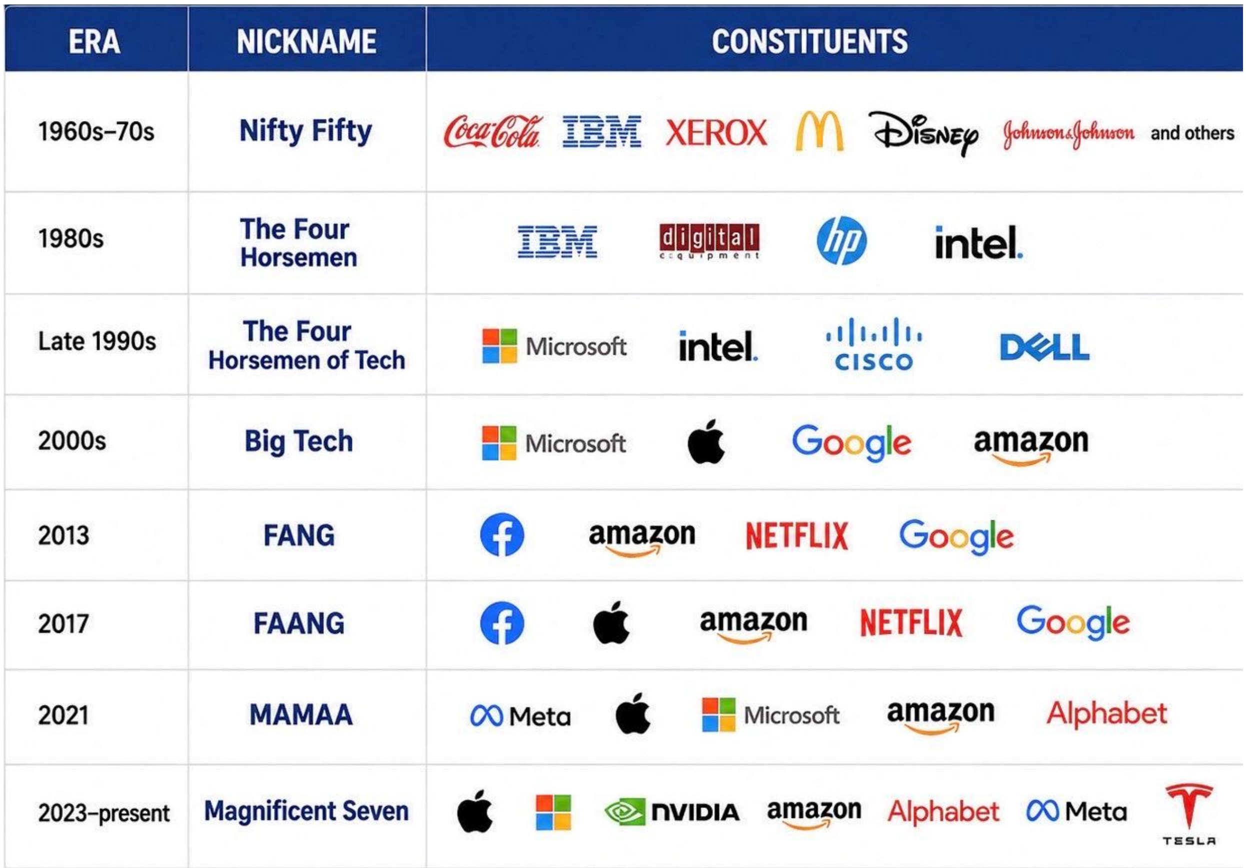
The memory seller's market pattern remains unchanged, and the industry has reported that DRAM capacity has been sold out in 2027. Li Jianliang (data photo)

Memory continued until 2027. Industry insiders pointed out that the original factory has recently completed the 2027 annual capacity allocation negotiations, and the DRAM and high-bandwidth memory (HBM) production capacity of the three original manufacturers have been sold out in advance. NAND Flash is not as tight as DRAM supply, but it is expected that the production capacity before the end of August 2026 will also be booked, whether or not there is a long-term LTA contract, buyers from all parties are cooperating with the original advance advance deposit model, which will

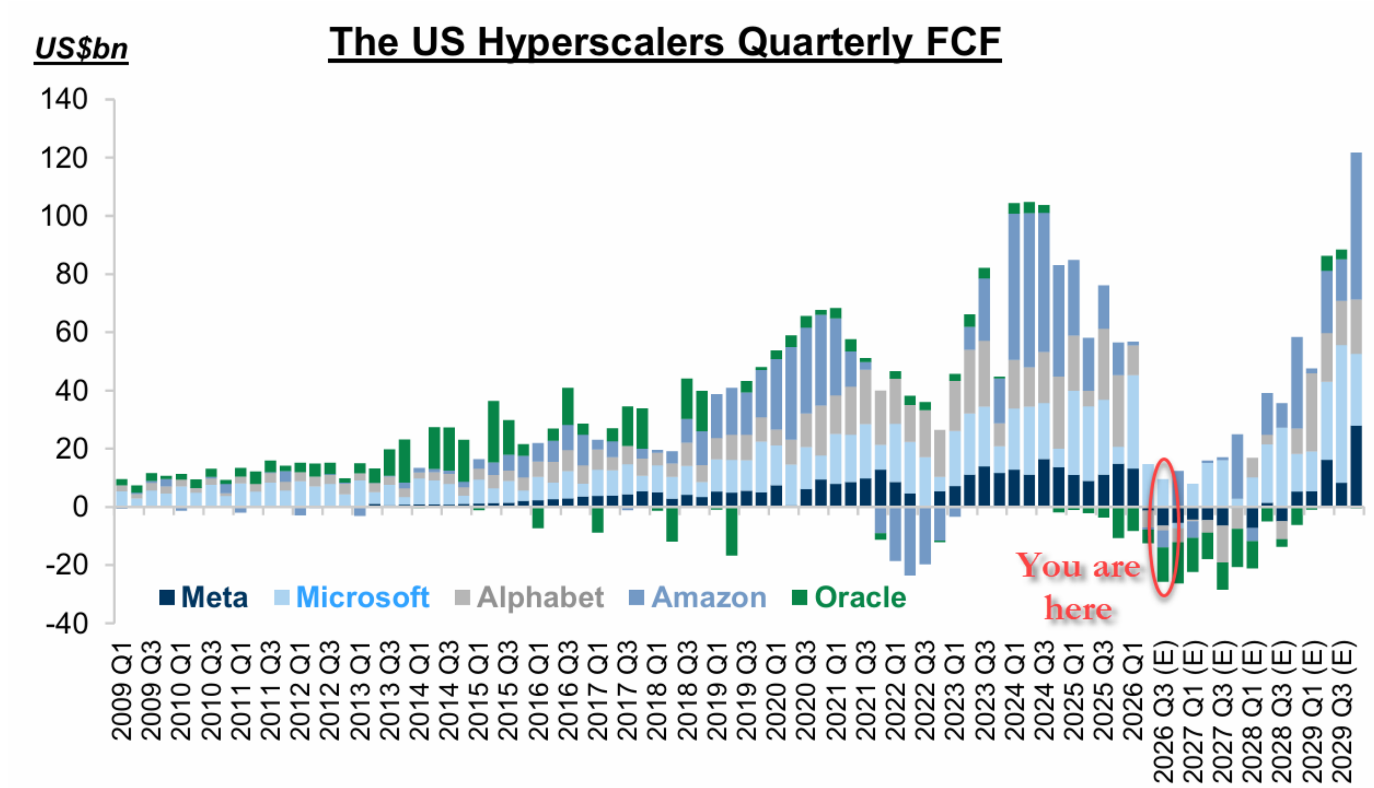
It is estimated that the original factory can provide the amount of capacity, usually only 6 to 70% of the original target, in the total production capacity is limited, the original factory priority to meet the needs of cloud services (CSP) and AI manufacturers, directly squeeze the traditional consumer terminal industry, it is expected that the mobile phone and PC operators in 2027 can obtain the DRAM quota, will be significantly reduced compared with 2026.

Weigang chairman Chen Libai recently stressed that DRAM out of stock is quite clear, and confirmed that the three original manufacturers in 2027 production capacity has already sold out, HBM and AI server-related applications, will account for nearly 70% of DRAM production capacity. The DRAM supply of PC and mobile phone applications will be relatively limited; in addition, the demand for enterprise-grade storage is strong, which also drives the supply of NAND Flash and hard disk market.

The industry evaluates that the production capacity of the three major DRAM plants in 2027 is the first wave to be snapped up, and as for the more manufacturers supplied by NAND, the buyer still has the opportunity to strive for the allocation and



Only Hyperscaler with Positive FCFE is Microsoft



Source: FactSet, Goldman Sachs Global Investment Research

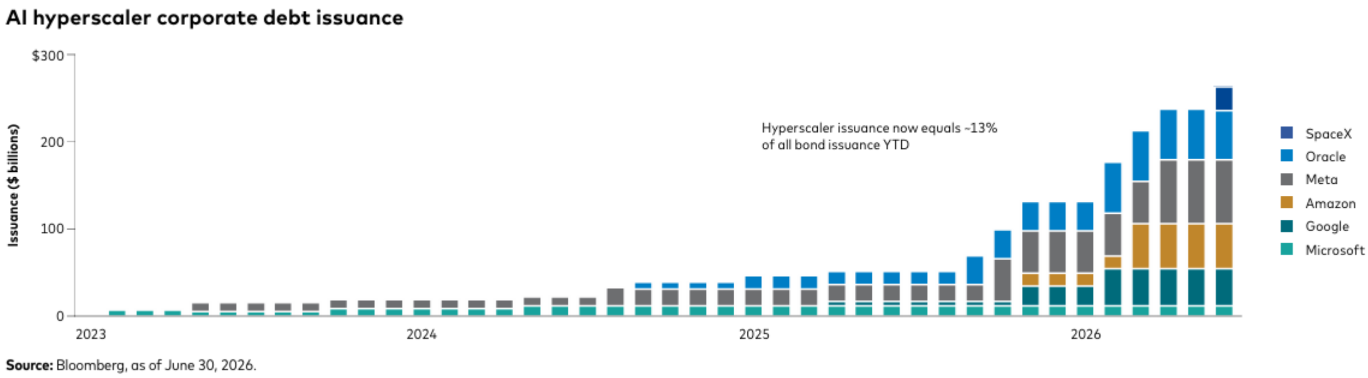
Morgan Stanley: Microsoft, Security companies, and Neoclouds Seem to Win in Every Case

Exhibit 1: Stocks we like across our "3 States of the World" — where closed models win, hybrid wins, and open models win.

	Scenario 1 (Closed Models Win)	Scenario 2 (Hybrid)	Scenario 3 (Open Models Win)
Biggest Beneficiaries	**Cloud Providers:** GOOGL, AMZN **Model Providers:** GOOGL, META **Security Software:** PANW, CRWD, ZS, NTSK, OKTA **Optical/Networking:** ANET, LITE, COHR **On-Site Power Providers:** BE, INIO, SEI, WMB, LBRT **Semis:** NVDA, AVGO	**Cloud Providers:** AMZN, GOOGL, MSFT **Infrastructure Software:** DDOG, PLTR, APPN **Security Software:** PANW, CRWD, FTNT, ZS, NTSK, OKTA, SAIL, VRNS **SaaS:** SAP, NOW **Optical/Networking:** CSCO, FFIV **On-Site Power Providers:** BE, INIO, SEI, WMB, LBRT **Semis:** NVDA	**Cloud Providers:** MSFT **Model Providers:** MiniMax, Knowledge Atlas, BABA, Tencent **Infrastructure Software:** PLTR **Security Software:** PANW, CRWD, FTNT, OKTA, SAIL **SaaS:** SAP, NOW, SHOP **On-Prem Infrastructure:** DELL, HPE, NTAP, P **Edge Devices:** DELL, HPQ, AAPL **VARs/Distributors:** SNX, INGM, CDW **On-Site Power Providers:** BE, INIO, SEI, WMB, LBRT **Semis:** NVDA
Other Beneficiaries	**Cloud Providers:** MSFT **Neoclouds:** CRWV, NBIS **Security Software:** SAIL	**Model Providers:** MiniMax, Knowledge Atlas, BABA, Tencent **Neoclouds:** CRWV, NBIS **SaaS:** SHOP, WDAY, CRM, INTU **On-Prem Infrastructure:** DELL, HPE, NTAP, P **Edge Devices**: DELL, HPQ, AAPL **VARs/Distributors:** SNX, INGM, CDW	**Cloud Providers:** AMZN, GOOGL **Neoclouds:** CRWV, NBIS **SaaS:** WDAY, CRM, INTU

Source: Morgan Stanley Research

Hyperscaler Debt Issuance by Quarter



Bezos sells another $4.07 billion of $AMZN shares

- Amazon shares fell as much as 1.9% in postmarket trading after Chair Jeff Bezos filed to sell 15m in shares with aggregate market value of $4.07 billion.
- Approximate date of sale is listed as Aug. 3
- Amazon shares have jumped 21% in the two trading sessions since a banner earnings report on July 30

144: Securities Information

Title of the Class of Securities To Be Sold	Name and Address of the Broker	Number of Shares or Other Units To Be Sold	Aggregate Market Value	Number of Shares or Other Units Outstanding	Approximate Date of Sale	Name the Securities Exchange
Common	Morgan Stanley Smith Barney LLC Executive Financial Services 1 New York Plaza 8th Floor New York � NY � 10004	15000000	4073700000.00	10786313572	08/03/2026	NASDAQ

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

144: Securities To Be Sold

Title of the Class	Date you Acquired	Nature of Acquisition Transaction	Name of Person from Whom Acquired	Is this a Gift?	Date Donor Acquired	Amount of Securities Acquired	Date of Payment	Nature of Payment *
Common	07/05/1994	Purchase - Original Issue	Issuer	☐		15000000	07/05/1994	Founder Stock

* If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

144: Securities Sold During The Past 3 Months

Nothing to Report	☑

144: Remarks and Signature

Remarks	On May 4, 2026, the reporting person contributed 220,200 shares to non-profit organizations, which may have sold such shares during the three months preceding the date of this Form 144.
Date of Notice	08/03/2026
Date of Plan Adoption or Giving of Instruction, If Relying on Rule 10b5-1	11/14/2025

ATTENTION:

The person for whose account the securities to which this notice relates are to be sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the Issuer of the securities to be sold which has not been publicly disclosed. If such person has adopted a written trading plan or given trading instructions to satisfy Rule 10b5-1 under the Exchange Act, by signing the form and indicating the date that the plan was adopted or the instruction given, that person makes such representation as of the plan adoption or instruction date.

Signature	/s/ Jeffrey P. Bezos

ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)

Added to T1 Energy TE at $4.70

The solar equipment manufacturer announced a contract to supply independent power producer Clearway Energy Group 641MW of solar modules.

T1 emphasized commitment to increase the domestic content of its modules, noting that "domestic modules with domestic cells are highly valued given rising uncertainty around trade and tariff policy"

Expects to offer modules with greater than 60% domestic content in 2027

Solar panel manufacturers are awaiting the pending Section 232 decision which would determine whether the president to impose tariffs or import quotas on polysilicon, a fundamental raw material used to produce solar cells

"Customers such as Clearway seeking high-domestic-content modules are building critical momentum for a 'Made in America' supply chain," said T1's CEO Dan Barcelo

Peer solar module manufacturer First Solar was also up as much as 15%, the biggest intraday move since October.

VISN Earnings Update:

Vistance Networks, Inc. (NASDAQ: VISN) reported its Q2 2026 earnings results. The update was characterized by significant balance sheet restructuring and massive capital distributions to shareholders, alongside operational headwinds and guidance cuts in its core business.

Added marginally 5 bps at 10.35/share, but being careful given memory cost and customer concentration of 75% in top 3 customers.

Key Operational & Financial Metrics (Q2 2026)

- Net Sales: $319.6 million, down 1.4% YoY (primarily reflecting the remaining Aurora segment following divestitures).
- GAAP Operating Performance: Swung to an operating loss of $(8.9) million (compared to $7.8 million income in Q2 2025).

The Transformational Divestiture & Capital Returns

- RUCKUS Sale Completed: On July 1, 2026, Vistance finalized the sale of its RUCKUS segment for ~$1.846 billion in cash.
- Special Cash Distribution: Following an earlier $10.00/share payout, management announced a new $5.00 per share special cash distribution to be paid by late August 2026.
- $3.4 Billion Total Return in 2026: Management expects to have returned $15.00 per share (~$3.4 billion total) to equity holders throughout 2026.
- Debt-Free Balance Sheet: Proceeds were utilized to repay all long-term debt and redeem all Series A preferred equity, leaving the company with $0 in outstanding borrowings and over $2.5 billion in stockholders' equity as of mid-2026.

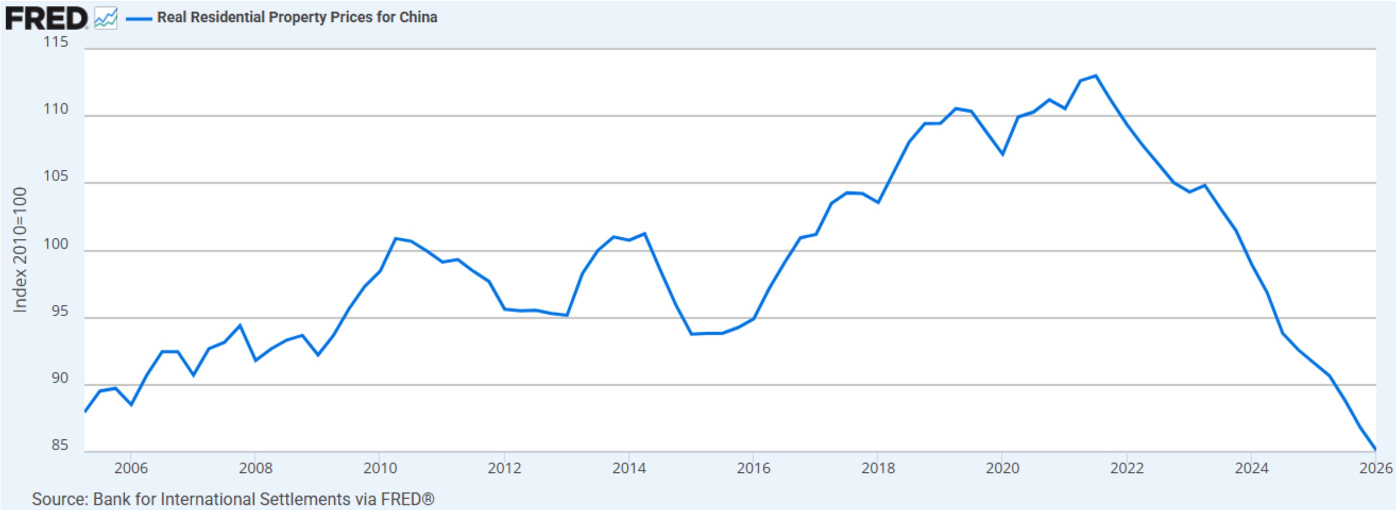
Why the Core Business is Facing Headwinds

- Full-Year Outlook Reduction: Management lowered full-year 2026 Adjusted EBITDA guidance for the core Aurora segment by $25 million to $200M – $225M.
- Primary Cost Pressures: Margins are being squeezed by sharp memory-chip price inflation, supply availability constraints, difficult prior-year licensing comparisons, and temporary "stranded costs" following recent business line divestitures.
- Index Rebalancing: Near-term trading sentiment has also been impacted by VISN's removal from select Russell indices following the shrinkage of its market cap post-divestiture.

Summary

VISN has effectively transitioned into a deleveraged, capital-return vehicle. While equity holders are receiving substantial cash payouts funded by asset sales, the remaining operational business (Aurora) faces near-term margin pressure from memory costs and lower sales volume.

Chinese Real Estate Market has fallen to its lowest prices in AT LEAST the last 20 years

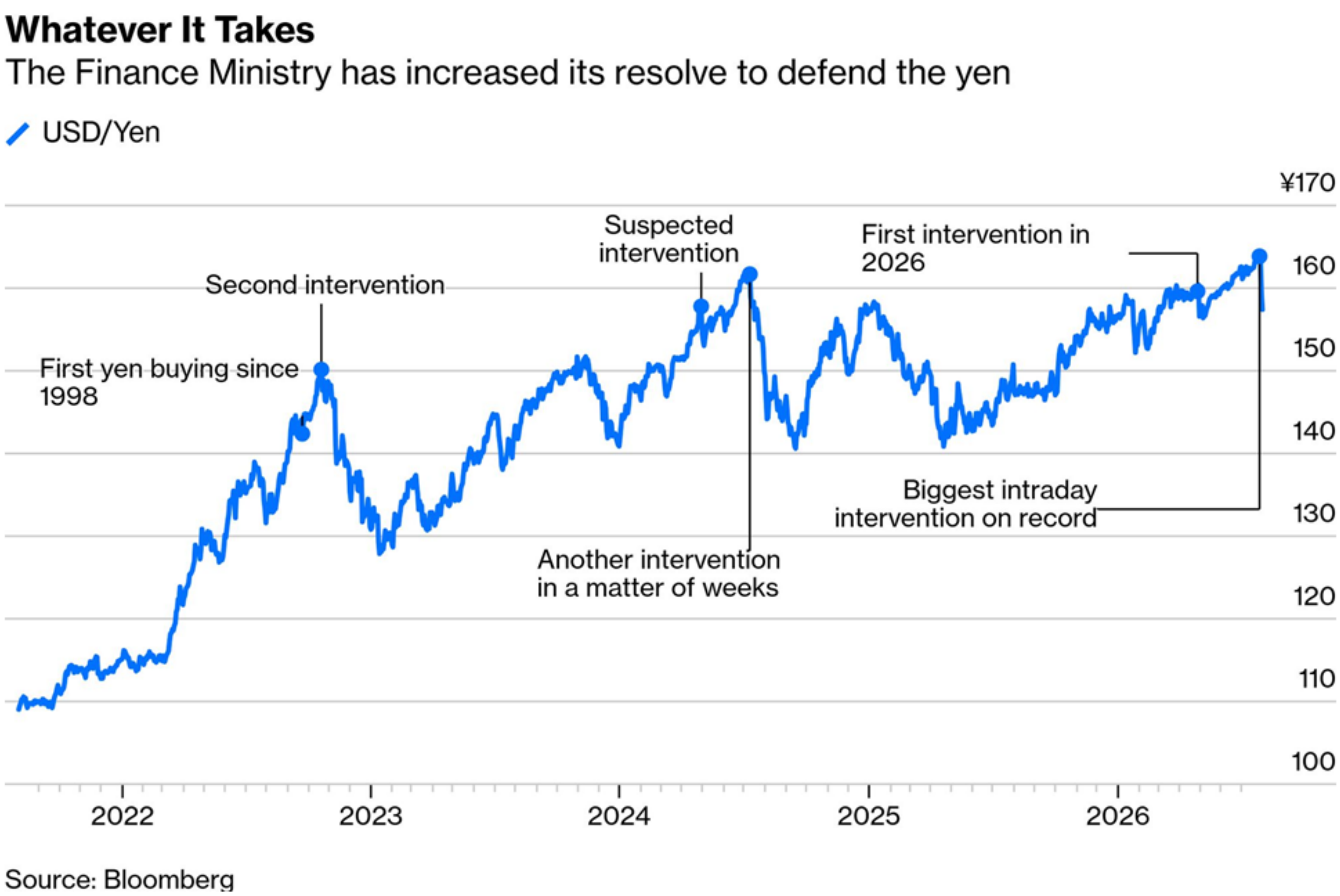


Japan Ministry of Finance Makes Habit of Intervening to Support the Yen

Over the past four years, Japan's Ministry of Finance has made a habit of intervening to support the yen. It hasn't helped, yet last week's episode felt different. It produced a big turnaround, and this time the ministry had help from a significant quarter — US Treasury Secretary Scott Bessent.

With the currency near its weakest in four decades, the intervention led to the strongest level since May. Since buying yen in September 2022 — the first such operation since 1998 — the ministry has spent at least $255 billion without stemming the tide. That conservative figure doesn't include last week, pending the official amount.

This matters beyond Japanese shores because the carry trade — the strategy of borrowing in yen and parking in a higher-yielding currency like the Mexican peso — has been an ultra-reliable source of profits. Over five years, it has strongly beaten even the S&P 500's total return. A big yen appreciation might prompt the carry trade to unwind, as it did to chaotic effect two years ago. Last week's move has already jolted the carry trade out of what had been a startlingly steady upward trend:



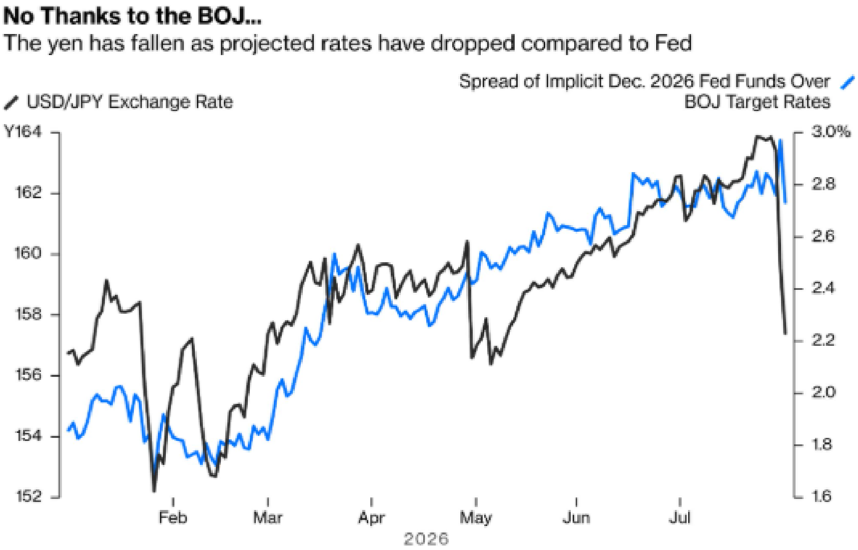
These actions are growing more frequent precisely because they are ever less impactful. Those betting against the yen know that the ministry's resources are finite, and that Japan is in a poor fiscal position. Four years ago, the market reportedly viewed around 145 yen per dollar as Tokyo's line in the sand. The latest intervention suggests that threshold has shifted closer to 160, underscoring investors' growing willingness to test authorities' resolve.

Washington's uncharacteristic support — which seems to have included rate checks and selling euros to buy yen — is potentially a big deal and sends a powerful signal. Mizuho Bank's Masayuki Nakajima argues that this reflects Washington's growing concern over the risks of further depreciation, or that rising volatility in Japanese bonds could spill over into US Treasuries:

But US involvement remains problematic. Robin Brooks of the Brookings Institution, a long-term skeptic of Japanese efforts to prop up the yen, points out:

> US participation raises more questions than answers, especially the very odd news that the US sold euros to buy yen. This kind of twist in my opinion undercuts the efficacy of US participation, because it invariably will have markets wondering why the US didn't just fund yen buying out of dollars. FX intervention is a confidence game. The last thing you want is to give markets any kind of reason to ask questions.

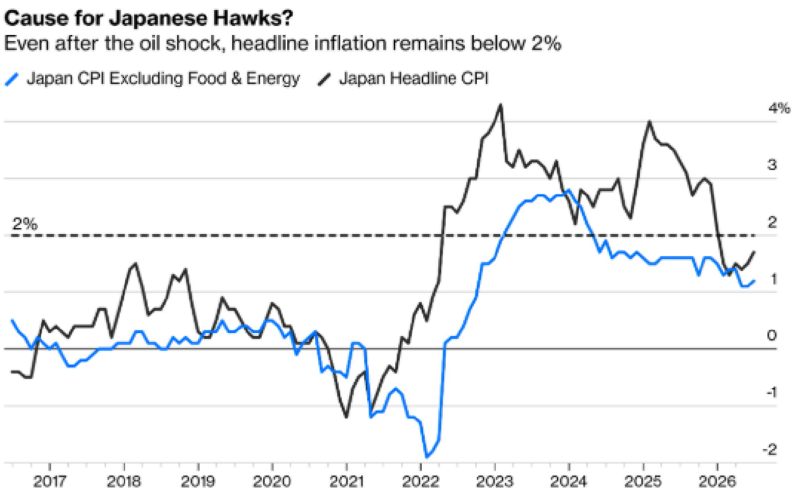
What of the Bank of Japan? In June, it raised its policy rate to 1% — the highest since 1995. But it stayed on hold last week, and only one more hike is expected this year. Expectations have stayed relatively constant even as markets have priced in increases for other central banks following the oil supply shock. The yen weakening has been almost exactly in line with the widening gap between the BOJ and the Fed:



Source: Bloomberg World Interest Rate Probabilities

Prime Minister Sanae Takaichi, who received a massive electoral mandate six months ago, has an adverse stance on policy tightening as she goes for growth.

The timing and magnitude of the ministry's action — with the estimated $52.8 billion spent on July 31 marking the largest single-day intervention on record — suggest a new level of resolve. What the BOJ does next is critical. Not long ago, the oil shock (Japan is an energy importer) combined with the weak yen to suggest renewed inflationary pressure. But the numbers remain ambiguous, with last year's big spike possibly attributable to the bad rice harvest. The case for hawkishness isn't clear from the latest data:



Source: Bloomberg

Governor Kazuo Ueda failed to provide meaningful forward guidance when the market was desperate for it. Jesper Koll, the long-term Tokyo-based investment banker who publishes the Japan Optimist newsletter, was scathing:

The fact that, thank you, Governor Ueda tells us with great confidence he sees Japan inflation re-accelerating to above 2% in the second half of Japan's fiscal year got undermined immediately by his lack of action. So why exactly are you not hiking if you're so confident? Could it be that Japan's financial system is so weak that accelerated rate hike would trigger a possible banking crisis?

Koll, an optimist, and Brooks, a skeptic, agree that even this level of intervention won't work on its own. For Brooks, the yen is falling "because Japan's high public debt prevents the country from allowing yields to rise freely." With bonds kept capped, the yen becomes the main symptom of "a debt crisis that's getting papered over."

Koll thinks Takaichi's aggressive pursuit of growth will probably work, but agrees that the likely path of the yen is weaker. He suspects that the BOJ is holding off because of worries about the secondary banking system, but that the new fiscal policy is almost guaranteed, ultimately, to be inflationary. Thus, risks are still asymmetrically tilted toward an even weaker yen.

Citadel's Rubner on Retail Excess Unwound

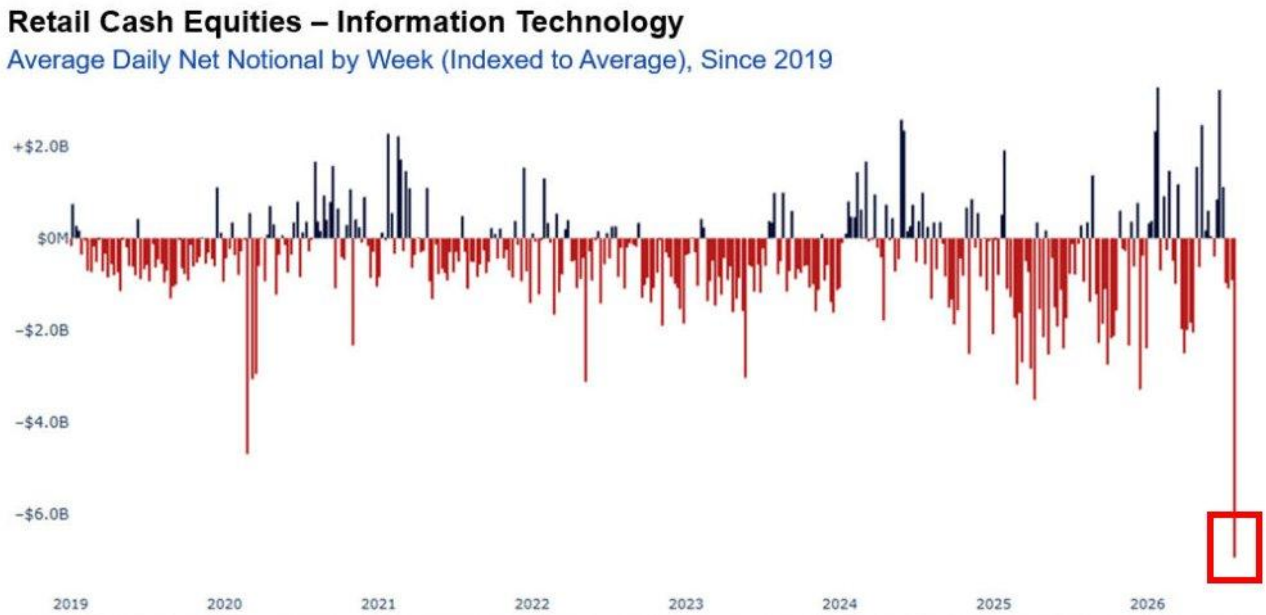
Citadel's Rubner says the early-summer excesses have largely been unwound.

Retail investors reduced risk, leverage normalized, market concentration declined, and many of the market's largest technical headwinds have begun to fade.

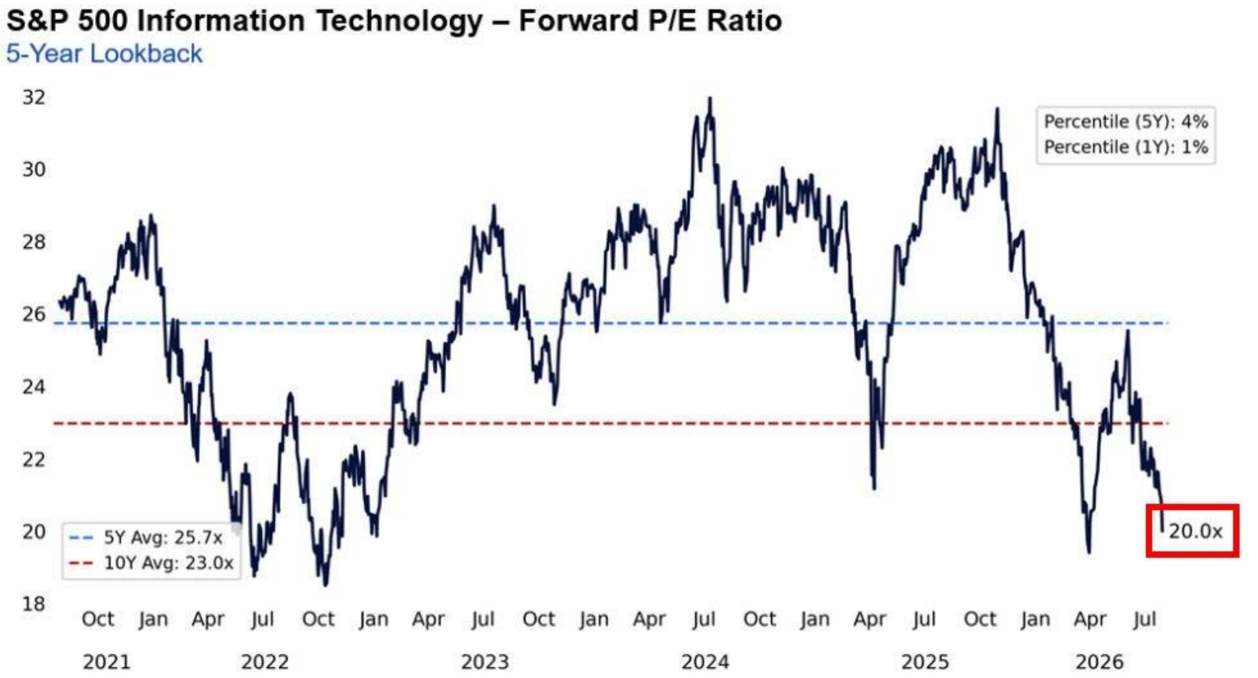
"As a result, we believe investors can increasingly spend less time focused on positioning and more time focused on fundamentals.

Position sizes and risk budgets are likely to rebuild gradually, supporting a lower volatility grind higher rather than the type of V-shaped recovery experienced earlier this year."

"The technical reset we have been waiting for has largely occurred. July did not change the structural bull market. It reset it."



Source: Citadel Securities, Global Market Intelligence, as of July 30, 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.



Source: Bloomberg as compiled by Citadel Securities, Global Market Intelligence, as of July 29, 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

MORGAN STANLEY SEES CLOUD SPENDING SURGING TO $1.2T

Morgan Stanley expects global cloud capital spending to reach $1.2 trillion in 2027, up 30% YoY and $170 billion above pre-Q2 estimates.

- The firm said all four major U.S. hyperscalers remain capacity constrained as AI demand continues to outpace supply. Alphabet ($GOOGL), Amazon ($AMZN) and Meta ($META) all raised 2026 capex guidance, while Microsoft ($MSFT) maintained its spending outlook.
- Morgan Stanley believes consensus is still too conservative, forecasting cloud capex could reach $1.4 trillion, driven by strong AI adoption, rising cloud demand, multi-year customer commitments and improving returns on infrastructure investment.

The cost of intelligence is plunging every day, despite "relentless demand" for Agentic.

Thanks to China, token costs are back to where they were at the start of 2026, crushing Goldman's optimistic margin outlook.

Qwen3.8-Max by @Alibaba_Qwen has reshaped the cost-performance Pareto frontier in Frontend Code Arena, with pricing of $2 per input MToken and $6 per output MToken.

Top models on the Pareto frontier:

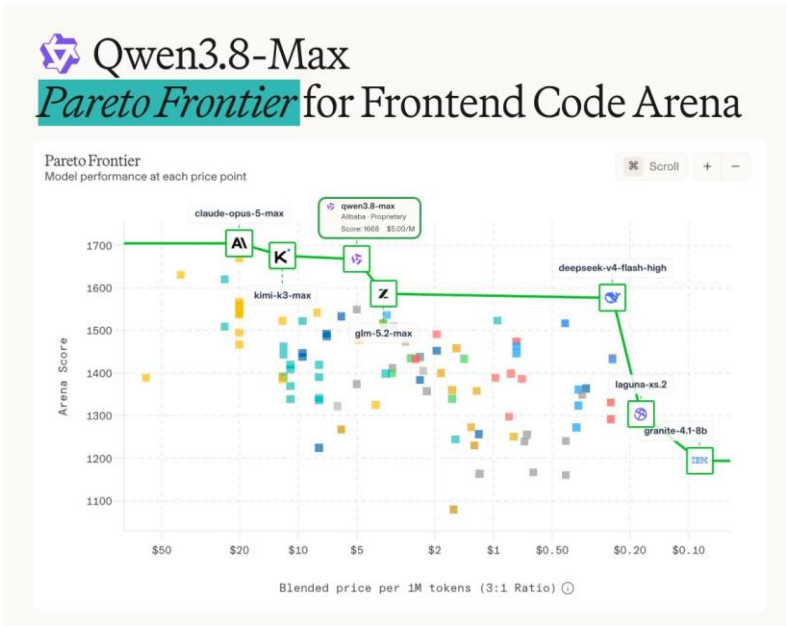
- Claude-Opus-5

- Kimi-K3

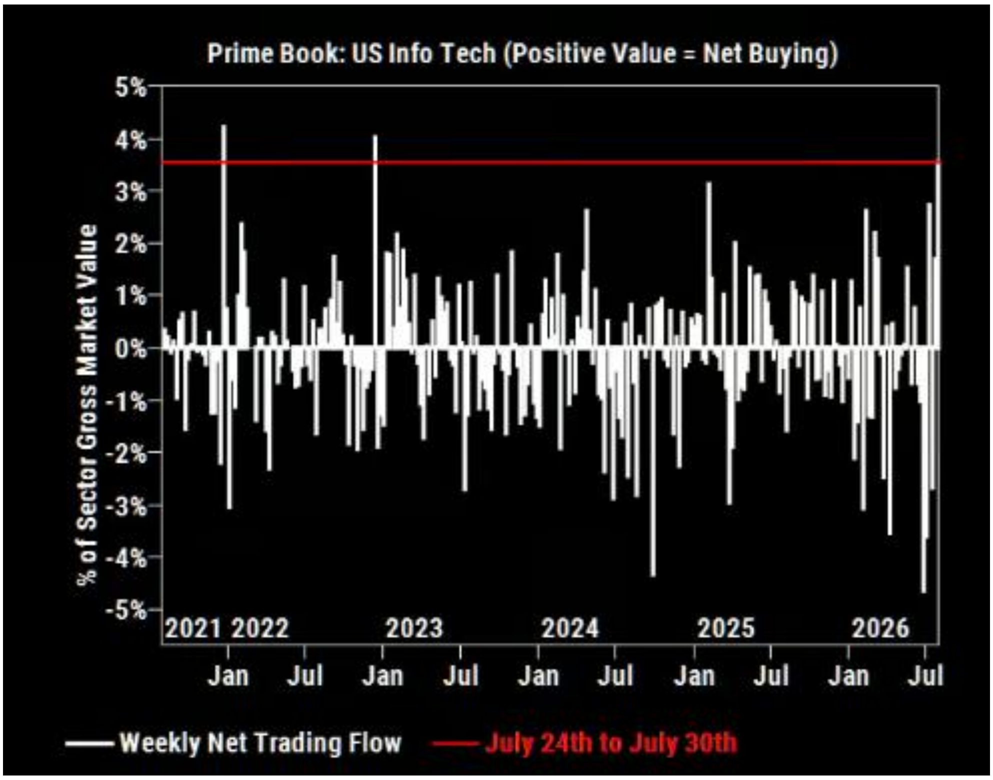
- Qwen3.8-Max

- GLM-5.2

- DeepSeek-V4-Flash



Hedge Funds bought Tech Stocks last week at the fastest pace since December 2022



Dan Niles on Mag7 Earnings

Last wk S&P/Nas/Mag7 +1.0%/+1.6%/+4.7%. The forced asset sale by Situational Awareness helped drive a sharp rally on 7/30.

On 7/29, I wrote, “From a technical standpoint, I believe forced liquidations and margin calls in both retail accounts and hedge funds that typically run with leverage over the past couple of weeks is leading to a technical bottom… In summary, my view is that we could have seen at least a short-term bottom today with a strong rally ahead of us in the sectors most caught in the latest speedbump.”

On Thursday 7/30, the Morgan Stanley TMT (Tech Media and Telecom) Momentum Index rebounded a record 19% on Thursday and added another 1% on Friday. This followed a decline of 54% from 6/22-7/29. It is now down 44% from 6/22. This is why I focus on avoiding “speed bumps” as I warned about on my 6/20 post. It is hard to predict how bad they will be and down 50% requires a 100% gain to get back to even. I feel like the near-term low on the current speedbump was seen on 7/29.

Looking at Mag7 results this earnings season, stock reaction to earnings results mostly came down to two factors: 1) did estimates go up for CQ3 if capex went up and 2) did you report results before or after the Situational Awareness (SA) forced sale.

$MSFT results strengthened my recent view that co-Pilot could be a winner in enterprise AI longer-term. As I wrote in my earnings preview. “It operates natively within the Microsoft 365 ecosystem where enterprise work already happens.” There are ~450M M365 paid seats but only ~30M Co-Pilot. Microsoft guided above consensus for CQ3 while capex remained unchanged. Azure also saw growth improve sequentially from 39% to 43% y/y with guidance to 45% for CQ3. Helped by the SA forced sale, the stock saw the 5th highest one day percentage stock move in history at +16% on Thursday.

$META unfortunately had both revs & operating income go down for Q3 while revising up capex & opex. They also did not announce any definitive plans around a public cloud offering or API for their foundational models to monetize this spend. The stock declined 8% in reaction on Thursday which likely would have been worse if not for the SA forced sale.

$AMZN while guiding both revs & operating income below consensus for Q3 and increasing capex, had AWS rev growth accelerate from 28% in Q1 to 37% in Q2 which was the highest growth rate since Covid in Q4:2021. AWS normalized operating margins expanded 1% sequentially. The stock rallied 15% on Friday in reaction to earnings following a 4% rally on Thursday as investors continued to regross in the AI names.

But this brings me to $GOOGL which remains my long-term winner in consumer AI with the complete AI stack. Google like Amazon guided capex higher while implied revs & operating income declined for Q3. But Google Cloud Platform performance crushed AWS performance. GCP saw revs accelerate from 63% in CQ1 to 82% in CQ2 while operating margins expanded 3% sequentially. But Google unfortunately reported a week prior to the SA forced sale and saw their stock decline 7% in reaction the next day.

$AAPL was the anti-AI trade leading up to their results and their stock hit an all-time high intra-day on Wednesday. The stock as a result declined 1% on Thursday as investors regrossed AI names on the SA forced sale and fell 7% on Friday in reaction to revenue & gross margin guidance that was below consensus.

Big picture, I think the severe drawdown in the AI favorites from 6/22-7/29 was good for the market. It reminded investors of the need to be vigilant and the perils of excessive leverage/risk taking. Long-term bond yields hitting new 20 year highs last week and the unresolved Iran war are factors I am monitoring.

In summary, out of the mega-cap earnings the past two weeks and the forced SA sale, my favorites are

$GOOGL, $AMZN and $MSFT. I increasingly view value as shifting from the model layer which is increasingly getting commoditized to the infrastructure layer which includes the public clouds. I think the short-term bottom in the current speed bump was on 7/29.

Probe into Life Insurers and Ratings Agency Egan Jones

Walter insurers paid millions of dollars to credit rating provider Egan-Jones

Billionaire investor faces wide-ranging probe into the private credit holdings of insurers he controls

Mark Walter presents Donald Trump with an LA Dodgers jersey © Bloomberg

Lee Harris in London

Published 9 HOURS AGO 10

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3 min listen

Insurers probed by US prosecutors over their private credit investments paid millions of dollars to a tiny credit-rating agency at the heart of concerns about the industry's growing conflicts of interest.

Nano Dimension Negative Enterprise Value Potential Special Situation: (NASDAQ: NNDM) trades at a negative Enterprise Value (EV), but whether that makes it "cheap" or a "value trap" depends entirely on management's execution of its ongoing strategic restructuring.

1. Balance Sheet & Cash Floor Math

As of Q2 2026, Nano Dimension's balance sheet exhibits classic "net-net" / deep-value characteristics:

Cash, Equivalents & Marketable Securities: ~$433.3 million

Total Debt: ~$0.00 (virtually debt-free)

Market Capitalization: ~$340M (with stock trading around ~$1.60/share)

Basic Cash Per Share: ~$2.10 – $2.25 / share

Implied Enterprise Value: -$80M

The market currently values Nano Dimension's core operating business at a negative valuation, implying that operating the business will destroy more capital than the cash currently sitting in the bank.

NNDM US $ 1.63 +0.06 Q1.63/1.64Q 26000x44800
On 07-Aug d Vol 3,391,357 O 1.57 H 1.645 L 1.57 Val 5.463M
NNDM US Equity 96) Actions 97) Export 98) Settings Financ
39) ADJ Nano Dimension Ltd IFRS 16 ? Periodicity Annuals Cur FRC (USD)
1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom 10) Shared
11) BBG Adj Highlights 12) BBG GAAP Highlights 13) Earnings 14) Enterprise Value 15) EV Ex Operating Leases 16) Multiples 17) Per Sha

In Millions of USD	2020 Y	2021 Y	2022 Y	2023 Y	2024 Y	2025 Y	Current
12 Months Ending	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	08/09/2026
Market Capitalization	–	978.0	–	–	543.7	320.3	343.7
- Cash & Equivalents	670.9	1,291.2	1,147.0	990.0	844.1	457.8	457.8
+ Preferred & Other	0.0	0.9	0.8	1.0	0.7	0.0	0.0
+ Total Debt	15.4	8.8	17.3	13.3	10.5	35.5	35.5
Enterprise Value	–	-303.6	–	–	-289.2	-102.0	-78.6
Revenue, Adj	3.4	10.5	43.6	56.3	57.8	102.4	
Growth %, YoY	-51.9	208.7	315.8	29.1	2.6	77.3	12.1
Gross Profit, Adj	1.1	1.1	14.1	25.5	24.9	34.3	
Margin %	31.3	10.7	32.2	45.2	43.1	33.5	
EBITDA, Adj	-32.5	-75.0	-122.8	-118.0	-85.7	-101.8	
Margin %	-956.2	-714.5	-281.4	-209.6	-148.3	-99.4	
Net Income, Adj	-48.1	-92.3	-195.5	-54.3	-57.6	-84.5	
Margin %	-1,414.5	-879.8	-448.0	-96.4	-99.7	-82.5	
EPS, Adj	-1.12	-0.37	-0.76	-0.22	-0.26	-0.39	
Growth %, YoY	-2,144.29	66.69	-102.58	71.04	-20.49	-48.49	66.43
Cash from Operations	-9.5	-38.9	-74.6	-63.5	-18.9	-70.3	
Capital Expenditures	-1.4	-9.8	-9.4	-9.1	-2.2	-1.1	
Free Cash Flow	-10.9	-48.7	-84.0	-72.6	-21.1	-71.3	

2. Why NNDM Has Become "Interesting" (The Bull / Catalyst Case)

- Historically, NNDM was an unappealing cash-burn story. However, under shareholder pressure, management initiated a Three-Phase Strategic Plan to stop the cash drain and monetize assets:
- Aggressive Asset Divestitures:
    - Sold Markforged to Stratasys for $42.5 million in cash.
    - Sold its Additively Manufactured Electronics (AME) and Fabrica product lines for up to $12.5 million.
- Fixed Overhead Reductions: Terminated its corporate headquarters lease (eliminating ~$38M in future lease commitments and unlocking ~$25M in cumulative net cash savings).
- Burn Reduction: Combined strategic actions are expected to lower annualized cash burn by ~$25 million+.
- Phase 3 Strategic Review: Management suspended 2026 guidance and is actively evaluating strategic alternatives (including potential mergers, full sale of remaining units, or capital return programs).
- If management returns cash to shareholders via aggressive share buybacks, a special dividend, or a complete liquidation/sale, investors buying below cash value stand to capture the spread.

3. Why the Discount Exists (The Bear / "Value Trap" Risks)

- A negative EV stock is only cheap if the cash isn't burned before it reaches shareholders:
- Ongoing Operating Losses: Despite cost cuts, NNDM still reported an Adjusted EBITDA loss of $9.6 million in Q2 2026. Every quarter without profitability slowly erodes the net cash per share floor.
- Re-Investment Risk: Historically, management used its massive cash hoard (raised during the 2020–2021 equity boom) to pursue expensive acquisitions rather than returning capital to equity holders. The risk remains that remaining cash could be deployed into another speculative acquisition rather than monetized.
- Lack of Near-Term Operational Guidance: Suspended financial guidance reduces forward visibility while the strategic review unfolds.

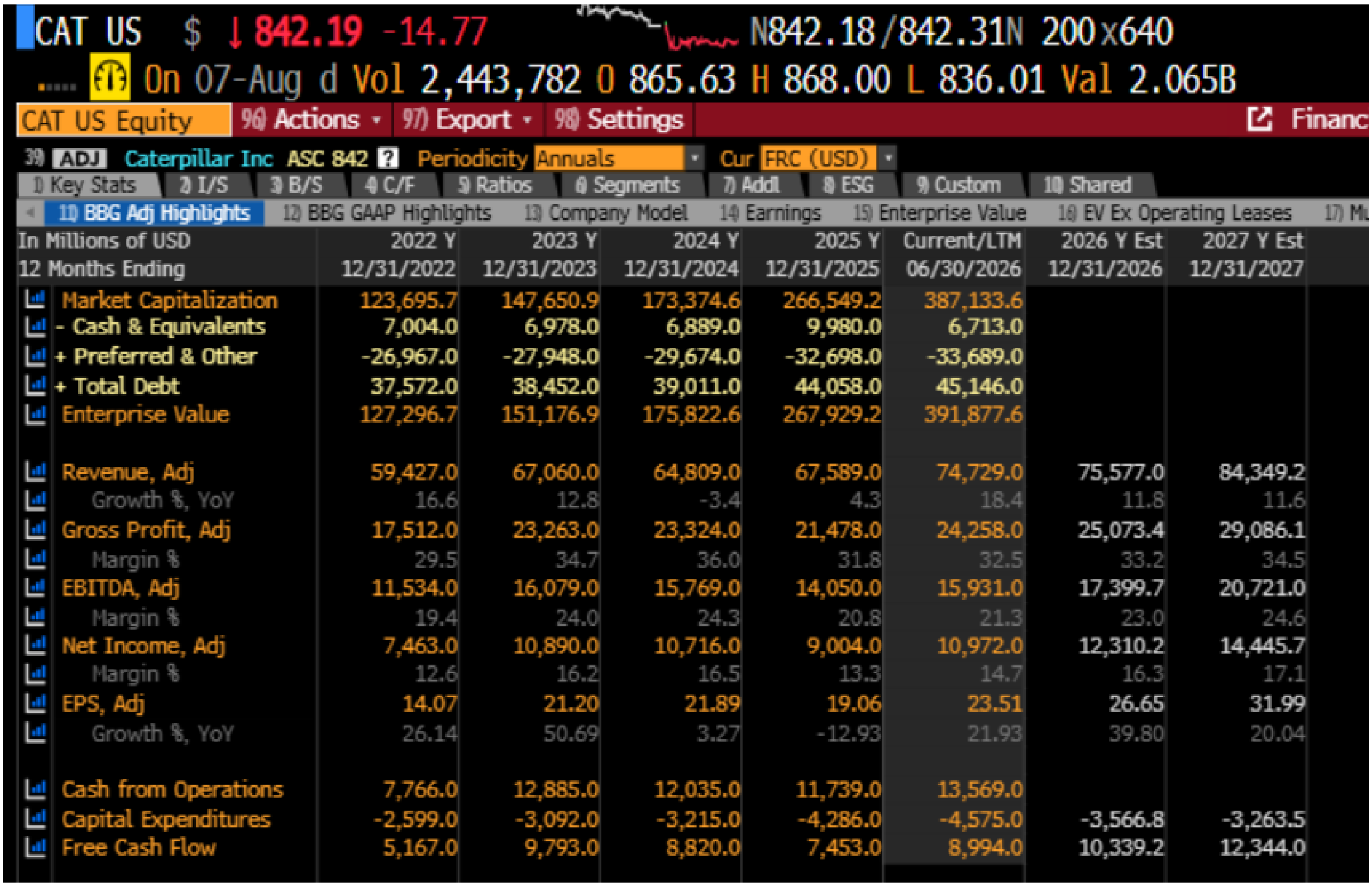
Verdict

NNDM is a classic event-driven asset play. At current levels, you are effectively buying ~$2.20 of net liquid cash for ~$1.85, getting the operating business for free. It is "cheap" on paper, but it only becomes a compelling trade if Phase 3 results in concrete capital returns or a total sale rather than continued operational cash burn.

CAT Earnings

- Caterpillar Inc. surged after the company crushed Wall Street's second-quarter expectations and raised its sales outlook, easing concerns that demand for power-generation equipment used in data centers was beginning to cool.
- The company reported stronger sales across its businesses, posted a record equipment backlog and increased its forecast for 2026 sales and revenues growth to the mid- to high-teens.
- Sales rose to $20.5 billion in the period, exceeding the $19 billion average of estimates compiled by Bloomberg, with the company's power and energy unit and construction industries business seeing strong growth.

Shares were up as much as about 13% in early trading on Tuesday after the company reported stronger sales across its businesses, posted a record equipment backlog and increased its forecast for 2026 sales and revenues growth to the mid- to high-teens, from its previous outlook for low- to mid-teens growth issued in April.


CAT US $ 842.19 -14.77 N842.18/842.31N 200x640
On 07-Aug d Vol 2,443,782 O 865.63 H 868.00 L 836.01 Val 2.065B
CAT US Equity 96) Actions 97) Export 98) Settings Financ
39) ADJ Caterpillar Inc ASC 842 Periodicity Annuals Cur FRC (USD)
1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom 10) Shared
11) BBG Adj Highlights 12) BBG GAAP Highlights 13) Company Model 14) Earnings 15) Enterprise Value 16) EV Ex Operating Leases 17) Mu

In Millions of USD 12 Months Ending	2022 Y 12/31/2022	2023 Y 12/31/2023	2024 Y 12/31/2024	2025 Y 12/31/2025	Current/LTM 06/30/2026	2026 Y Est 12/31/2026	2027 Y Est 12/31/2027
Market Capitalization	123,695.7	147,650.9	173,374.6	266,549.2	387,133.6		
- Cash & Equivalents	7,004.0	6,978.0	6,889.0	9,980.0	6,713.0		
+ Preferred & Other	-26,967.0	-27,948.0	-29,674.0	-32,698.0	-33,689.0		
+ Total Debt	37,572.0	38,452.0	39,011.0	44,058.0	45,146.0		
Enterprise Value	127,296.7	151,176.9	175,822.6	267,929.2	391,877.6		
Revenue, Adj	59,427.0	67,060.0	64,809.0	67,589.0	74,729.0	75,577.0	84,349.2
Growth %, YoY	16.6	12.8	-3.4	4.3	18.4	11.8	11.6
Gross Profit, Adj	17,512.0	23,263.0	23,324.0	21,478.0	24,258.0	25,073.4	29,086.1
Margin %	29.5	34.7	36.0	31.8	32.5	33.2	34.5
EBITDA, Adj	11,534.0	16,079.0	15,769.0	14,050.0	15,931.0	17,399.7	20,721.0
Margin %	19.4	24.0	24.3	20.8	21.3	23.0	24.6
Net Income, Adj	7,463.0	10,890.0	10,716.0	9,004.0	10,972.0	12,310.2	14,445.7
Margin %	12.6	16.2	16.5	13.3	14.7	16.3	17.1
EPS, Adj	14.07	21.20	21.89	19.06	23.51	26.65	31.99
Growth %, YoY	26.14	50.69	3.27	-12.93	21.93	39.80	20.04
Cash from Operations	7,766.0	12,885.0	12,035.0	11,739.0	13,569.0		
Capital Expenditures	-2,599.0	-3,092.0	-3,215.0	-4,286.0	-4,575.0	-3,566.8	-3,263.5
Free Cash Flow	5,167.0	9,793.0	8,820.0	7,453.0	8,994.0	10,339.2	12,344.0

Sales rose to $20.5 billion in the period, the company said, exceeding the $19 billion average of estimates compiled by Bloomberg.

"Strong order rates and a growing backlog reflect broadening momentum across all three of our primary segments," Chief Executive Joe Creed said in a statement.

Caterpillar's power and energy unit manufactures generators, engines and gas turbines for industrial facilities and large-scale computing centers. The segment has grown to become the company's largest by sales, overtaking its better known business that manufactures diggers and other construction machinery, and catching the eye of investors who have made Caterpillar part of the broader AI.

The company's second-quarter earnings excluding one-time items were $8.17 per share, compared with $4.72 a year earlier. That compared with the $6.17 average of analysts' estimate compiled by Bloomberg.

The company also posted a record backlog of $72 billion, up 92% from a year ago. On a call with investors, Creed said some of those orders extend as far out as 2030.

"Those backlogs are pointing to the same drivers — data center build-outs. Chips, servers, now industrial equipment," said Mark Malek, Chief Investment Officer at Siebert Financial.

The earnings and revenue beat comes after a recent selloff in AI-adjacent stocks amid concerns about the sustainability of capital spending by Big Tech. Caterpillar and other makers of power equipment for data center, such as Vertiv Holdings Co. and GE Vernova Inc., saw their stock prices decline in recent weeks.

Baird downgraded Caterpillar's stock last week to a hold-equivalent rating, citing a growing push by local and state governments to restrict construction of data centers. And investor Michael Burry, well known for his bets against the US housing market prior to the 2008 crisis, has said he is shorting the stock.

The pullback across AI-adjacent stocks was driven "by a superficial narrative that the AI trade had run its course," said David Wagner, a portfolio manager at Aptus Capital Advisors. Caterpillar's "record order rates underscore that the physical foundation required to support digital infrastructure continues to expand, regardless of seasonal market chatter."

The construction industries business, which makes the firm's signature yellow construction machinery, also saw strong growth for the quarter, with sales increasing 35% as dealers stocked up on equipment.

Creed said Tuesday the company's mining equipment sales are being driven by rising demand for copper and gold.

Backblaze (BLZE) Signs Deal w/ Coreweave, Rallies 50%

- Backblaze, Inc. shares jump 50% in premarket trading after the backup software products provider reported earnings that beat the average analyst estimate and raised its fiscal year 2026 guidance. **Also up on 5-year deal with $CRWV.**
- Citizens Bank analyst Rustam Kanga (Market Outperform) says Backblaze's raised FY26 outlook reflects "broad-based strength across the business" in direct sales execution, continued self-service momentum, larger customer usage as well as the contribution from the CoreWeave contract ramp
- Shares also up on five-year deal with CoreWeave.
- Notes management expects B2 Cloud Storage revenue to grow 40% y/y for FY26 expects Computer Backup revenue to decline by the low- to mid-single digits y/y on a quarterly basis
- Sees Backblaze as "an opportunity for long-term capital appreciation," an affordable cloud storage offering creating "a competitive edge" and accelerated cloud storage demand

SECOND QUARTER RESULTS

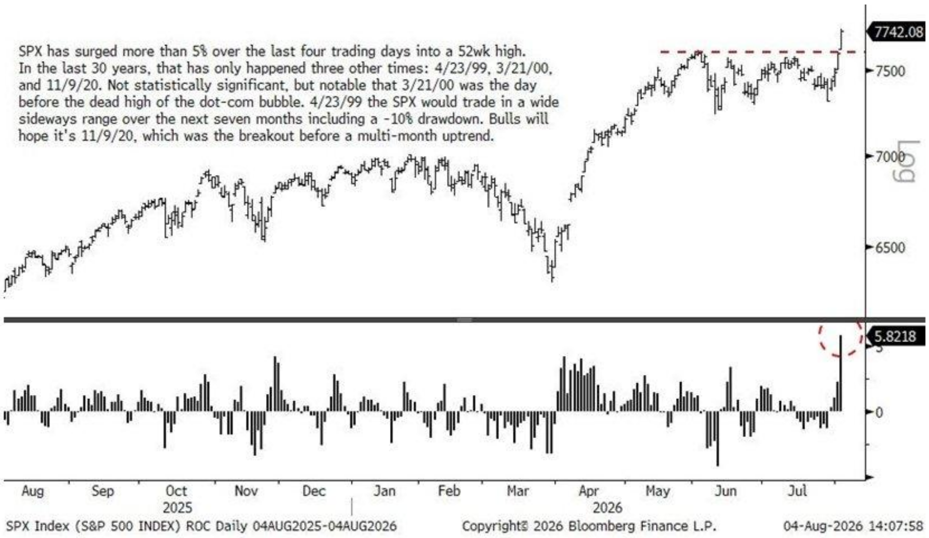
- Adjusted diluted EPS 8c, estimate 2c
- Revenue $42.7 million, estimate $39.9 million
- B2 Cloud Storage Revenue $26.6 million, estimate $23.9 million
- Computer Backup Revenue $16.1 million, estimate $16.0 million
- Adjusted Ebitda $12.8 million, estimate $8.9 million

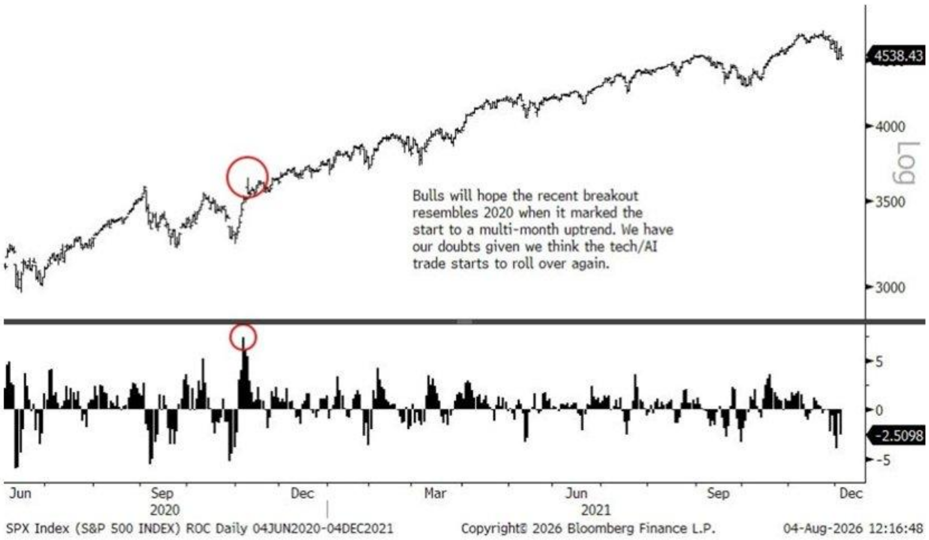
COMMENTARY AND CONTEXT

- CEO Gleb Budman says the company's $335 million strategic agreement with CoreWeave, "offering the strongest validation yet of our critical role in the AI infrastructure stack," in a statement
- Notes agreement includes warrants valued at approximately $22 million
- Notes CoreWeave agreement and "demand from AI-native companies" led to stronger long-term revenue visibility

BTIG on SPX Rally and Individual Daily Recaps: The S&P 500 is up almost 6% over the last 4 trading days as of Tuesday night.

Per BTIG's Brian Krinsky, the S&P has only surged 5% or more in 4 days three other times – once 1999, another in 2000, and most recently November of 2020.





August 3rd Recap:

1. Palantir $PLTR reported Q2 2026 revenue of $1.94B, up 93% YoY, with U.S. revenue surging 115% to $1.57B. U.S. commercial revenue jumped 149% to $764M, U.S. government revenue rose 90% to $809M, GAAP net income climbed 324% to $1.06B with a 55% margin, and adjusted free cash flow reached $1.22B with a 63% margin. The company posted a Rule of 40 score of 155%, $3.4B in TCV, $2.1B in U.S. commercial TCV, $6.2B in U.S. commercial RDV, ended the quarter with $9.2B in cash, and raised FY guidance to $8.15B, implying 82% YoY growth. CEO Alex Karp: "Demand for AI sovereignty has now been unleashed. And Palantir is the only company that has demonstrated it can transform tokens into actual economic value. Our customers trust us to provide them with maximal control over their operations, data, and decisions. Their competitive advantage should never become the training data for future models. This quarter was otherworldly. The sovereign AI revolution makes us very optimistic about the future."

2. The stock market had one of its best days in 2026: semiconductors, software, and hyperscalers participated together. Throughout the year, one sector would go up in tech while the others go down, but with oil falling 7% and the market trying to move on from the deleveraging event of last week, markets seem to be more positively looking at the companies spending capex like $MSFT $GOOGL $META and $AMZN which all had strong moves today, Microsoft had the largest single day increase in market cap last week at $448B with $NVDA having the record of $441B in April 2025. The companies getting the capex (semis) did strongly and the companies making sense of the models in the enterprise, software companies, were also green. It's the first day in months that all 3 sectors $SPY $IGV $SMH participated together in a rally.

3. Trump said the U.S. will hold off on attacking Iran after Iran and other Middle Eastern countries asked Washington to pause once the outline of a potential deal was agreed. He said any agreement must include the full reopening of the Strait of Hormuz and the removal of Iran's nuclear threat.

The pause appears conditional on a deal being reached quickly, while Iranian officials quoted by state-linked media denied asking for a halt. Trump said Iranian leadership is "duplicitous," adding that while they publicly deny talks, "they know we are" negotiating toward a solution.

5. The semiconductor index $SOX saw intraday moves of at least 2% in all 22 trading days in July, matching the extreme volatility last seen in 2020. Before that, a stretch like this had not occurred since the 2008 Financial Crisis. The SOX fell 21% in July, its worst month since October 2008, wiping out $2.2T in market cap. The move pushed 60-day realized volatility to roughly 66%, the highest since the pandemic peak of about 85% in 2020 and not far from the 75% level seen during the 2008 crisis.

6. Jeff Bezos filed a Form 144 on August 3 to sell 15M Amazon

$AMZN shares, with an aggregate market value of roughly $4.07B. The filing lists an approximate sale date of August 3, 2026, and the sale is tied to a 10b5-1 trading plan adopted on November 14, 2025. The shares were originally acquired as founder stock, and the filing also notes Bezos contributed 220,200 shares to nonprofit organizations on May 4.

7. Hedge funds are moving back into tech stocks aggressively. In the week ending Thursday, funds recorded their largest net purchase of U.S. technology stocks since December 2022, marking the 3rd-largest weekly buy in at least 5 years. The buying was mainly driven by new long positions, with some short covering as well. Software, semiconductors, and semiconductor equipment saw the strongest demand, followed by tech hardware. Hedge funds also bought Magnificent 7 stocks for 4 straight days through Thursday.

8. Tesla $TSLA sales in Spain plunged 81.3% YoY in July to just 131 vehicles. Despite the sharp monthly decline, Tesla's sales in Spain are still up 19.8% YoY through the first seven months of 2026, while the broader Spanish electrified vehicle market has grown 34.9% over the same period.

9. Grab $GRAB reported record Q2 2026 results, raised full-year guidance, and announced an additional $750M share repurchase program. Revenue grew 22% YoY to $997M, On-Demand GMV rose 21% YoY to $6.5B, profit for the period reached $235M, and adjusted EBITDA increased 54% YoY to $168M. Grab also generated $450M of trailing 12-month adjusted free cash flow. The company raised FY26 guidance to $4.10B–$4.15B in revenue and $720M–$740M in adjusted EBITDA, while bringing cumulative buyback authorization to $1.75B since 2024. Grab has been buying back stock since March 2026, and management previously said it expects revenue to grow at a 20% CAGR from 2025 to 2028, with adjusted EBITDA tripling to $1.5B by 2028.

10. Leveraged and inverse ETFs tied to SK Hynix now hold roughly $5.5B in assets, the most of any single stock globally. Micron $MU follows at about $5.1B, while Nvidia $NVDA accounts for roughly $4.8B. Tesla $TSLA is the largest non-chip name on the list at around $3.7B. In total, semiconductor-related stocks now represent about $21B of leveraged and inverse ETF assets, while the 3x leveraged U.S. semiconductor ETF $SOXL took in $6.9B in July, its largest monthly inflow on record.

11. Bernstein sees the global server market reaching $1T by 2028, raising its forecasts for global server shipments and GPU AI server shipments to 15% and 22% CAGRs through 2028. The firm expects 8-GPU-equivalent server shipments to grow 48% in 2026, with rack shipments reaching 61,000 this year and 88,000 in 2027. Nvidia $NVDA Rubin and AMD $AMD Helios racks are expected to start shipping in Q4. Bernstein also says planned and under-construction data center investment now totals roughly $1.2T, while major cloud providers' 2026 capex estimates have risen nearly 15% since March, with combined spend projected around $1.1T by 2027. Custom ASICs are expected to represent roughly 45% of CoWoS-based AI chip shipments, with Google TPU shipments projected to grow about 90% in 2026.

12. Citadel's Rubner says the early-summer excesses in the market have largely been unwound. Retail investors have reduced risk, leverage has normalized, concentration has eased, and many of the biggest technical headwinds have started to fade. As a result, he believes investors can shift more attention back to fundamentals rather than positioning. Position sizes and risk budgets are expected to rebuild gradually, supporting a lower-volatility grind higher instead of another sharp V-shaped recovery.

August 4th Recap:

1. SpaceX misses expectations, reporting Q2 2026 revenue of $7.8B, up 92% YoY, with EPS of -$0.09 vs -$0.24 expected. EBITDA jumped 191% YoY to $3.5B, driven by strong growth across Space, Connectivity, and AI. Space revenue rose 29% YoY to $962M, Connectivity revenue grew 66% YoY to $4.3B, and AI revenue surged 247% YoY to $2.6B. Starlink subscribers doubled YoY to 12.0M, backlog reached $47.5B, and cash plus marketable securities stood at $100B. SpaceX's CFO said revenue growth accelerated across all business segments, with strong operating leverage and margin expansion led by new AI compute agreements.

2. AMD scares the market with higher capex, reporting a strong Q2 2026, with revenue up 50% YoY to $11.5B and adjusted EPS up 246% YoY to $1.66. Data Center revenue more than doubled, rising 107% YoY to $6.72B, while adjusted EBITDA reached $3.3B and free cash flow came in at $1.6B. CapEx was $808M as AMD continues scaling for AI demand. CEO Lisa Su said the company delivered record revenue and profitability, with accelerating EPYC demand, growing Instinct deployments, and Helios beginning to ramp, positioning AMD for substantial revenue and earnings growth as AI drives broader compute demand.

3. $PLTR Palantir has its best day since April 2025, closing +29%. Remarks from Wall Street today: "Palantir remains our highest-conviction idea following another significant beat-and-raise, with accelerating sovereign AI demand increasing our confidence in the durability of its growth profile." "Palantir has solved the critical context/semantic layer problem that is key to unlocking value for mission-critical business processes." "The high-touch deployment model (FDEs) that once drew criticism increasingly appears to be the blueprint for enterprise AI adoption." "None are

considering moving AI apps/agents off of Foundry/AIP to AI-native alternatives." "Bear case on AI-native competition likely overstated." Comments came from Rosenblatt, Truist, and Morgan Stanley. Citigroup raised its target to $245 from $200, Piper Sandler reiterated Overweight with a $230 target, Mizuho raised to $215 from $185, Goldman Sachs raised to $204 from $183, and DA Davidson raised to $200 from $175.

4. Rocket Lab $RKLB was awarded a $397M U.S. Space Force contract to build, launch, and operate Flatellite spacecraft for the Space-Based Airborne Moving Target Indicator program. The satellites will be designed to track airborne threats in real time from space, using advanced sensors, secure communications, and low-latency data links. Rocket Lab will launch the spacecraft on its upcoming Neutron rocket and operate them from secure facilities, highlighting the company's vertically integrated model across satellite design, manufacturing, launch, and mission operations. CEO Peter Beck said the program supports the Space Force's layered, resilient tracking architecture and strengthens real-time battlespace awareness in contested environments.

6. Anthropic has reportedly signed a $10B compute deal with Nvidia-backed Volta Infra, securing capacity from a Norway data center operated in partnership with Bitdeer $BTDR. The deal adds to the growing wave of large-scale AI infrastructure commitments as frontier model labs continue locking up long-term compute capacity.

7. Secretary of State Rubio said Iran and Oman are making progress in talks, including discussions around reopening the Strait of Hormuz, though he emphasized that nothing is final yet. Rubio said officials are hoping an agreement can be reached very shortly, while Treasury Secretary Bessent said a deal with Iran could be announced as soon as tomorrow. Oil fell about 4% on the headlines as markets priced in lower near-term disruption risk.

8. Barclays says S&P 500 earnings are coming in well ahead of expectations, with 85% of companies beating Q2 EPS estimates versus the long-term average of 76%. Revenue is up 11.2% YoY, while EPS has jumped 25.1%, led by Big Tech. Despite the strong numbers, Barclays notes that both beats and misses are seeing negative stock reactions on average, a rare setup that suggests much of the good news was already priced in.

9. The Trump administration is reportedly drafting a ban on U.S. imports of new Chinese data center components, targeting optical transceivers used to move data across fiber-optic networks inside AI data centers. The FCC is said to be working on the measure, with officials hoping to publish it this year, though the restriction could still be modified or shelved. The move is aimed at preventing Chinese technology from becoming entrenched in critical U.S. infrastructure. Photonics and optical names benefited on the report, including $AAOI, $AEHR, $LITE, and $COHR.

10. The WSJ reported today that hedge fund Situational Awareness built a $45B AI-focused powerhouse before scrambling to raise cash after its aggressive AI bets soured in July. Heavy borrowing reportedly triggered lender demands, forcing the fund to sell the bulk of its public stock portfolio to Citadel. Some backers had warned founder Leopold Aschenbrenner about the risks of using significant leverage before the unwind. Aschenbrenner said in his offering document: "There are no limits on the types of securities in which SALP may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use." Investors were concerned about his communication approach and lack of disclosures with them as the fund continued to use heavy amounts of leverage.

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12. The S&P 500 $SPY closed at its highest level on record, adding roughly $1.2T in market cap today as the market pushed further into all-time-high territory.

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5. The top 10 most active options today by contracts traded were $NVDA with 2.6M contracts, $PLTR with 2.0M contracts, $TSLA with 1.6M contracts, $SPCX with 1.5M contracts, $AAPL with 1.3M contracts, $INTC with 1.1M contracts, $AMZN with 991K contracts, $MSFT with 811K contracts, $AMD with 678K contracts, and $MU with 676K contracts.

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12. The S&P 500 $SPY closed at its highest level on record, adding roughly $1.2T in market cap today as the market pushed further into all-time-high territory.

August 6th Recap:

Here's a full recap:

1. SanDisk $SNDK

reported Q4 revenue of $8.97B, beating estimates of $8.6B, up 372% YoY and 51% QoQ. Adjusted EPS came in at $39.25 versus $34.45 expected, while adjusted gross margin reached 84.6%, above estimates of 81.5%. Datacenter revenue jumped 103% QoQ to $2.98B, Edge revenue rose 48% QoQ and 392% YoY to $5.43B, while Consumer revenue declined to $556M. For Q1'27, SanDisk guided revenue of $10.3B–$10.8B, below the $11.1B estimate, with adjusted EPS of $44.00–$46.00. The company also announced a new $14B buyback authorization, bringing total remaining repurchase capacity to $15.5B.

2. President Trump warned Iran that if it backs out again, "they're going to get hit really hard," adding that the U.S. has "no choice" because Iran cannot be allowed to obtain a nuclear weapon. He also said the Strait of Hormuz will be reopened very soon, either through an agreement or by force, saying, "the Strait is going to be open very soon — or they're gonna hit very hard."

3. China's gold-backed ETFs have seen 14 straight days of inflows through Monday, their longest streak since March. Over that stretch, the funds attracted roughly $1.2B, including a largest single-day inflow of $370M. The rebound follows a sharp reversal after Chinese gold ETFs posted outflows in 38 of 44 trading sessions. The renewed demand comes as volatility in China's equity market pushes investors, especially institutions, back toward alternative assets. Gold was up about 4% today.

4. U.S. job openings fell by 178,000 in June to 7.36M, the lowest level since March and the second straight monthly decline. Openings are now down 226,000 over the past two months, led by drops in private education and health services (-133,000), leisure and hospitality (-86,000), wholesale trade (-74,000), and professional and business services (-71,000). Even with the slowdown, there are still 265,000 more job openings than unemployed workers, the second-largest gap since January 2025. The job openings-to-unemployed ratio remains at 1.0, its highest level since January 2025.

5. Situational Awareness is reportedly back to investing with a new $400M bet in a privately held company, according to Bloomberg. The investment comes shortly after Leopold Aschenbrenner's hedge fund nearly collapsed under a wave of margin calls from lenders last week, following a sharp unwind in its heavily levered AI bets.

6. The top 10 most active options today by contracts traded were $NVDA with 6.2M contracts, $SPCX with 2.2M contracts, $TSLA with 2.0M contracts, $AAPL with 1.5M contracts, $AMZN with 1.0M contracts, $AMD with 1.0M contracts, $MU with 942K contracts, $GOOGL with 941K contracts, $INTC with 801K contracts, and $MSFT with 712K contracts.

7. Microsoft $MSFT generated $24.1B in sales from OpenAI during the fiscal year ended June, representing roughly 70% of its actual AI revenue, according to disclosures cited by Bloomberg. The figure highlights how deeply Microsoft's AI growth is tied to OpenAI usage and infrastructure demand.

8. Shopify $SHOP reported Q2'26 revenue of $3.58B, beating estimates of $3.45B, up 34% YoY. GMV rose to $115.6B versus $112.12B expected, while operating income increased 68% YoY to $488M and MRR came in at $221M. Subscription Solutions revenue grew to $802M, Merchant Solutions revenue reached $2.78B, gross profit rose to $1.71B, and free cash flow came in at $654M with an 18% FCF margin. For Q3, Shopify guided revenue growth in the low-thirties % YoY, gross profit dollar growth in the mid-to-high twenties %, and FCF margin in the high-teens to low-twenties % range. Management said Shopify delivered more than 30% growth across GMV, revenue, gross profit, and free cash flow, with GMV strength broad-based across merchant sizes, channels, and geographies.

9. Raymond James is sticking with its Strong Buy rating and $800 12-month price target on SpaceX $SPCX, despite the stock trading down after-hours. The firm said SpaceX "handily exceeded" Q2 expectations, with revenue of $7.8B, up 92% YoY, beating by roughly $1B across every modeled segment. Adjusted EBITDA came in at $3.5B, well above the firm's $1.99B estimate, with margins expanding to 44.9%. Backlog reached a record $47.5B, compute capacity increased to 1.4GW, and management advanced its internal $1T revenue framework by one year to 2030, reflecting accelerating AI demand. Raymond James said the near-term selloff reflects market friction and the upcoming lockup release, but believes fundamentals remain strong and forecasts are biased meaningfully higher.

10. $GOOGL Google's AI leadership is reportedly undergoing a major reshuffle. Demis Hassabis is leaving his role as CEO of Google DeepMind to become chairman of the unit, while also adding the title of chief scientist at Alphabet and continuing to lead Isomorphic Labs. Google DeepMind CTO Koray Kavukcuoglu will become senior VP of the unit, reporting to Sundar Pichai. Meanwhile, longtime Google AI leader Jeff Dean is leaving to start Discovery Loop, an independent public benefit corporation backed by Google, alongside Sanjay Ghemawat, Oriol Vinyals, and Quoc Le. The shakeup comes as Google faces intensifying pressure to keep pace with OpenAI and Anthropic in frontier AI.

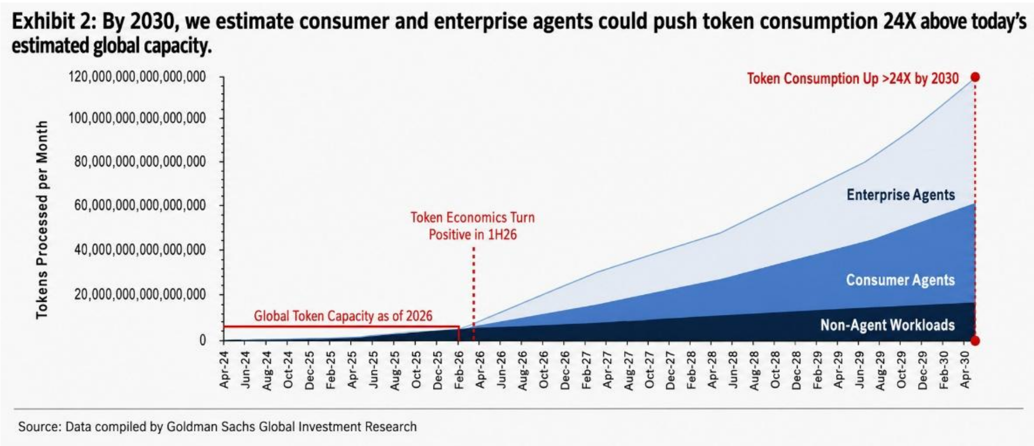
11. Zeta $ZETA closed up 12% at a 52-week high as analysts raised price targets following the company's latest updates. KeyBanc increased its target to $27 from $22, Morgan Stanley raised to $25 from $23, and William Blair maintained a Buy rating. Analysts highlighted that the newly signed Palantir partnership is already producing results, with two agreements signed and more in the pipeline. They also pointed to early traction for Athena, especially among customers with over $1M in ARPU, driving higher usage and retention across the platform.

12. CoreWeave $CRWV signed a multi-year agreement with Solidigm, the SK hynix subsidiary, giving the company priority access to enterprise SSD capacity as AI cloud demand continues to scale. The deal helps CoreWeave secure critical storage supply for large AI workloads, reinforcing how infrastructure demand is expanding beyond GPUs into memory, networking, and high-performance storage.

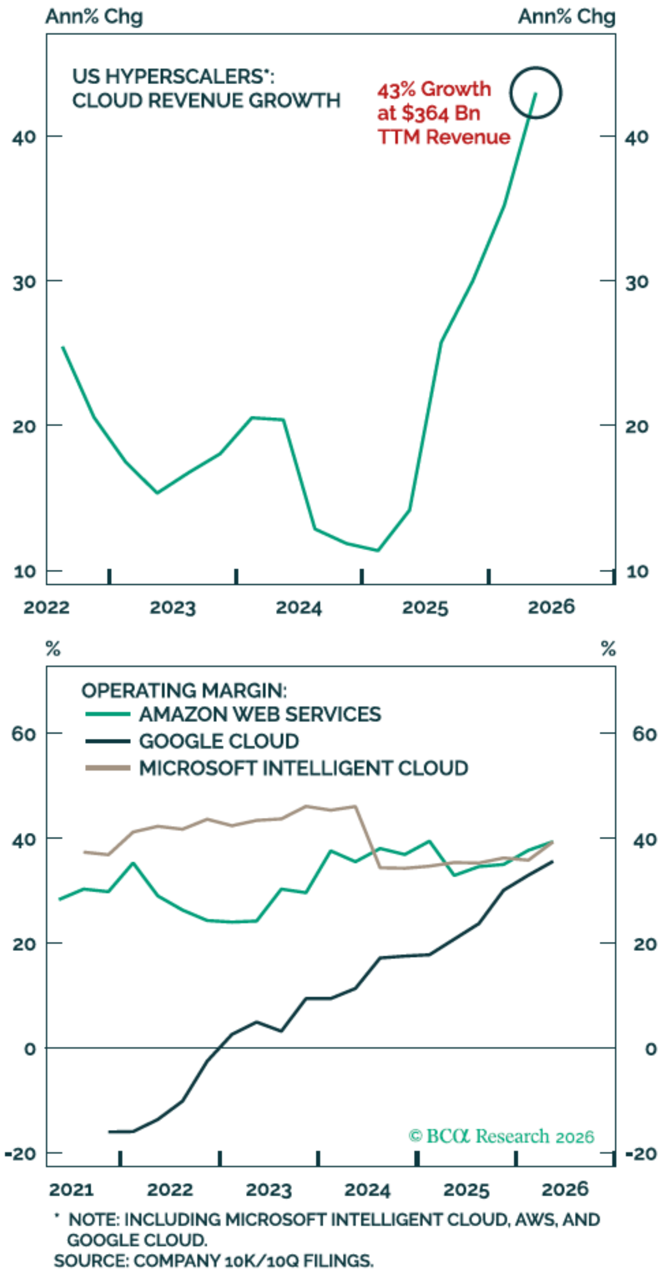
Goldman Compute Forecast

$GS predicts global token consumption to grow from 5 quadrillion now to 120 quadrillion in 2030.

A 24x growth in just 4 years.

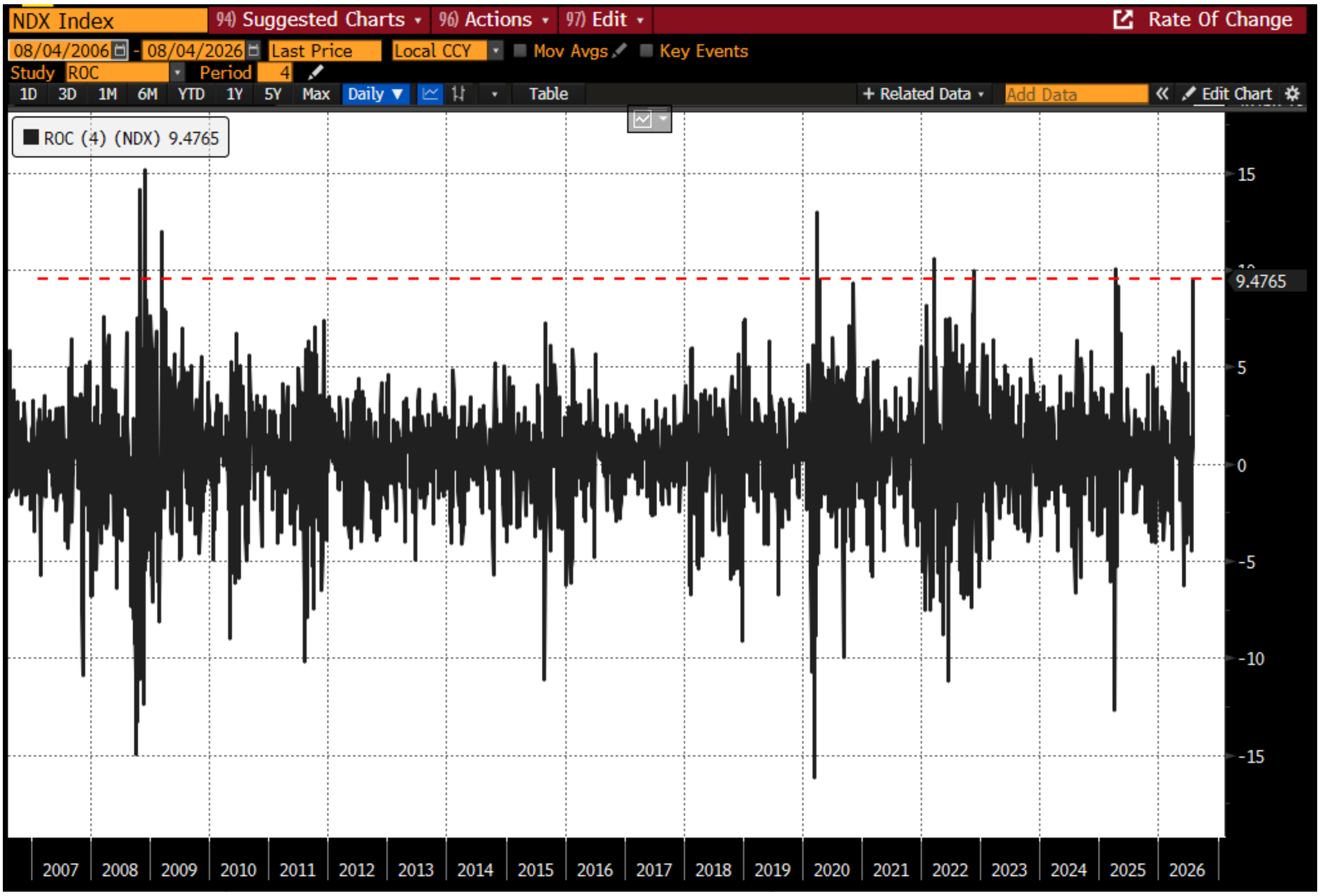


Hyperscaler Revenue Growth



Goldman's Peter Callahan: "V-Shaped: NDX now up ~945 bps in just 4 sessions (since last Thursday), punching back above its 50-dma to the upside. This 4-day move stacks up with how Tech has traded out of (or during) other notable market "events" over the last 20 years (GFC, COVID, '22 Hiking Cyle, Liberation Day, et al).

Why the big move? Cleaner positioning + improved technicals [Mo' factor bounce and/or reduced levered ETF footprints, et al] + tidier valuations [NDX fwd P/E at a ~10% discount to its 5 year avg] + strong(er) fundamentals / visibility [e.g improved ROIC sentiments post earnings last week]. As a sentiment check, i would note a number of investor questions yday/today on the "feel" out there – e.g. squeezy? hated rally? Signs of re-risking? Catalysts? Semis vs Hyperscalers? Chase or technical bounce?"



Eli Lilly Beat

- Eli Lilly & Co. boosted its 2026 sales guidance after its weight-loss drug franchise performed far better than expected in the second quarter.
- Sales for the year are forecast to be between $85 billion and $87 billion, with second-quarter adjusted earnings and revenue beating Wall Street estimates.
- Lilly's weight-loss drug Zepbound and its new obesity pill Foundayo beat Wall Street estimates, while its diabetes medicine Mounjaro surpassed all estimates in the period.

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Q2'26 EARNINGS HIGHLIGHTS

- Revenue: $23.0B (Est. $20.7B) 🟢; +48% YoY
- Adj. EPS: $8.38 (Est. $6) 🟢; +33% YoY
- Mounjaro: $9.9B; +91% YoY
- Zepbound: $4.9B (Est. $4.6B) 🟢; +44% YoY
- GM: 85.8%; +1.5pts YoY

FY26 Guide:

- EPS: $35.50-$36.50 (Est. $34.20) 🟢
- Revenue: $85B-$87B (Est. $85.45B) 🟡
- Performance Margin: 49.0%-50.5%
- Tax Rate: unchanged

Other Q2 Metrics:

- Operating Income: $9.0B (Est. $7.28B) 🟢; +31% YoY
- Net Income: $7.1B (Est. $5.42B) 🟢; +25% YoY
- Key Products Revenue: $15.7B
- Acquired IPR&D charges: $2.8B; Q2 EPS included a $3.03 charge

Comments:

- "Lilly's momentum continues, as we delivered 48% revenue growth and raised our full-year guidance"

- "With our next-generation weight-loss medicine retatrutide and its complete clinical data package in hand, new manufacturing capacity coming online, and exciting new assets entering our pipeline through business development"

PLTR Earnings Beat

$PLTR 29% rally was on massive sales growth and short covering yesterday (ouch Burry)

Palantir Technologies Inc. shares surged after the company boosted full-year revenue and income forecasts, describing commercial demand for its data analytics tools as "otherworldly."

Palantir Chief Executive Officer Alex Karp said US commercial sales in the second quarter were "staggering," rising 149% from a year earlier to $764 million.

The stronger outlook worked to assuage investors' fears that Palantir's business would suffer from AI developers selling their own software and from governments outside of the US increasingly working with tech firms at home.

Palantir said Monday that it now expects $4.89 billion to $4.91 billion in adjusted income from operations this year, up from $4.45 billion at the top end of the range previously. The software developer and major military vendor projected as much as $8.16 billion in sales, above the $7.7 billion average of analysts' estimates compiled by Bloomberg.

Palantir Chief Executive Officer Alex Karp said US commercial sales in the second quarter were "staggering," rising 149% from a year earlier to $764 million, well above the average analyst estimate of $716.4 million.

The stronger outlook worked to assuage investors' fears that Palantir's business would suffer from AI developers such as Anthropic PBC selling their own software and from governments outside of the US increasingly working with tech firms at home. Karp hit back at the fear of AI upstarts replacing his business in a letter to investors on Monday, pointing to the risks of "letting the models loose within their homes."

The shares rose as much as 31% on Tuesday, notching their biggest intraday gain since Feb. 6, 2024. The stock was up 30% at $163.89 at 10:47 a.m. in New York.

Palantir had seen its shares slide nearly 30% this year heading into Monday's earnings results. The stock was performing well below the S&P 500 Index on fears that the company was overvalued in the face of intensifying competition.

At today's price levels, Palantir needs to deliver "ostentatious growth" to placate investors, Morningstar analyst Mark Giarelli said on Tuesday. "We got that" in the latest quarterly results, he said, but "there's little margin for error."

In prepared remarks, Karp described sales in the last quarter as "otherworldly." Such results "would be cause for astonishment in any business," he said. "For one of our size, scale, and consequence, it is simply staggering."

Palantir gained fame as a stealthy Silicon Valley startup selling customized data analysis software to the US government and allied military forces. Karp, Chief Technology Officer Shyam Sankar and other company leaders have increasingly cultivated a pro-America image since US President Donald Trump took office, publishing books on the need for tech to re-engage with the defense industrial base and speaking at conferences on the role of AI in war.

The company has more than doubled its market value since late 2024 to roughly $300 billion.

Palantir's US government sales remain strong, but European leaders have signaled their desire to reduce reliance on US tech companies and do more business with firms at home. In recent months, officials in both France and the UK have moved to end deals with Palantir.

"Sometimes we make decisions that are against our economic interests, like we're supporting lots of institutions in Europe," Karp said in a call with analysts on Monday. "The growth sucks."

Palantir's sales abroad grew 33% from a year earlier to $362.5 million. US revenue meanwhile rose 115% to $1.57 billion.

Palantir's adjusted gross margin was 86% in the last quarter, down slightly from the three months prior, after the company took on cloud hosting for a government customer, Chief Financial Officer Dave Glazer said on the analyst call. He cautioned that expenses will ramp up in the third quarter, in part because of the seasonality of new hires and other product and marketing efforts.

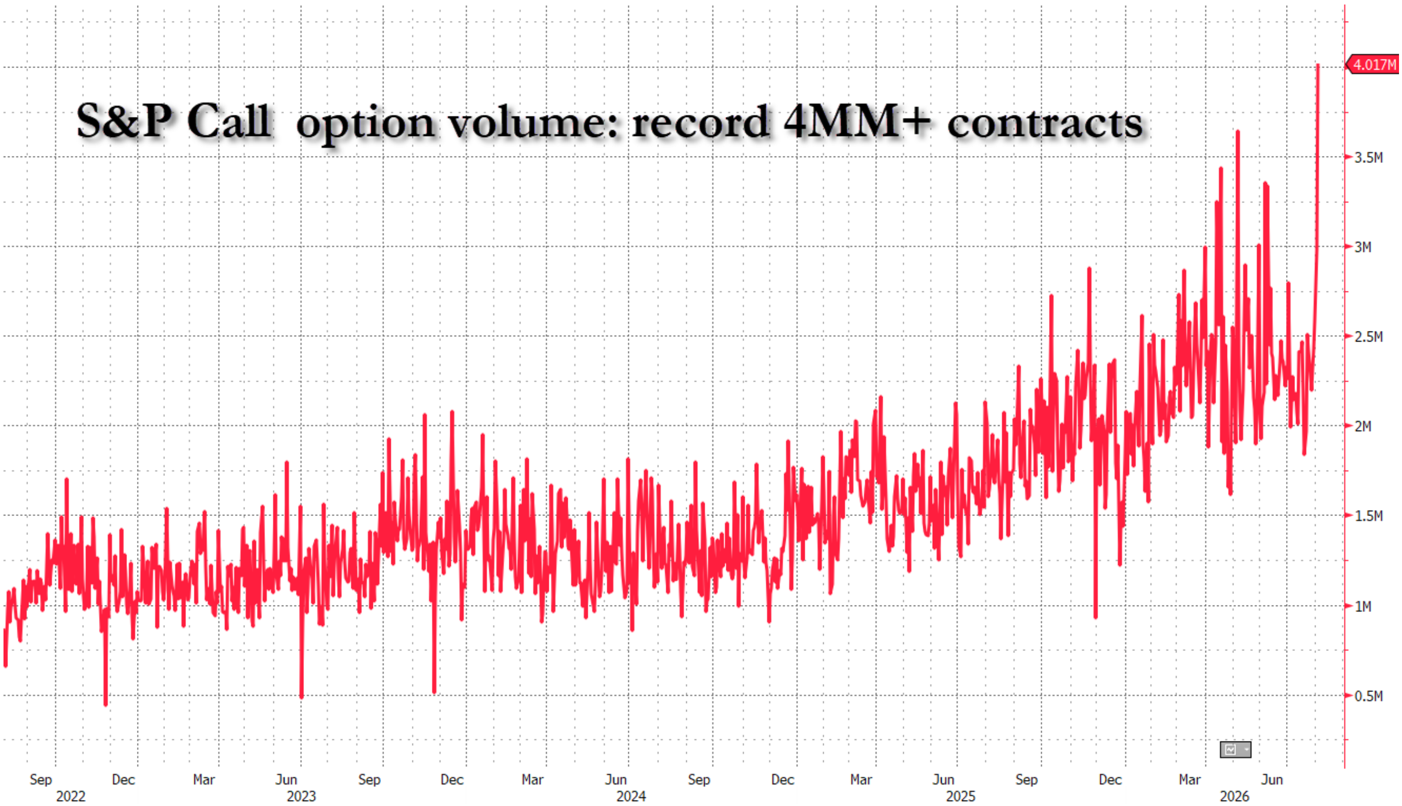
In both his letter to investors and on the call with analysts, Karp characterized Palantir's software as an alternative to working directly with the AI companies that make large language models, systems trained on vast amounts of text and other content.

He praised Palantir customers for declining to become "vassal states of the language labs" and pitched his company as one that will "allow you to switch out models."

ADP Miss, 11,000 job losses in lodging and leisure

- ADP report's private employment level rose less than economists expected in July.
- Private employment level rose 44,000 (estimate +65k) in July versus revised +95k in June, according to ADP
- Research Institute and the Stanford Digital Economy LabEstimates range +50k to +101k, 26 economists
- Goods-producing jobs fell 3,000
- Service-providing jobs rose 47,000

And there's your epic buying panic blow-off top: on 8/4 over 4 million S&P call options were bought, the highest level ever recorded



Shopify Beat (own shares)

Shopify reported revenue for the second quarter that beat the average analyst estimate.

Shopify shares gained as much as 24% on Wednesday, bringing the share price to its highest level since January, after the e-commerce giant reported second-quarter revenue that beat the average analyst estimate. The 34% revenue growth for the second quarter also came ahead of the "high-twenties percentage" the company forecast back in May.

SECOND QUARTER RESULTS

- Revenue $3.58 billion, +34% y/y, estimate $3.45 billion
- Monthly recurring revenue $221 million, +19% y/y, estimate $219.1 million
- Merchant Solutions revenue $2.78 billion, +37% y/y, estimate $2.66 billion
- Subscription revenue $802 million, +22% y/y, estimate $790 million
- Adjusted EPS 42c vs. 35c y/y, estimate 41c
- EPS $1.16 vs. 69c y/y
- Operating income $488 million, +68% y/y, estimate $422 million
- Adjusted operating expenses $1.09 billion, estimate $1.08 billion
- Total operating expenses $1.22 billion, +21% y/y, estimate $1.22 billion
- Gross merchandise volume $115.57 billion, +32% y/y, estimate $112.12 billion
- Sees 3Q Revenue to Grow at Low-Thirties Percentage Rate

TD Cowen's John Shao (Buy; PT $159)

- Shao said Shopify's second-quarter print was "clean and remarkable," being consistent with the beat-and-raise pattern they highlighted in their preview
- "While Q2 has historically been a seasonally softer quarter, this makes Shopify's ability to deliver this level of performance particularly impressive

Jefferies' Samad Samana (Buy; PT $160)

- Samana said the growth outlook was robust with revenues expected to grow in the low 30s percent range
- "Most importantly, FCF beat in 2Q and the 3Q FCF mgn outlook was much better than expected. SHOP delivered a clean sweep, and believe the stock is being rewarded for addressing key investor worries"

Scotiabank's Kevin Krishnaratne (Sector Outperform; PT $200)

- Krishnaratne said Shopify's second quarter was a beat on both the top and bottom line, and the set-up heading into Q3 "also looks impressive" to the team
- Added that it appeared Shopify was benefitting from strength across all merchant sizes, channels and geographies
- Also noted the guide for the third quarter looks to build on the strength in the second quarter with expectation of revenue growth in the low 30's percent range

Citi's Tyler Radke (Buy; PT $150)

- Radke said Shopify "delivered an exceptional beat" in the second quarter, beating gross merchandise volume and revenue expectations by five points
- "With shares underperforming over the last 6 months, we expect a strong reaction given the magnitude of the beat and reacceleration"

Deutsche Bank's Bhavin Shah (Buy; PT $175)

- Shah said Shopify posted "very strong results" with both its second-quarter results and third-quarter guidance across gross merchandise volume, revenue and gross profit coming in well ahead of Street estimates
- "Overall, against mixed sentiment, we view the quarter as affirming that Shopify's opportunity and market position will drive sustainable growth. More importantly, given the strong 2Q performance and guide, we expect the narrative around reacceleration (amidst fears of deceleration) will drive both estimate revisions and multiple expansion"

AI making biotechs too productive in China, resulting in lab monkey prices skyrocketing

We should learn from this:

- Lab monkey prices in China have reportedly surged to roughly $26,000 each, as the biotech boom overwhelms supply.

The Core Story: Why China's AI-Biotech Engine Is Exploding

- Productivity & Speed Disparity: Chinese biotech firms are leveraging state-backed AI platforms combined with massive, centralized patient data and large-scale engineering pools. This allows them to run target discovery, molecular optimization, and early clinical trial design significantly faster and cheaper than traditional Western biopharma workflows.
- Dominating the Early Pipeline: China now accounts for roughly 34% of all global clinical-stage drugs and produces ~40% of the world's new candidates entering clinical trials annually.
- Western Pharma Buying Chinese Assets: Instead of spending $1B+ developing drugs in-house over a decade, Western mega-cap pharma companies are aggressively licensing pre-vetted, AI-designed molecules from Chinese biotechs. Out-licensing deal value for Chinese drug candidates surged from $52B to over $130B+ in recent years.

Major US pharmaceutical titans and mid-cap biotechs are actively tapping into China's AI-driven and accelerated drug discovery ecosystem. Rather than conducting lengthy internal early-stage discovery, US firms are executing massive out-licensing and co-development deals to buy clinical-stage molecules and AI-derived assets originated in China.

The trend spans several major categories of US players:

1. Mega-Cap US Pharma Heavyweights

- Large US drugmakers facing impending patent cliffs on major blockbusters are paying substantial upfront sums to acquire rights to China-originated, AI-optimized molecules:
- Bristol Myers Squibb (BMS): Entered a landmark R&D alliance with China's Jiangsu Hengrui Pharmaceuticals covering up to 13 preclinical programs. The potential deal value reaches up to $15.2 billion ($650 million upfront) to co-develop innovative assets across oncology and immunology.
- Pfizer: Inking major licensing agreements, including a $1.25 billion upfront deal (potentially worth up to $6 billion) with China's 3SBio to secure global rights for an experimental cancer drug candidate.
- Regeneron Pharmaceuticals: Paid $80 million upfront in a $2.0 billion potential deal with Hansoh Pharmaceuticals to license an experimental obesity/metabolic drug candidate.
- AbbVie & Merck (MSD): Both have signed multi-billion-dollar out-licensing agreements targeting Chinese-developed Antibody-Drug Conjugates (ADCs) and multi-specific antibodies, where Chinese AI computational biology platforms have significantly shortened hit-to-lead optimization times.

2. Specialized & Focused US Biotechs

- Mid-cap and specialized US biotech firms are utilizing "asset-centric" models, effectively serving as global commercialization engines for China-discovered molecules:
- Summit Therapeutics: Partnered with China's Akeso in a multi-billion dollar deal for Ivonescimab (a bispecific antibody). The asset made global headlines by outperforming Merck's Keytruda in late-stage lung cancer trials, demonstrating the power of Chinese clinical speed and molecular engineering.
- Nuvation Bio: Acquired AnHeart Therapeutics (which originated in China) to take over late-stage oncology candidates like taletrectinib, obtaining US regulatory approvals for Chinese-developed assets.
- Pathos AI: Entered strategic licensing deals with platforms like AstraZeneca and Chinese oncology developers (Alphamam Oncology) to run AI-driven patient stratification on in-licensed assets.

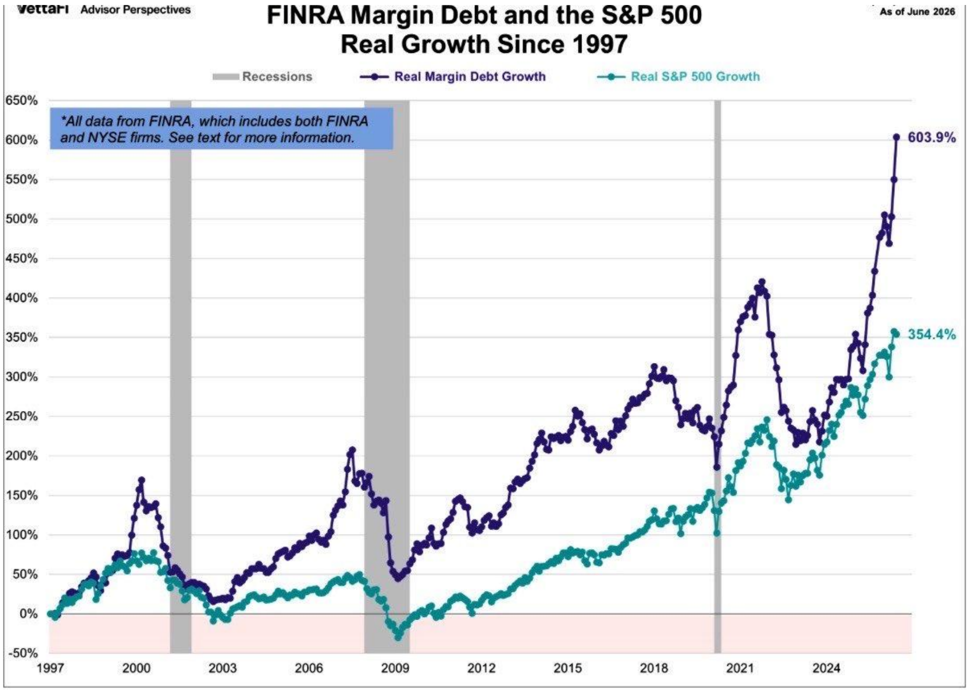
3. US AI-Native Drug Discovery Platforms Partnering with China

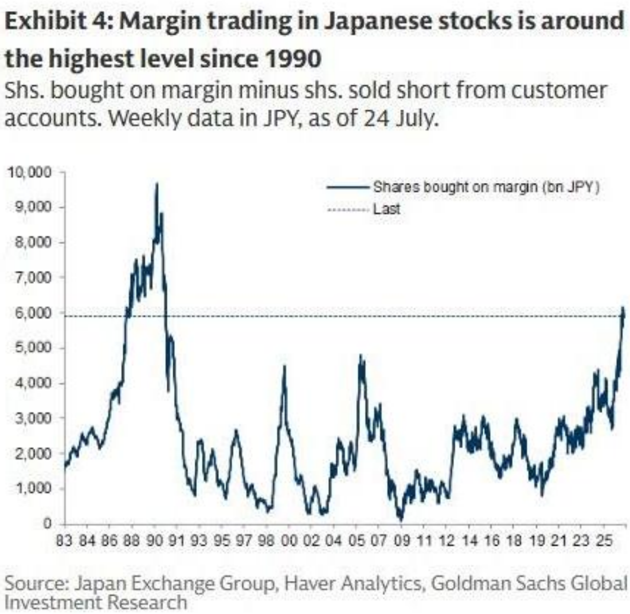
- Beyond simple molecule licensing, US-based AI platforms are partnering directly with Chinese tech/biotech research hubs to feed their computational engines:
- Schrödinger & Insilico Medicine: Insilico Medicine (which maintains significant clinical operations in China and the US) pioneered generative AI for novel target discovery and drug design. US biopharma partners use Insilico's AI engine to generate preclinical candidates in under 18 months—a fraction of the traditional 4–5 year industry average.
- XtalPi & US Biopharma Alliances: XtalPi (an AI and robotics-driven drug discovery company operating across the US and China) has struck research agreements with major Western biopharmas to deploy automated robotic labs and quantum physics algorithms for rapid lead discovery.

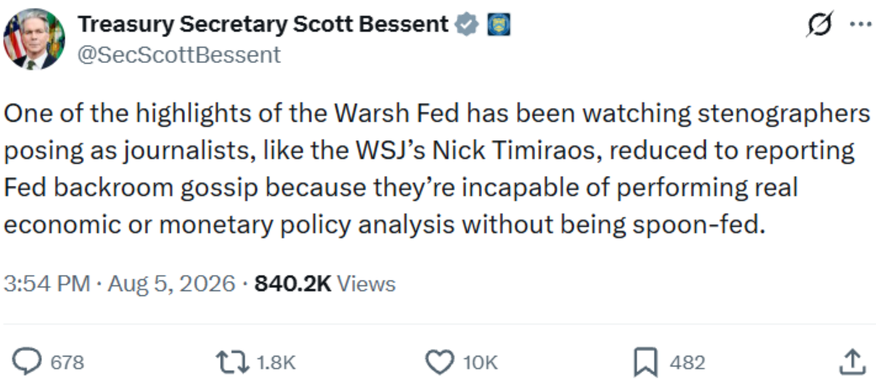
Why Congressional Scrutiny is Escalating

Because over 30%–45% of all major US pharmaceutical licensing deals now involve Chinese-originated assets or platforms, US lawmakers have voiced bipartisan national security concerns. Proposed legislation like the Biotech Investment National Security Act (BINSA) seeks to amend outbound investment rules (COINS Act) to scrutinize and potentially restrict US pharmaceutical companies from funding or co-developing R&D with Chinese AI biotech entities.

Margin Debt (Leverage) Relative to Market Cap Spikes before Every Correction






Treasury Secretary Scott Bessent
@SecScottBessent

One of the highlights of the Warsh Fed has been watching stenographers posing as journalists, like the WSJ's Nick Timiraos, reduced to reporting Fed backroom gossip because they're incapable of performing real economic or monetary policy analysis without being spoon-fed.

3:54 PM · Aug 5, 2026 · **840.2K** Views

678 1.8K 10K 482

$GOOGL stock drops 5% in minutes after longtime Google chief scientist Jeff Dean announces his departure from the company. Demis Hassabis will step down as CEO of DeepMind to assume the role as the unit's Chairman. (ADDED SHARES HERE)

Jeff Dean, one of Google's earliest employees and an architect of its artificial-intelligence strategy for the past 15 years, is leaving the company to launch an AI startup focused on scientific discovery.

Dean, who joined Google as its 30th employee in 1999, will be chief executive at a new public-benefit corporation called Discovery Loop that aims to accelerate technology by automating complicated, multistep science and engineering tasks.

The startup will initially focus on automating the process of machine learning research and engineering via its own internal technology stack. Eventually, it plans to apply its technology to a variety of areas, including hardware design, drug discovery and global challenges such as clean energy, according to a news release.

Joining Dean in the endeavor are fellow Google veterans Oriol Vinyals, Quoc Le and Sanjay Ghemawat, who between them account for high-profile advances in mathematics and protein structure and are some of the most cited researchers in the world. Their departures, along with Dean's, add to a string of recent talent losses for the company.

"The four of us have been chatting about this a little bit and we got excited," Dean said in an interview at his Palo Alto, Calif., home Tuesday. "We think by automating many of the classical experimental-loop aspects with machine learning models, augmenting human scientists and engineers, we'll be able to make it possible to explore more space in broad science areas to accelerate discovery."

The scientific process, he said, is about coming up with an idea for an experiment, setting up and running the experiment and then evaluating the results.

"Particularly in a lot of domains, you can fully computerize that whole loop," he said -- the inspiration for the startup's name.

Alphabet is providing cloud and computing capacity to Discovery Loop and is also an investor in the company, the news release said. Radical Ventures and Khosla Ventures are co-leading its seed round. The round isn't closed, and the startup declined to share its valuation.

Dean said he began seriously contemplating the startup five weeks ago and reached out to Vinyals, a longtime colleague and main contributor to AlphaFold, a famous AI program that predicts protein structures and won the Nobel Prize in 2024. They then connected with Le and Ghemawat and started discussing building the infrastructure to allow more kinds of science to be automated and what would be needed to do that.

The four have all known each other for more than a decade. Le co-wrote and advised Google's AI systems that won gold-medal status at the International Mathematical Olympiad and have solved Olympiad-level geometry problems.

Ghemawat was also an early Google employee. Alongside Dean, he helped create Google's distributed systems in the early 2000s and in 2012 he and Dean were recognized by the Association for Computing Machinery for their efforts.

The scientists decided they needed to leave Google to pursue their new mission.

"We wanted to build something differently than how things are built at Google right now," Ghemawat said, explaining that Google's infrastructure works well for big consumer apps, large ad systems and search. But, he said, it has "very different requirements than the type of infrastructure we want to build for research."

Google Chief Executive Sundar Pichai said Dean and Ghemawat helped drive some of the company's most significant technology transitions over their 27-year tenure and that he wished them the best.

Dean co-founded Google Brain, the company's pioneering AI deep-learning research team, in 2011. Le was a founding member of Google Brain and Vinyals joined it two years later. In 2023, Hassabis's Google DeepMind, parts of Google Brain, and the broader Google research team merged into one organization.

Dean also spearheaded development of the company's tensor processing units, the chips that power its large language models and other technology bets and are now being sold to other firms.

In recent months, Google has lost other AI top talent. Noam Shazeer, the Character.AI co-founder and co-author of the famous 2017 transformer paper that led to the current AI revolution, recently left for OpenAI. And John Jumper, who shared in the AlphaFold Nobel Prize, left to join Anthropic.

After vaulting ahead in the race to develop powerful frontier AI models with an updated version of Gemini last fall, Google has since fallen behind OpenAI and Anthropic. In some cases, new models from Meta are outperforming Gemini on certain benchmarks.

Google still hasn't released its latest frontier model, Gemini 3.5 Pro, and investors are getting impatient. The company's stock initially dropped more than 7% two weeks ago after it said it would boost spending on AI and didn't give an update on when the new model would be launched. Its shares have since rebounded and are up 17%.

News Corp, owner of The Wall Street Journal, has a commercial agreement to supply content on Google platforms.

Token prices down 40% from the May ATH

Adding to UBER shares:

UBER US $ Market K68.43 / 68.61K 100 x 100
Prev 68.18 Vol 68,641
UBER US Equity 96) Actions 97) Export 98) Settings
39) ADJ Uber Technologies Inc ASC 842 Periodicity Annuals Cur FRC (USD)
1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom 10) Shared
11) BBG Adj Highlights 12) BBG GAAP Highlights 13) Company Model 14) Earnings 15) Enterprise Value 16) EV Ex Operating Leases 17)

In Millions of USD	2023 Y	2024 Y	2025 Y	Current/LTM	2026 Y Est	2027 Y Est	2028 Y Est
12 Months Ending	12/31/2023	12/31/2024	12/31/2025	06/30/2026	12/31/2026	12/31/2027	12/31/2028
Market Capitalization	127,520.3	127,151.7	168,968.5	139,261.7			
- Cash & Equivalents	5,407.0	6,977.0	7,633.0	5,391.0			
+ Preferred & Other	1,433.0	918.0	1,042.0	1,083.0			
+ Total Debt	11,677.0	10,286.0	12,302.0	14,731.0			
Enterprise Value	135,223.3	131,378.7	174,679.5	149,684.7			
Revenue, Adj	37,281.0	43,978.0	52,017.0	55,227.0	58,015.3	66,785.8	76,721.9
Growth %, YoY	17.0	18.0	18.3	16.7	11.5	15.1	14.9
Gross Profit, Adj	14,846.0	17,476.0	20,679.0	23,204.0	25,591.1	29,437.2	34,175.8
Margin %	39.8	39.7	39.8	42.0	44.1	44.1	44.5
EBITDA, Adj	2,416.0	5,222.0	7,201.0	8,185.9	11,424.7	13,715.3	16,526.4
Margin %	6.5	11.9	13.8	14.8	19.7	20.5	21.5
Net Income, Adj	619.8	3,155.8	5,661.3	5,130.8	6,874.7	8,917.2	11,108.0
Margin %	1.7	7.2	10.9	9.3	11.8	13.4	14.5
EPS, Adj	0.26	1.44	2.66	2.46	3.31	4.41	5.57
Growth %, YoY	–	446.65	84.04	4.42	24.37	33.33	26.38
Cash from Operations	3,585.0	7,137.0	10,099.0	10,424.0			
Capital Expenditures	-223.0	-242.0	-336.0	-308.0	-371.1	-521.5	-685.2
Free Cash Flow	3,362.0	6,895.0	9,763.0	10,116.0	10,797.4	12,842.1	15,208.5

Uber (NYSE: UBER) is compelling as the leader of a global duopoly, and by many valuation metrics, is relatively cheap, because it has completed a multi-year transition from an un-profitable, market-share-grabbing startup into a cash-generation machine with structural competitive moats.

Key Financial & Operational Catalysts

1. Free Cash Flow Yield & Capital Return

- **Massive Cash Generation:** Uber is generating close to $10 billion in annual levered Free Cash Flow (FCFE) and is expected to generate $15 billion in annual FCFE by 2028. This places its FCF Yield around 6.5%–7.0% and 11% 2Y forward, which is exceptionally high for a large-cap tech platform growing top-line revenue at ~15%–20% year-over-year.
- **Share Buybacks:** Supported by its strong balance sheet (upgraded to BBB+ investment grade), Uber authorized a $20B share buyback program and repurchased $3 billion of stock in Q1 alone, meaningfully shrinking its diluted share base and boosting EPS.

2. Ecosystem Lock-In (Uber One & Digital Advertising) Uber One Membership:

- **Uber One has passed 50 million global subscribers:** These recurring members account for over 50% of total Gross Bookings across Mobility and Delivery. Members spend roughly 3x more than non-members, driving down Customer Acquisition Costs (CAC).
- **High-Margin Advertising:** Uber's advertising arm runs at a $2 billion+ annualized run-rate. Because ads leverage existing app traffic from users with immediate purchase intent, incremental margins on ad revenue are upwards of 70%–80%, directly expanding operating margins.

3. True Operating Leverage

- **Margin Expansion:** Uber's operating margin reached 14.6% in recent quarters. Operating income grew over 50% year-over-year as fixed overhead costs scaled slower than Gross Bookings.
- **Insurance Tailwinds:** Insurance overhead (traditionally a major cost drag on US Mobility) has begun to stabilize. Management expects to unlock hundreds of millions in operational savings on insurance lines, improving per-trip profitability.

Risks: The Autonomous Vehicle (AV) Strategic Moat

The primary bear thesis against Uber has historically been that Autonomous Vehicles (AVs) / Robotaxis (e.g., Waymo, Tesla, Zoox) will disintermediate human-driven ridesharing. However, the bull case argues that AVs actually reinforce Uber's moat:

- **Hybrid Dispatch Platform:** AV developers face massive utilization and fleet management problems. Uber operates the largest dynamic demand-matching network in the world.
- **Partnership Strategy over Capital Expenditure:** Rather than building $100,000+ AV hardware internally, Uber acts as the primary distribution layer (partnering with Waymo, Motional, Waabi, and Aurora). AV operators supply the hardware, while Uber supplies the high-density demand, route optimization, cleaning/maintenance management, and insurance frameworks.

Other Key Risks to Monitor:

- **Regulatory Reclassification:** European Platform Work Directives and US state-level labor disputes regarding independent contractor status remain an ongoing headline risk.
- **AV Disintermediation:** If a sole AV provider (like Tesla or Alphabet/Waymo) successfully launches a proprietary, ultra-cheap closed-loop rideshare network without integrating into Uber, it could pressure long-term Mobility margins.

NBIS employee decribing risks from $META selling excess compute into market

https://x.com/RihardJarc/status/2085028177164800407?s=20

Client 00:43:26

There's been headlines about Meta trying to either sell some compute to Anthropic. Do you think Meta's trying to get into the NeoCloud game, or this is more of a portfolio management saying, "I have some excess capacity and things are tight right now, so I'll sell it?

Expert 00:43:42

It's both, because at the end, they have at least 400,000 GPUs they need to dump into the market, and they have no other ways but to enter into the game. That's actually the solutions. They are going to put extreme pressure on the NeoClouds, especially the lower-end, that they are deploying all their H100, the H200, the B200, the B300. At the same time, they're going to compress the GPU pricing down into the market.

We're going to go head to head for the same customers as CoreWeave and Nebius, but the lower-end customers, because for example, and Nebius at the moment is moving towards having higher GPU stakes. It means, for example the latest models rather than the one that Meta is actually dumping to the market, because Nebius is moving towards more specialized customers while instead CoreWeave at the moment has a large fleet of older models, and even though CoreWeave is also moving towards more specialized customers, it's going to be affected heavily by Meta because the majority actually is infrastructure.

It uses all the models because they've been around longer than Nebius, so they actually purchased a longer amount. Also because CoreWeave normally tends to keep GPUs for longer at a time, while instead Nebius for shorter times.

APP Applovin Miss (adding 10 bps more)

Actuals vs. Consensus — Q2 2026

Metric	Actual	Consensus	Beat / Miss
Revenue	$1.924B	$1.940B	Miss –$16M (–0.8%)
Adj. EBITDA	$1.614B	$1.634B	Miss –$20M (–1.2%)
Adj. EBITDA Margin	83.9%	84.5%	Miss –59bps
EPS	$3.76	$3.81	Miss –$0.05 (–1.3%)
Free Cash Flow	$869M	$1.193B	Miss –$324M (–27.2%)
Pre-Tax Income	$1.51B	$1.49B	Beat +$20M (+1.3%)

Key Metrics Highlights

This was a **broad miss** — both topline and bottom line came in below consensus, ending a seven-quarter streak of consensus beats. (3) The revenue miss was narrow (~0.8%), but the market reacted sharply given APP's premium valuation and the expectation of consistent outperformance. The more notable disappointment was on **free cash flow**, which missed by ~27%, driven by timing of international tax and interest payments rather than operational deterioration. (4) Adj. EBITDA margin of 83.9% also fell short of the 84.5% consensus, reflecting incremental compute investment costs. (5)

Guidance — Q3 2026 vs. Prior Consensus

Metric / Period	Company Guidance	Consensus (Aug 4, pre-earnings)	Difference (midpoint)
Revenue / Q3 2026	$2.055B – $2.085B	$2.072B	Midpoint $2.070B — roughly in-line (–0.1%)
Adj. EBITDA / Q3 2026	$1.710B – $1.740B	$1.745B	Midpoint $1.725B — miss of ~–$20M (–1.1%)
Adj. EBITDA Margin / Q3 2026	~83%	~84.4% (implied)	~–140bps below estimates

Q3 revenue guidance is essentially in-line with prior consensus, but the **margin guide is the key negative surprise** — approximately 140bps below estimates. (6) This is first-time Q3 guidance (not a raise or cut vs. prior guidance). Management flagged that higher training and inference compute costs are embedded in the Q3 outlook, and the guide does not assume any additional un-deployed model releases. (7) The company reaffirmed its long-term growth target of at least 30% annually. (8)

Earnings Drivers

- **Model timing was the primary culprit.** AppLovin experienced a lighter-than-normal pace of AI model improvement during Q2, with a significant performance step-up occurring just after the quarter ended. Management characterized the miss as coming "down to timing" rather than weakening advertiser demand or competitive pressure. (9) (Source: Earnings Transcript)
- **Consumer vertical was a bright spot.** Advertiser spend in the consumer segment set a record, finishing 28% above Q4 2025 levels even in a seasonally slow period — though the vertical is not yet large enough to offset gaming model timing variability. (10) (Source: Earnings Transcript)
- **Compute costs pressured margins.** Adj. EBITDA came in just below the guidance range due to incremental investments in architectural changes for building more complex models requiring additional training compute. These higher costs are now embedded in Q3 guidance. (11) (Source: Earnings Transcript)
- **FCF miss was timing-driven.** Free cash flow of $863M was below normal conversion cadence due to the timing of international tax and interest payments; management expects this to normalize in Q3 and for the full year. (12) (Source: Earnings Transcript)
- **Balance sheet and buybacks.** AppLovin ended Q2 with $3.05B in cash vs. $3.7B in total debt (~0.1x net leverage on TTM adj. EBITDA). The company repurchased 1.14 million shares for $551M during the quarter. (13) (Source: Earnings Transcript)
- **SEC inquiry resolved.** The SEC concluded its inquiry into AppLovin's data-collection practices with no recommended enforcement action. (14) (Source: Earnings Transcript)

Analyst Q&A Themes

- **Model improvement cadence:** Analysts pressed on whether Q2's lighter model uplift was a one-off or indicative of a structural slowdown. Management emphasized that a material uplift landed just after quarter-end and is already driving Q3 re-acceleration, with continuous A/B testing and AI compounding underway. (15)
- **Compute cost trajectory:** Questions focused on the sustainability of ~10% of incremental revenue being spent on compute. Management indicated this level is consistent with prior guidance and current tracking, with long-term EBITDA margins expected to remain in the low 80% range. (16)
- **Consumer vertical scaling:** Analysts asked about the pace of consumer advertiser onboarding. Management noted the platform was opened publicly in late June, initially targeting mid-market advertisers, with the long-tail expected to unlock as data compounds — similar to the gaming ramp. (17)
- **Competitive dynamics:** Questions on Android vs. iOS competitive pressure. Management acknowledged a large competitor on Android but expressed confidence in growing equally across both platforms as models improve. (18)
- **Lead-Gen business:** Still in testing phase with no new developments to report. (19)

Analyst Updates

Morgan Stanley (Overweight, PT $650 from $720)
Results "underwhelmed" but attributed to "short-term misexecution, not structural headwinds." (20)

Evercore ISI (Outperform, PT $630 from $750)
Maintained constructive view; new PT implies ~51% upside from last price. (21)

Deutsche Bank (Buy, PT $580 from $660)
Highlighted near-term model improvement timing challenges but continued strength in consumer advertising growth. (22)

BofA (Buy, PT $430 from $705)
Reduced valuation multiple as consumer segment is "no longer a major plank" of the bull thesis; keeps Buy on expectation that gaming model innovations restart a beat/raise cycle. (23)

Wedbush (Outperform, PT $610 from $640)
Remains positive — gaming growing north of 20%, consumer platform through its first full stretch of general availability, and long-term 30%+ growth target reaffirmed. Notes Q2 did little to resolve the debate around the pace of consumer scaling. (24)

Goldman Sachs (Neutral, PT $465 from $585)
Flagged near-term model improvement timing challenges and margin pressure; acknowledged long-term AI infrastructure and go-to-market investments support growth potential. (25)

Oppenheimer (Outperform, PT $560 from $660)
Notes this is the first shortfall in twelve quarters; attributes miss to timing as one significant model uplift emerged only after quarter-end, already driving Q3 re-acceleration. (26)

Bottom line: APP missed on both revenue and EBITDA — a first in twelve quarters — driven by a timing gap in AI model deployments rather than demand weakness. Q3 revenue guidance is in-line with consensus, but the margin guide (~83% vs. ~84.4% expected) is the incremental negative, reflecting higher compute investment. The stock's sharp after-hours drop has largely recovered intraday, with the bull/bear debate now centered on whether the consumer vertical can scale fast enough to offset the compute cost drag on margins.

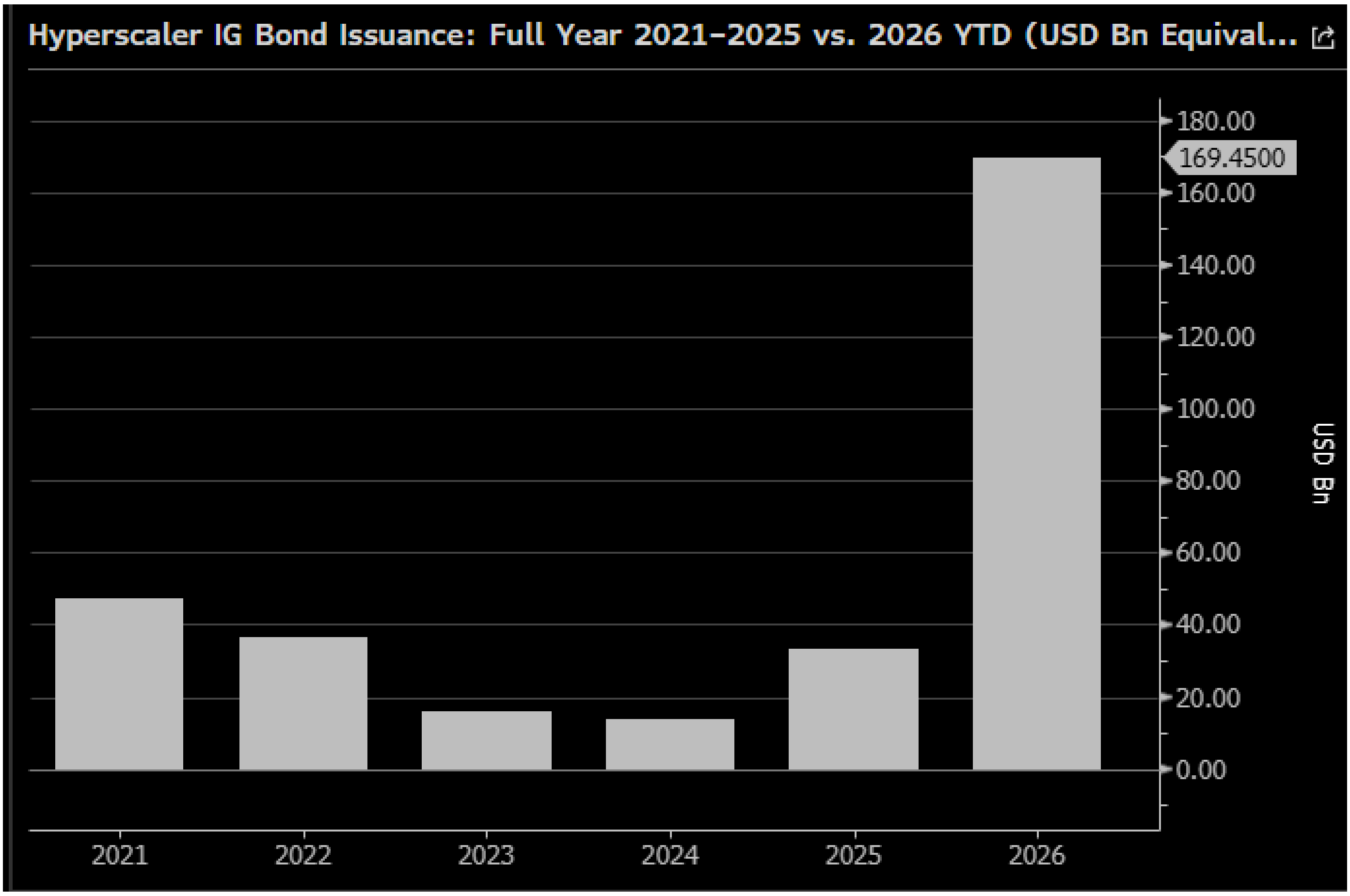
UBS on $APP

APP's weaker 2Q26 revenue ($1.92B vs St's $1.95B) and lower guide ($2.07B at midpoint vs Street $2.08) which is a break from the company's usual beat and raise cadence is giving investors pause. The shortfall was timing-related more than anything else given: 1) lower spend from endemic / gaming advertisers as latest upgrade to its ad recommendation model was delayed, and 2) slower ramp spending from nonendemic customers with the platform having only gone live in June. We do not view either of these issues as structural as APP's past track record gives us comfort that the it can continue to reap benefits from model updates, and our ad checks have implied that nonendemic ad demand is growing. We cut our 2027 / 2028 revenue by 4% / 7% and our Adjusted EBITDA estimates by 2% / 4%, resulting in our price target coming down by $8 to $790, but we remain Buy rated as APP in our view remains an open-ended growth story given the TAM expansion potential and as such still continue to expect the asset to record 28% 2026-2028 CAGR Adj. EBITDA growth.

Alphabet seeks to raise as much as $25 billion from bond sale. $GOOGL

GOOGL also raised more than $30BN in debt in February and $25BN in November

Just three companies, Amazon, Alphabet and Meta, have already sold nearly $170 billion of investment-grade bonds so far in 2026, dwarfing last year's total tech issuance: Bloomberg. And they keep issuing, with Alphabet today looking to sell an additional $25 billion of bonds.



Issuer	Tranches	Total (USD Bn)	Simple Avg Tenor (Yrs)	Wtd Avg Tenor at Issuance (Yrs)	Wtd Avg Yrs to Maturity	Shortest	Longest
Amazon	38	$92.2	13.4	14.5	14.2	2 yrs	50 yrs
Alphabet	34	$51.3	17.1	16.2	15.8	3 yrs	100 yrs
Meta	6	$25.0	18.7	20.4	20.1	5 yrs	40 yrs
Total / Average	78	$168.5	15.4	15.9	15.6	2 yrs	100 yrs

2Y yield up 4 bps: FT saying Warsh would hike if inflation accelerated

Thanks to Leopold, Citadel back at the top for large hedge fund rankings YTD

Fund	Strategy	July	YTD
Citadel Equities	Multistrategy	14.2%	27%
Citadel Tactical Trading	Multistrategy	11.1	27
Renaissance Institutional Equities	Quant Equities	9.2	4.5
FIFTHDELTA	Equities	8.6	7.5
Quantedge	Quant	7.8	34.6
Statar	Commodities	6.85	13.7
Citadel Wellington	Multistrategy	5.9	12
Kepos Capital	Systematic Macro	5.7	19.4
Renaissance Institutional Diversified Alpha	Quant	4.1	14
Pershing Square	Equities	3.9	-9.2
CFM Stratus	Quant	1.93	5.43
Anson	Equities	1.1	5.7
Winton	Multistrategy - Quant	0.8	6
Wolverine	Relative Value	0.65	6.14
Jain	Multistrategy	0.04	3.9
Centiva	Multistrategy	0.3	6.4
Pharo Macro	Macro	0.23	9.9
LMR	Multistrategy	-0.48	6
Walleye	Multistrategy	-0.5	-0.1
Verition	Multistrategy	-1.1	4.5
Balyasny	Multistrategy	-1.5	1.2
Schonfeld Partners	Multistrategy	-1.8	6.5
D1 Capital's stock portfolio	Equity	-1.9	23.3
Millennium	Multistrategy	-2.1	8.2
North Rock	Multimanager equity	-2.1	4.8
Marshall Wace TOPS	Systematic	-2.59	2.51
Schonfeld Fundamental Equity	Equity	-2.8	9.3
Brummer Multi-Strategy	Multistrategy	-3.13	7.73
Point72	Multistrategy	-3.3	10.9
Oaktree Value Opportunities	Credit	-3.4	15
Marshall Wace Eureka	Equity	-6.91	11.62
Coatue	Equities	-8.3	14.3
Point72 Turion	AI Equities	-11.4	18.9
Whale Rock Long Only	Equities	-18.8	36.8
Whale Rock Flagship	Public & Privates	-21.7	35.1
Source: Bloomberg reporting			

After selling $DDOG in early June, now adding it back (down 17% on a beat)

- Datadog shares plunge 18% in premarket trading after the software company posted an adjusted gross margin for the second quarter that trailed the average analyst estimate.
- Datadog shares had rallied 108% so far this year, as of Wednesday's close
- Shares of software peers are lower: Salesforce -4.9%, ServiceNow -3.7%, Workday -3.3%, Snowflake -5.6%, MongoDB -5.7%, Atlassian -6.1%, Cloudflare -5.8%

YEAR FORECAST

- Sees adjusted EPS $2.50 to $2.54, saw $2.36 to $2.44, estimate $2.42
- Sees revenue $4.45 billion to $4.47 billion, saw $4.30 billion to $4.34 billion, estimate $4.35 billion
- Sees adjusted operating income $1.01 billion to $1.03 billion, estimate $976.8 million

THIRD QUARTER FORECAST

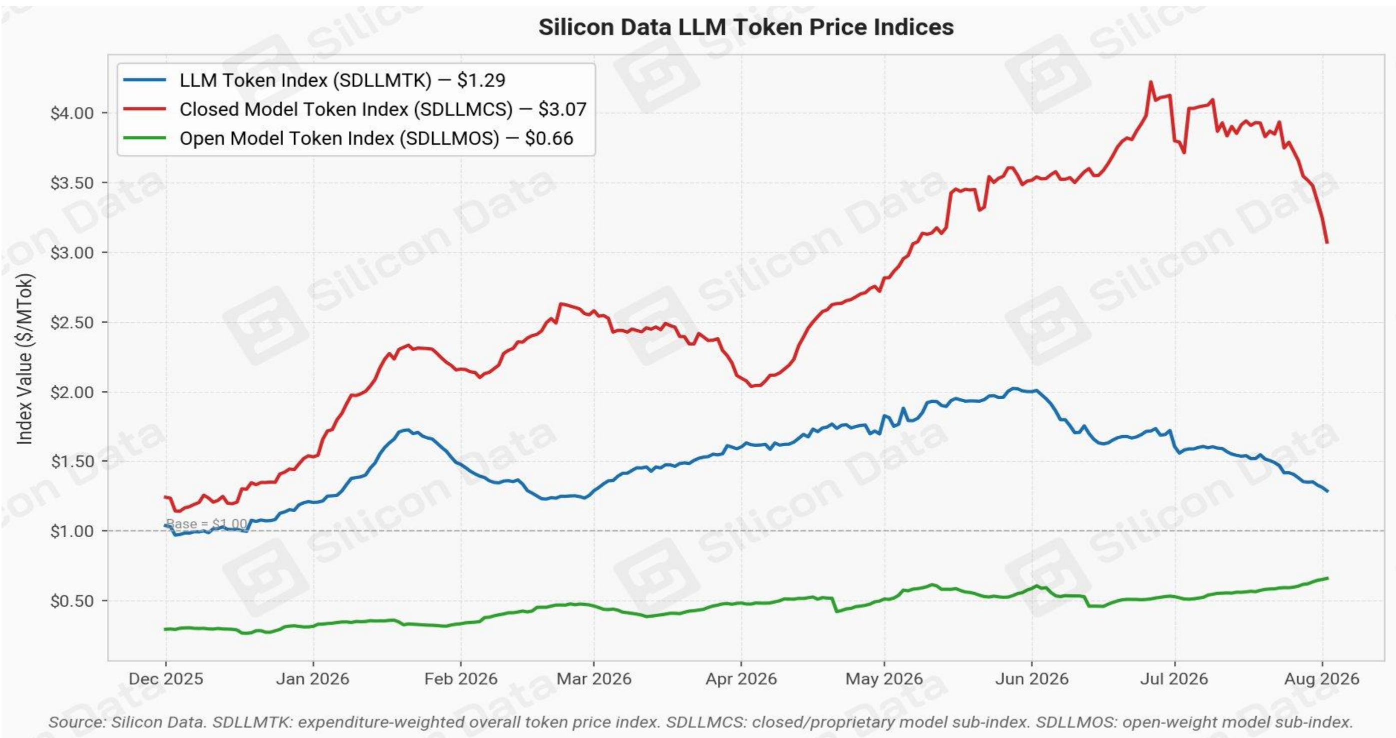
- Sees adjusted EPS 63c to 65c, estimate 63c
- Sees revenue $1.14 billion to $1.15 billion, estimate $1.11 billion
- Sees adjusted operating income $260 million to $270 million, estimate $253 million

SECOND QUARTER RESULTS

- Revenue $1.12 billion, +36% y/y, estimate $1.08 billion
- Adjusted EPS 65c vs. 46c y/y, estimate 60c
- Adjusted gross margin 80% vs. 81% y/y, estimate 80.7%
- Adj. R&D expense $325.1 million, +24% y/y, estimate $327 million
- Adjusted operating margin 23% vs. 20% y/y, estimate 21.6%
- Customers with equal to or greater than $100,000 in annual recurring revenue 4,720, +23% y/y, estimate 4,576
- Cash and cash equivalents $435.0 million, -11% y/y
- Net Cash provided by Operating Activities $315.9 million, +58% y/y, estimate $259.3 million
- Free cash flow $278.7 million, +69% y/y, estimate $215 million

The Compute Desk Nvidia B300 GPU-hour index is at its all-time high. As margins on training grow thinner, neoclouds are collectively shifting focus to inference. High-priced B300s are generating ROI by lowering the marginal cost per token generated through batch inference.

Nvidia B300 GPU-hour **All-time High**



Our LLM Token index continues to decline while the debate over open vs closed model rages on. So we decided to take a closer look at how closed and open models respectively contributed. Interestingly, we are seeing some convergence btwn them.

- The effective prices paid for proprietary models have decreased sharply over the last few weeks as OpenAI releases powerful frontier models at lower prices. Open models otoh have in fact seen their effective prices increase as more powerful near-frontier Chinese models like GLM 5.2 and Kimi K3 are released and served at higher prices.
- Overall, this should be unsurprising. Econ 101: competition is up and prices are down. This is good for consumer and enterprise users of AI (agents) and promotes much wider and faster AI adoption.

TEAM (Our Position) Up 32% Premarket on Beat

- Non-GAAP diluted EPS came in at $1.87, significantly crushing Wall Street's $1.50 expectation.
- Revenue Outperformance: Total quarterly revenue surged 28% year-over-year to $1.77 billion, beating consensus estimates of $1.66 billion.
- Cloud Acceleration: Cloud revenue grew 31% year-over-year to $1.21 billion, acting as the primary engine for the quarter.
- Operating Leverage: Non-GAAP operating margin expanded sharply to 36% (up from 24% last year). The company also achieved a positive GAAP operating margin of 12%.
- Forward Backlog: Remaining Performance Obligations (RPO) jumped 44% year-over-year to $4.8 billion, signalling strong future revenue pipelines.
- CEO Cannon-Brookes said he will make open market purchases up to $250 million in Atlassian shares.
- Q1 2027 Guidance Range: $1.705 billion to $1.715 billion.
- Guidance vs Consensus Estimate: $1.670 billion.

Atlassian shares jump as much as 31% in premarket trading on Friday after the software company forecast revenue for the first quarter that exceeded the average analyst estimate. Analysts note that there are no signs of AI displacement and that customers are increasingly using its Teamwork Graph service.

- CEO Mike Cannon-Brookes also plans to enter into a trading plan to make open market purchases of up to $250 million in Atlassian Class A shares.
- The shares are down 32% year to date through Thursday's close

ANALYST COMMENTARY

Morgan Stanley analyst Adam Wood (overweight, PT to $180 from $120)

- Atlassian reported a much stronger cloud forecast, which is driving an outsized stock reaction
- "Cost discipline and the recent restructuring continued to flow through with non-GAAP operating margins"

Jefferies analyst Brent Thill (buy, PT to $200 from $150)

- Atlassian reported a solid beat and forward-looking metrics
- "Despite bear thesis, TEAM just signed its biggest deal ever with one of the largest consumer tech cos, indicating that AI can't replace TEAM's software"

William Blair analyst Arjun Bhatia (outperform)

- "Customers are increasingly using Teamwork Graph to provide very relevant context to third-party coding agents"
- "Teamwork Graph and the context it carries is making Atlassian a critical part of the DevTech stack in an AI world"

FIRST QUARTER FORECAST

- Sees revenue $1.71 billion to $1.72 billion, estimate $1.67 billion (Bloomberg Consensus)

- Sees cloud revenue y/y +28.5%
- Sees Data center year-on-year change 4%
- Sees Marketplace and other revenue year-on-year change 12.5%
- Sees adjusted operating margin 28.5%, estimate 26.2%
- Sees adjusted gross margin 87%, estimate 86.4%

2027 YEAR FORECAST

- Sees revenue +13%
- Sees cloud revenue y/y +25.5%
- Sees Data center year-on-year change 17%
- Sees Marketplace and other revenue year-on-year change 12%
- Sees adjusted gross margin 86.5%, estimate 86.9%
- Sees adjusted operating margin 25%, estimate 28.7%

FOURTH QUARTER RESULTS

- Adjusted EPS $1.87 vs. 98c y/y, estimate $1.50
- Revenue $1.77 billion, +28% y/y, estimate $1.66 billion
- Cloud revenue $1.21 billion, +31% y/y, estimate $1.17 billion
- Data center revenue $461.9 million, +21% y/y, estimate $414.6 million
- Marketplace and other revenue $91.1 million, +20% y/y, estimate $81 million
- Adjusted gross margin 89% vs. 85% y/y, estimate 88.1%
- Adjusted operating margin 36% vs. 24% y/y, estimate 30.6%
- R&D expenses $759.8 million, +8.4% y/y, estimate $789.6 million
- Capital expenditure $4.45 million, -70% y/y, estimate $12.1 million
- Free cash flow $474.7 million, +32% y/y, estimate $638.8 million
- Cash flow from operations $479.1 million, +28% y/y, estimate $662.4 million

COMMENTARY AND CONTEXT

- CEO to Enter up to $250M Trading Plan
- Salesforce, Servicenow Shares Follow Atlassian Higher
- Mike Cannon-Brookes, Atlassian's CEO and co-Founder, announced his intention to enter into a trading plan to make open market purchases of up to $250 million in shares of Atlassian's Class A Common Stock
- Total revenue growth year-over-year is expected to be approximately 13.0%.
- DOCS Squeezes Higher on Positive Earnings (+83%, +229% at one point)

Doximity shares surge as much as 229% in premarket trading after the healthcare software company raised its revenue forecast for fiscal 2027, and posted sales for the fiscal first quarter that was ahead of expectations. Analysts see the guidance boost as an encouraging sign of the company's AI investments.

Shares of the company had fallen nearly 65% over the last year through Thursday's close of trading

ANALYST COMMENTARY

Leerink Partners, Michael Cherny (outperform)

- Says this was a solid quarter that showed both improvement on top-line but also some early progress on the company's investment year
- Notes the stock has been significantly hampered by concerns over share erosion and AI disruption, which was being exacerbated by slower growth
- "There is still plenty of work to be done to prove the ultimate AI upside case, but this Q is a solid jump-off point complemented by improved core revenue"

Needham, Ryan MacDonald (buy)

- Says investor enthusiasm is primarily the result of some early positive commentary from management about the AI search opportunity, as DOCS is seeing allocation of spend from the innovation budget as we work through the year
- "We are sharing in this enthusiasm as we expect success at the health system level"
- Adds that if DOCS usage continues to grow, the company will be well-positioned to gain share of pharma budgets, creating the potential for a re-acceleration of topline growth

Piper Sandler, Jessica Tassan (overweight)

- Says DOCS reported a strong fiscal 1Q27 results and "we believe this was a core DOCS beat, with no contribution from the company's encouraging new AI clinical search business"
- "We view the increased guidance as conservative especially in light of commentary regarding the AI commercial pipeline"

RBC Capital Markets, Ryan Halsted (outperform)

- Says FQ127 was a strong quarter for Doximity, with revenue growth re-accelerating on AI-driven client engagement in the legacy business
- Adds that the guidance raise signals early commercial traction from AI search in the fiscal year
- "We view the combination of record user engagement, a strengthening competitive position, and a building AI revenue pipeline as supportive of the FY28 re-acceleration thesis"

2027 YEAR FORECAST

- Sees adjusted Ebitda $309 million to $329 million, saw $323 million to $335 million, estimate $328.9 million (Bloomberg Consensus)
- Sees revenue $671 million to $681 million, saw $664 million to $676 million, estimate $672.8 million

SECOND QUARTER FORECAST

- Sees adjusted Ebitda $80.5 million to $81.5 million, estimate $87.1 million
- Sees revenue $170 million to $171 million, estimate $172.3 million

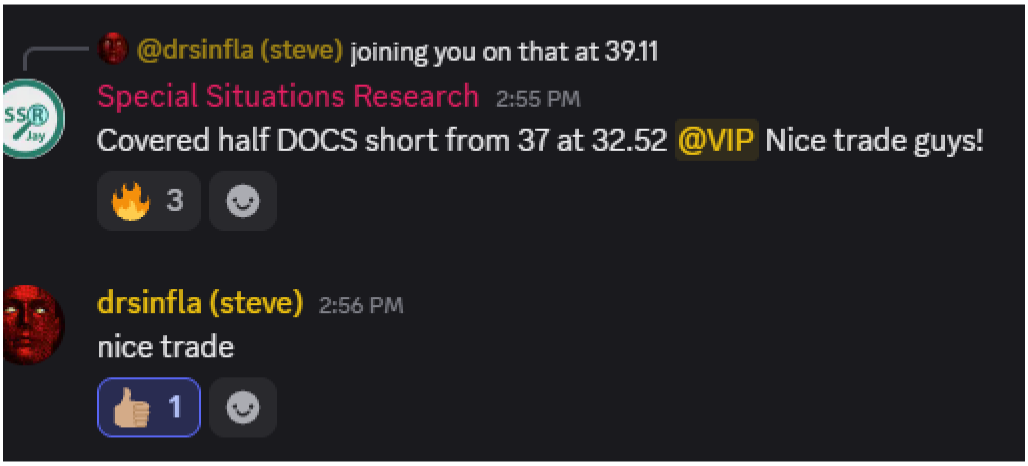
FIRST QUARTER RESULTS

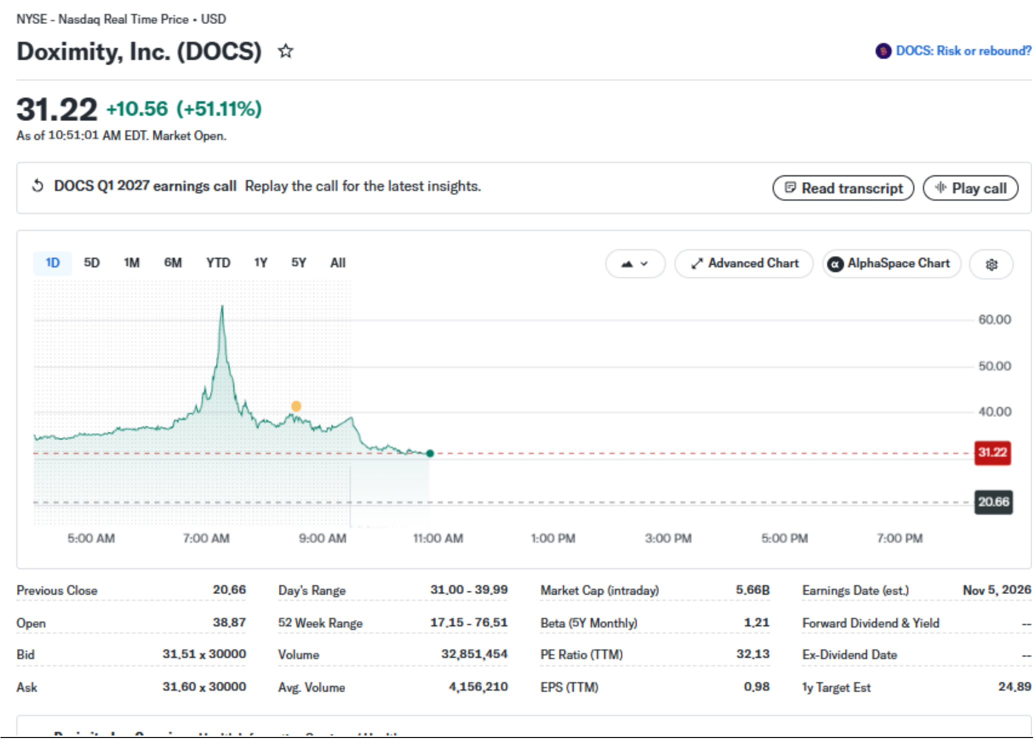
- Adjusted EPS 29c vs. 36c y/y, estimate 30c
- Adjusted Ebitda $74.8 million, -6.3% y/y, estimate $69.5 million
- Revenue $156.6 million, +7.3% y/y, estimate $151.9 million
- Free cash flow $39.6 million, -34% y/y, estimate $51.9 million

NOTE

- 9 buys, 13 holds, 1 sell

Shorted some $DOCS this morning in the educational discord at $37…covered first half near 32 and 2nd half near $31 as earnings beat was not that strong (nice trade!)

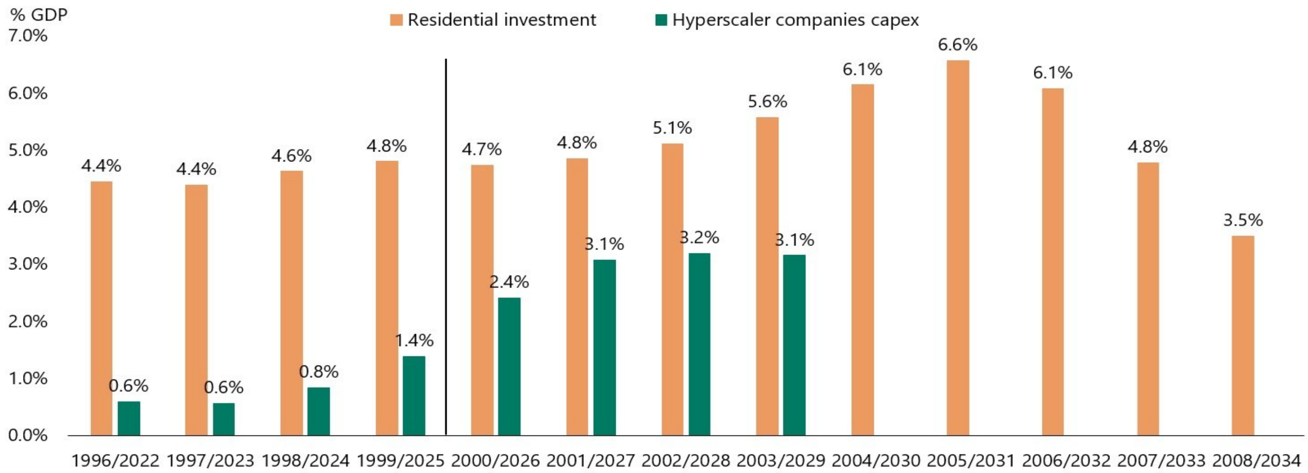




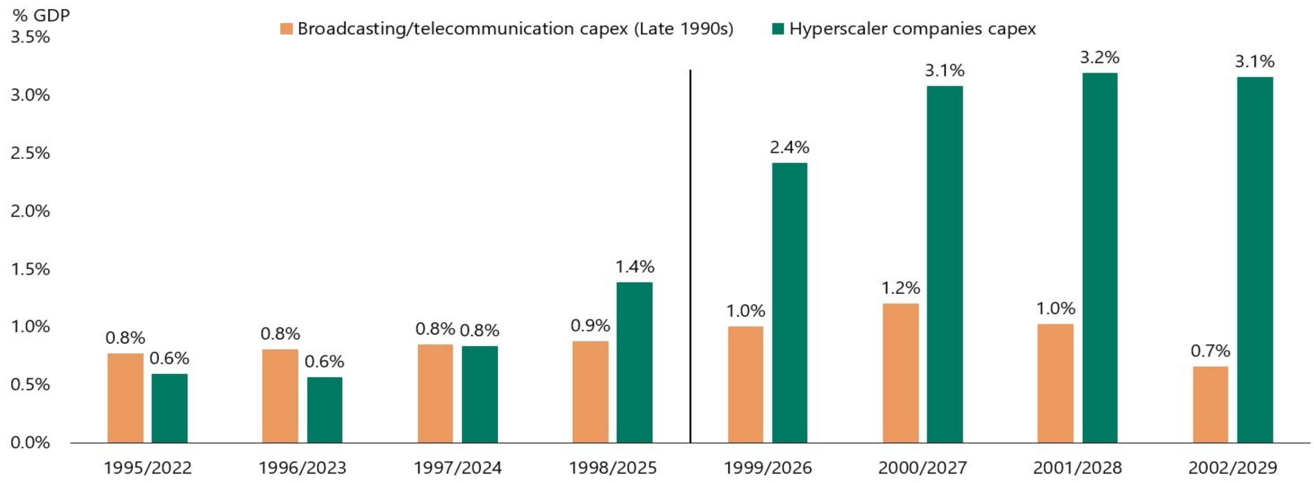
Torsten Slok at Apollo has three great charts today.

- "Data-center capex adds 1.7 percentage points in just two years, from 1.4% of GDP in 2025 to 3.1% in 2027, or roughly 0.85 percentage points a year. Housing's quickest phase, from 5.1% in 2002 to 6.6% in 2005, ran at 0.5 percentage points a year, and telecom's at around 0.15. The AI cycle is building at close to twice the pace of the housing boom at its fastest.
- The same arithmetic runs in reverse: housing's unwind, from 6.2% of GDP in early 2006 to 3.0% by the end of 2008, is what made that recesion severe, while telecom's much smaller reversal produced the mildest one.
- A cycle that builds at 0.85 percentage points a year can unwind at a similar pace, and that, rather than the buildout itself, is the macro risk if AI demand disappoints."

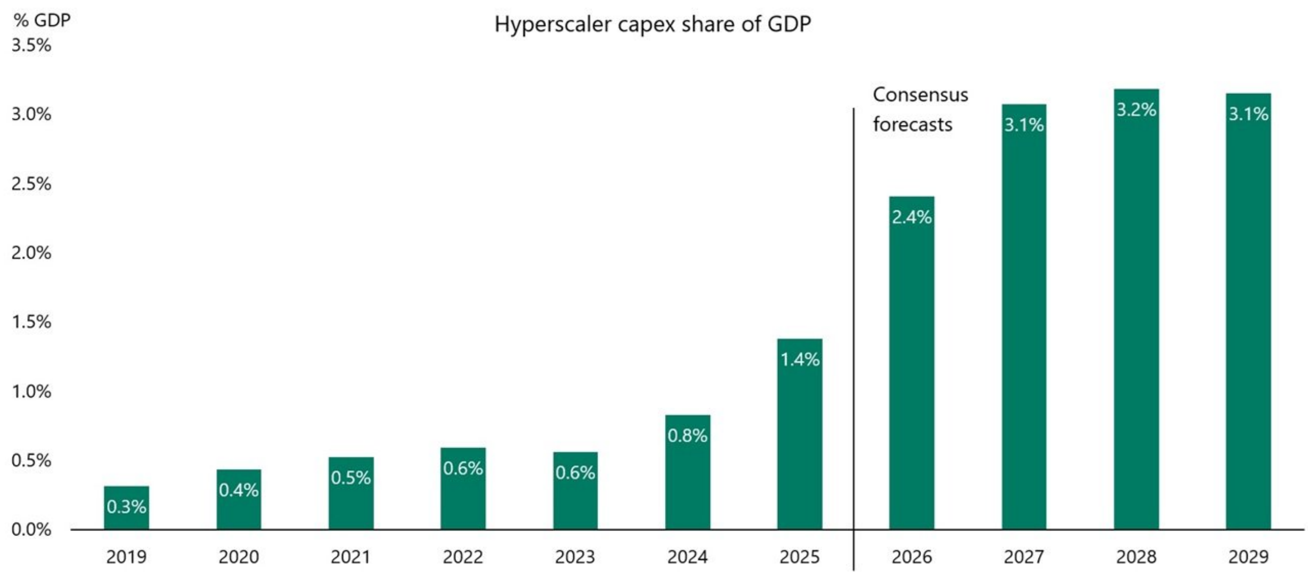
Hyperscaler capex as a share of GDP lower than residential investment as a share of GDP before the GFC



Hyperscaler capex as a share of GDP higher than telecom capex share of GDP in the 2000s



Consensus expects hyperscaler capex at 3% of GDP every single year for the next three years



Amazon Web Services leaders met with engineers in May and delivered a sobering message: To ensure AWS has enough capacity for all its customers at its popular EC2 cloud server business in the future, engineers should save capacity however they can, according to a person with knowledge of the meeting.

That includes capacity on servers that run on central processing units, as well as those running on AI chips, which have long been in short supply, the person said. CPUs are the chips that have powered the last several decades of the internet age. Since then, some engineers within AWS have found it takes much longer to get capacity on CPU servers for their work.