New SpecialSits Screener Released this Fall; CPI & PPI Lower than Expected, Retail Sales Miss
Unity Beats Earnings (Buy on Pullbacks, Model Attached); Added RIOT Position on Deal with Anthropic
$BW Babcock and Wilcox Crushes Estimates, up 40% Last Week (We Trimmed Half of Common)
WYFI Beat Good for BTBT; Special Situations Update (CZR, VREX)

Economic Calendar: Most important econ events next week are Empire Manufacturing, Housing Starts, Industrial Production, Initial Jobless Claims, Leading Index, Manufacturing PMI, and Service PMI

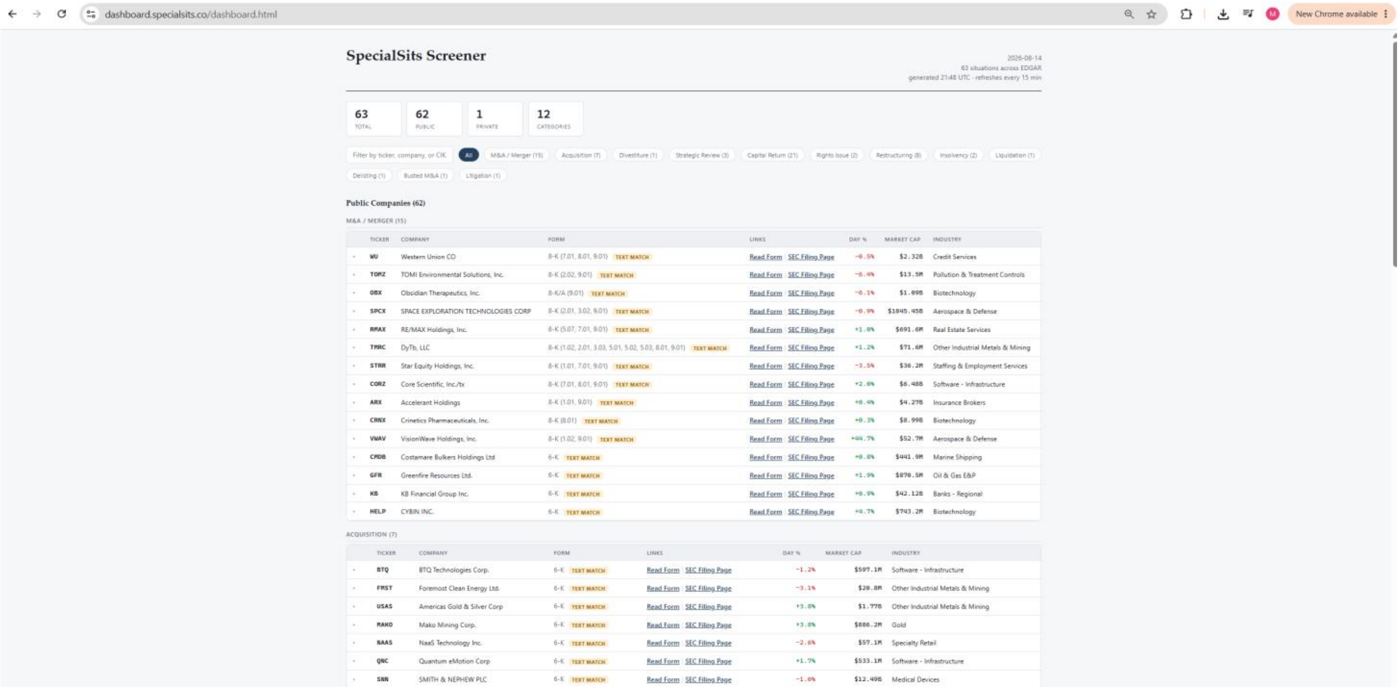
United States | Browse | 20:07:58 | 08/16/26 - 08/23/26
Economic Releases | All Economic Releases | View Agenda Weekly

	Date Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/17 13:30				Empire Manufacturing	Aug	10.5	--	15.6	--
22)	08/17 15:00				NAHB Housing Market Index	Aug	33	--	34	--
23)	08/17 21:00				Total Net TIC Flows	Jun	--	--	$132.2b	--
24)	08/17 21:00				Net Long-term TIC Flows	Jun	--	--	$232.7b	--
25)	08/18 13:15				ADP Weekly Employment Change	Aug 1	--	--	8.250k	--
26)	08/18 13:30				New York Fed Services Business Activity	Aug	--	--	8.7	--
27)	08/18 13:30				Import Price Index MoM	Jul	0.1%	--	0.3%	--
28)	08/18 13:30				Import Price Index ex Petroleum MoM	Jul	0.2%	--	0.5%	--
29)	08/18 13:30				Import Price Index YoY	Jul	6.7%	--	7.1%	--
30)	08/18 13:30				Export Price Index MoM	Jul	0.0%	--	-0.6%	--
31)	08/18 13:30				Export Price Index YoY	Jul	--	--	10.2%	--
32)	08/18 13:30				Housing Starts	Jul	1350k	--	1427k	--
33)	08/18 13:30				Housing Starts MoM	Jul	-5.9%	--	19.0%	--
34)	08/18 13:30				Building Permits	Jul P	1374k	--	1374k	--
35)	08/18 13:30				Building Permits MoM	Jul P	0.1%	--	-2.6%	--
36)	08/18 14:15				Industrial Production MoM	Jul	0.3%	--	0.1%	--
37)	08/18 14:15				Manufacturing Production MoM	Jul	0.2%	--	0.0%	--
38)	08/18 14:15				Capacity Utilization	Jul	76.3%	--	76.1%	--
39)	08/18 15:00				Pending Home Sales MoM	Jul	0.0%	--	-5.4%	--
40)	08/18 15:00				Pending Home Sales NSA YoY	Jul	--	--	2.3%	--
41)	08/19 12:00				MBA Mortgage Applications	Aug 14	--	--	3.6%	--
42)	08/19 19:00				FOMC Meeting Minutes	Jul 29	--	--	--	0
43)	08/20 13:30				Philadelphia Fed Business Outlook	Aug	25.0	--	41.4	--
44)	08/20 13:30				Initial Jobless Claims	Aug 15	212k	--	209k	--
45)	08/20 13:30				Initial Claims 4-Wk Moving Avg	Aug 15	--	--	199.00k	--
46)	08/20 13:30				Continuing Claims	Aug 8	1788k	--	1777k	--
47)	08/20 15:00				Leading Index	Jul	0.1%	--	-0.2%	--
48)	08/21 11:00				Bloomberg Aug. United States Economic Survey					
49)	08/21 14:45				S&P Global US Manufacturing PMI	Aug P	53.9	--	53.9	--
50)	08/21 14:45				S&P Global US Services PMI	Aug P	53.9	--	54.6	--
51)	08/21 14:45				S&P Global US Composite PMI	Aug P	53.7	--	54.5	--

New Special Sits Screener Will Highlight Filings Related to M&A, Spin Offs, Strategic Reviews, Buybacks, Rights Issues, Restructurings, Liquidations, Delistings, and Litigation

Goals are:

- to provide descriptions of each filing or event
- to provide quick valuations of each company highlighted
- to identify catalysts for future work
- to add relevant names to watchlists
- to monitor progress as each situation unfolds
- Trying to add predictive functionality over time


dashboard.specialsits.co/dashboard.html

SpecialSits Screener

2026-08-14
63 situations across EDGAR
generated 21:48 UTC · refreshes every 15 min

63 TOTAL | 62 PUBLIC | 1 PRIVATE | 12 CATEGORIES

Filter by ticker, company, or CIK · All · M&A / Merger (15) · Acquisition (7) · Divestiture (1) · Strategic Review (3) · Capital Return (21) · Rights Issue (2) · Restructuring (8) · Insolvency (2) · Liquidation (1) · Delisting (1) · Busted M&A (1) · Litigation (1)

Public Companies (62)

M&A / MERGER (15)

TICKER	COMPANY	FORM	LINKS	DAY %	MARKET CAP	INDUSTRY
WU	Western Union CO	8-K (7.01, 8.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	-0.5%	$2.32B	Credit Services
TOMZ	TOMI Environmental Solutions, Inc.	8-K (2.02, 9.01) TEXT MATCH	Read Form · SEC Filing Page	-6.4%	$13.5M	Pollution & Treatment Controls
OBX	Obsidian Therapeutics, Inc.	8-K/A (9.01) TEXT MATCH	Read Form · SEC Filing Page	-0.1%	$1.09B	Biotechnology
SPCX	SPACE EXPLORATION TECHNOLOGIES CORP	8-K (2.01, 3.02, 9.01) TEXT MATCH	Read Form · SEC Filing Page	-0.9%	$1845.45B	Aerospace & Defense
RMAX	RE/MAX Holdings, Inc.	8-K (5.07, 7.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	+1.0%	$691.6M	Real Estate Services
TMRC	DyTb, LLC	8-K (1.02, 2.01, 3.03, 5.01, 5.02, 5.03, 8.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	+1.2%	$71.6M	Other Industrial Metals & Mining
STRR	Star Equity Holdings, Inc.	8-K (1.01, 7.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	-3.5%	$36.2M	Staffing & Employment Services
CORZ	Core Scientific, Inc./tx	8-K (7.01, 8.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	+2.0%	$6.48B	Software - Infrastructure
ARX	Accelerant Holdings	8-K (1.01, 9.01) TEXT MATCH	Read Form · SEC Filing Page	+0.4%	$4.27B	Insurance Brokers
CRNX	Crinetics Pharmaceuticals, Inc.	8-K (8.01) TEXT MATCH	Read Form · SEC Filing Page	+0.3%	$8.99B	Biotechnology
VWAV	VisionWave Holdings, Inc.	8-K (1.02, 9.01) TEXT MATCH	Read Form · SEC Filing Page	+44.7%	$52.7M	Aerospace & Defense
CMDB	Costamare Bulkers Holdings Ltd	6-K TEXT MATCH	Read Form · SEC Filing Page	+0.8%	$441.9M	Marine Shipping
GFR	Greenfire Resources Ltd.	6-K TEXT MATCH	Read Form · SEC Filing Page	+1.9%	$870.5M	Oil & Gas E&P
KB	KB Financial Group Inc.	6-K TEXT MATCH	Read Form · SEC Filing Page	+0.9%	$42.12B	Banks - Regional
HELP	CYBIN INC.	6-K TEXT MATCH	Read Form · SEC Filing Page	+4.7%	$743.2M	Biotechnology

ACQUISITION (7)

TICKER	COMPANY	FORM	LINKS	DAY %	MARKET CAP	INDUSTRY
BTQ	BTQ Technologies Corp.	6-K TEXT MATCH	Read Form · SEC Filing Page	-1.2%	$597.1M	Software - Infrastructure
FMST	Foremost Clean Energy Ltd.	6-K TEXT MATCH	Read Form · SEC Filing Page	-3.1%	$20.8M	Other Industrial Metals & Mining
USAS	Americas Gold & Silver Corp	6-K TEXT MATCH	Read Form · SEC Filing Page	+3.8%	$1.77B	Other Industrial Metals & Mining
MAKO	Mako Mining Corp.	6-K TEXT MATCH	Read Form · SEC Filing Page	+3.8%	$886.2M	Gold
NAAS	NaaS Technology Inc.	6-K TEXT MATCH	Read Form · SEC Filing Page	-2.6%	$57.1M	Specialty Retail
QNC	Quantum eMotion Corp	6-K TEXT MATCH	Read Form · SEC Filing Page	+1.7%	$533.1M	Software - Infrastructure
SNN	SMITH & NEPHEW PLC	6-K TEXT MATCH	Read Form · SEC Filing Page	-1.0%	$12.49B	Medical Devices

Upcoming Earnings (Retail Week)

Special Situations Update

The long-awaited Caesars (CZR) proxy was finally published last week after weeks of speculation following the mid-July Go Shop expiration. The document revealed that the Icahn Group bid $34.00/share in cash on July 10th, but the proposal faced/faces significant questions around financing, managing change of control provisions with existing debt, and leverage / FCF. One particularly notable sticking point is Icahn's condition for the Carano family to rollover equity - something it has not been willing to entertain. As recently as last Friday, Icahn expressed a commitment to seek additional equity sources. The extended go-shop formally expired midnight Monday - meaning the termination fee jumps from $100m to $200mm. In other news, former California AG Becerra indicated a WBD settlement would be the best outcome for both parties, Variety wrote a piece around the "civil war" brewing for theater owners favoring vs. Opposing the deal, PAYO will host is shareholder vote on Sept 14th, and CRNX received Austrian Anti-trust approval overnight.

					8/11/2026		8/10/2026		8/4/2026		7/13/2026	
Largest US Transactions:					Last		1D Chg		1 Wk Chg		1 Month Chg	
	Target	Buyer	Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
1	NSC	UNP	$75,008	Cash/Stock	$47.09	14.1%	($0.02)	(0.0%)	$3.19	1.2%	($3.27)	(1.3%)
2	WBD	PSKY	$67,463	Cash	$3.93	14.5%	($0.20)	(0.9%)	($1.28)	(5.7%)	$0.02	0.1%
3	D	NEE	$59,060	Stock	$1.68	2.5%	($0.10)	(0.2%)	($0.07)	(0.1%)	$0.55	0.9%
4	KVUE	KMB	$36,552	Cash + Stock	$0.33	1.7%	$0.06	0.3%	$0.06	0.4%	($0.06)	(0.3%)
5	AVB	EQR	$26,252	Stock	$0.04	0.0%	$0.01	0.0%	$0.23	0.1%	($0.16)	(0.1%)
6	ROKU	FOXA	$22,556	Cash & Stock	$5.32	3.5%	($0.31)	(0.2%)	($0.61)	(0.5%)	($2.52)	(2.0%)
7	PEN	BSX	$12,840	Cash or Stock	$0.71	0.2%	$0.46	0.1%	$0.11	0.0%	($0.57)	(0.2%)
8	WBS	SAN	$12,752	Cash + Stock	$0.23	0.3%	($0.01)	(0.0%)	($0.31)	(0.4%)	($0.37)	(0.5%)
9	TECH	Merck KGaA	$11,292	Cash	$0.85	1.2%	($0.03)	(0.0%)	($0.06)	(0.1%)	($0.79)	(1.1%)
10	WTRG	AWK	$11,289	Stock	$1.42	3.5%	($0.11)	(0.3%)	$0.11	0.2%	($0.11)	(0.4%)
11	GSAT	AMZN	$10,859	Cash or Stock	$4.88	5.8%	($0.87)	(1.0%)	($0.86)	(1.0%)	$1.08	1.1%
12	AES	GIP & EQT	$10,509	Cash	$0.30	2.0%	$0.03	0.2%	($0.02)	(0.1%)	$0.06	0.4%
13	APGE	ABBV	$10,191	Cash	$0.42	0.3%	($0.04)	(0.0%)	($0.50)	(0.4%)	($0.87)	(0.7%)
14	QRVO	SWKS	$8,557	Cash + Stock	$1.42	1.5%	($0.13)	(0.1%)	($0.16)	(0.2%)	($2.64)	(3.3%)
15	SLAB	TXN	$7,204	Cash	$12.06	5.5%	($0.51)	(0.2%)	($0.55)	(0.3%)	($0.19)	(0.1%)
16	ACA	CRH	$7,107	Cash	$5.09	3.5%	($0.18)	(0.1%)	$0.31	0.2%	$0.01	0.0%
17	CZR	Fertitta Entertainmen	$6,126	Cash	$1.26	4.2%	$0.33	1.1%	$0.38	1.3%	($0.08)	(0.3%)
18	VAL	RIG	$5,940	Stock	$1.72	2.0%	$0.12	0.1%	$0.33	0.2%	($0.53)	(0.8%)
19	TXNM	BX	$5,911	Cash	$3.94	6.9%	$0.05	0.1%	$0.29	0.5%	($0.22)	(0.4%)
20	UNF	CTAS	$5,238	Cash + Stock	$22.00	7.5%	$0.14	0.0%	$0.13	0.0%	($1.93)	(1.2%)
					Average			(0.1%)		(0.2%)		(0.5%)
					Average (mkt cap)			(0.2%)		(0.7%)		(0.4%)

Recent transactions

Date	Target	Buyer	Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
8/10	HZO	Safe Harbor	$1,151	Cash	$ 0.54	1.0%	($0.34)	(0.7%)				
8/10	BWMN	Benhard Capital Partners	$735	Cash	$ 0.63	1.5%	$0.05	0.1%				
8/10	VREX	TDY	$777	Cash	$ 0.32	1.7%	($0.12)	(0.7%)				
8/7	DV	Nielsen Holdings	$2,049	Cash	$ 0.35	2.6%	($0.03)	(0.2%)				
8/7	BZH	DFH	$882	Cash	$ 0.33	1.0%	($0.11)	(0.3%)				
8/3	LNTH	Curium	$6,591	Cash	$ 1.82	1.8%	$0.30	0.3%	$0.43	0.4%		
8/3	SUPN	INDV	$2,736	Stock	$ (0.33)	(0.7%)	$0.13	0.3%	($0.66)	(1.5%)		
8/3	ATKR	PRY IM	$3,166	Cash	$ 1.13	1.2%	($0.12)	(0.1%)	($0.34)	(0.4%)		
8/3	ITGR	KKR	$4,252	Cash	$ 1.96	1.6%	$0.04	0.0%	$0.01	0.0%		

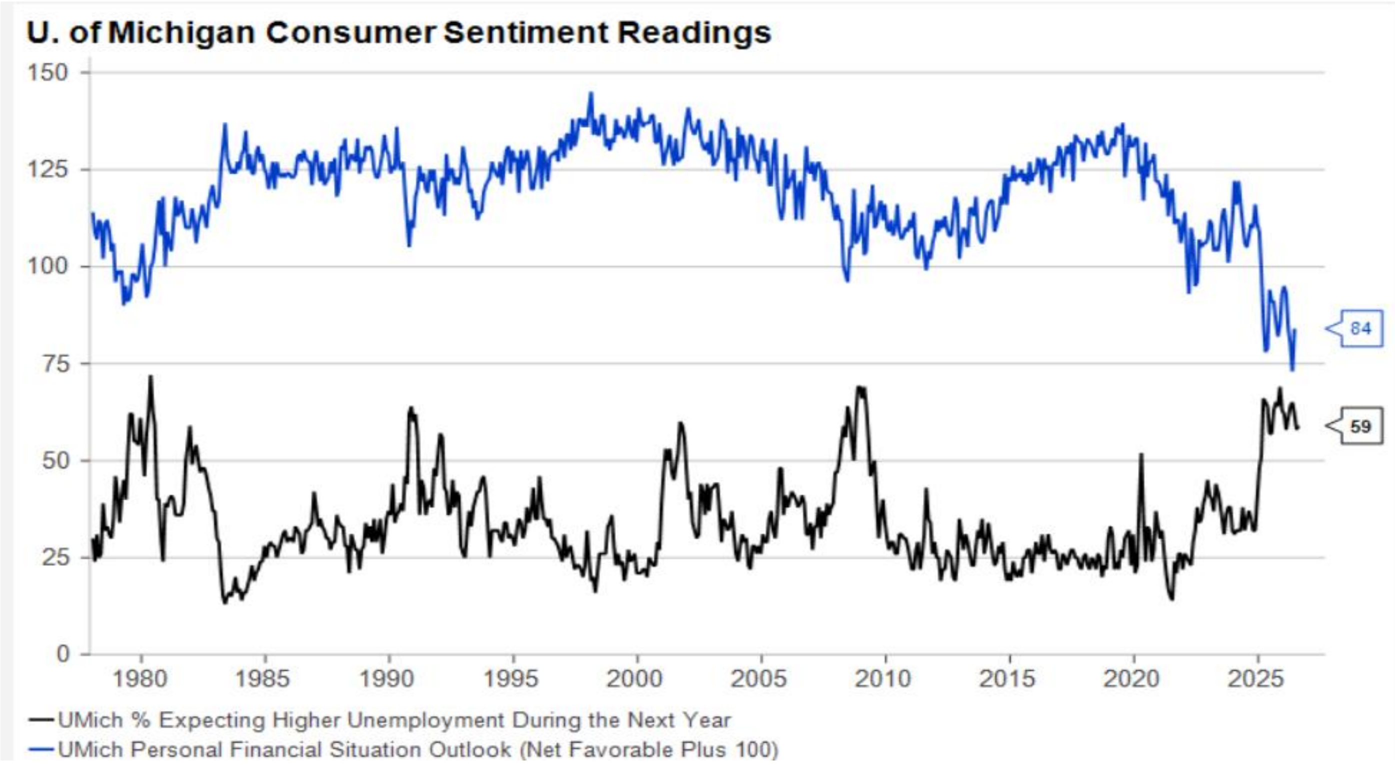
Shares of Varex Imaging Corporation (NASDAQ: VREX) traded up 50% last week after the company announced it has reached a definitive agreement under which Teledyne (NYSE: TDY) will acquire all the outstanding common shares of Varex for $18.90 per share payable in cash. The transaction was unanimously approved by both Boards and is expected to be completed in early 2027. In the latest WBD developments PARA has agreed to sign contracts with AMC & Cineworld to release 30 movies a year in theaters & for the movies to release exclusively in theaters for a period of at least 45 days. The films would also not be available to stream online for at least 90 days. In other news, ATAI will hold its shareholder vote on September 8th; ROKU/FOXA filed their preliminary S-4; The EC has commenced its review of Long Lakes merger with GTBG; and KVUE has received approval from the Mexico competition authority.

Details:

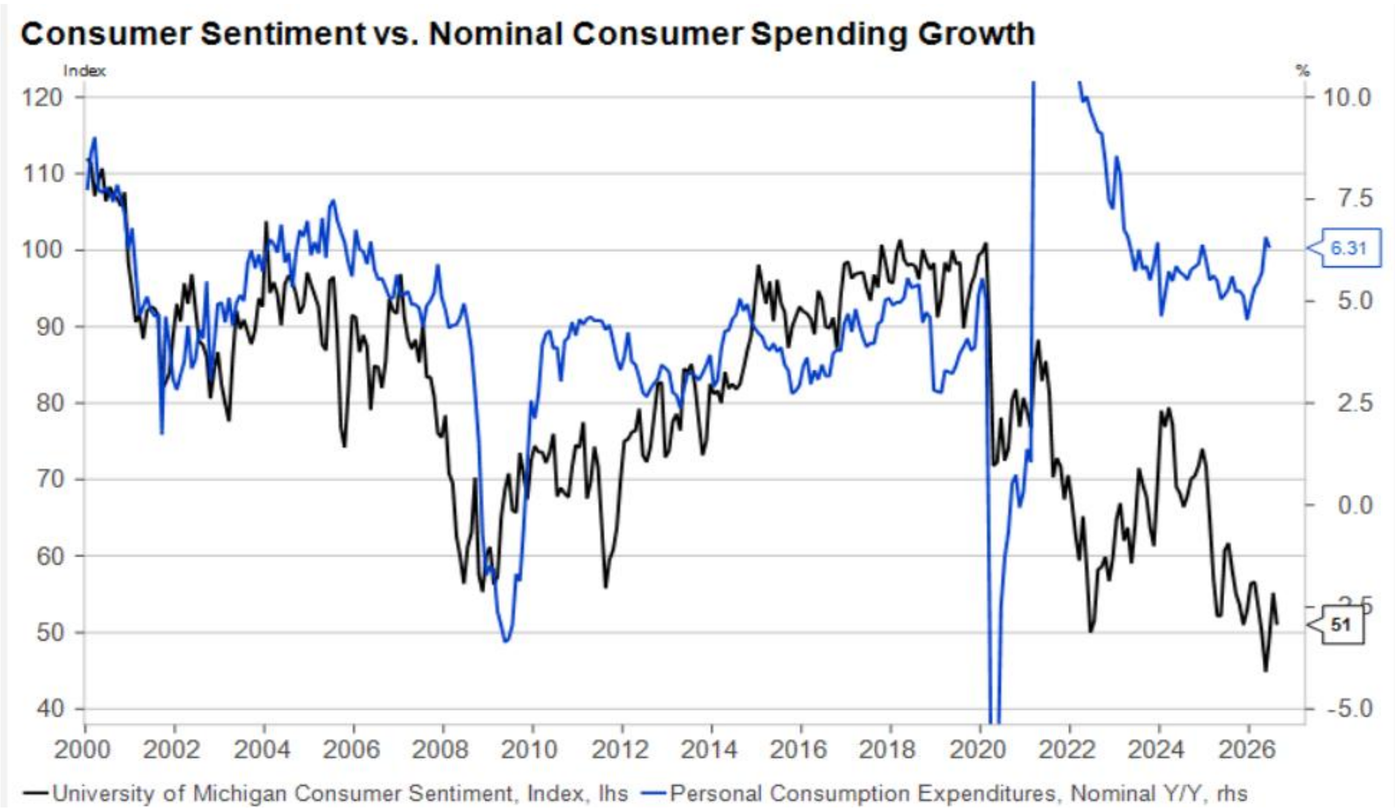
- **CZR – Preliminary Proxy Filed** (link). The parties each filed an HSR Act notification with the FTC and DOJ on July 13, 2026. In connection with discussions with the FTC, Parent will refile its HSR Act notification before or at the end of the waiting period on August 12, 2026. Afterwards, the applicable waiting period under the HSR Act will expire on September 14, 2026, unless extended by a request for additional information and documentary materials. During the Go-Shop window on July 10th, the Ichan Group bid $34/shr that included several assumptions one of which included that at least 5 million shares held by the Carano family would be contributed to the buyer vehicle. On July 14th, Mr. Carano and Mr. Reeg informed representatives of the Icahn Group that the rollover equity and potential management incentive equity was not as attractive to the Carano family and the Company's management as under the FEI transaction because of the proposed financial profile and anticipated cash flows of the resulting company, and that the Carano family would not be willing to roll their equity based on the current terms of the proposed transaction. On August 10, 2026, management of the Company informed the Board of the status of the discussions with the Icahn Group and a representative of Latham informed representatives of the Icahn Group and Jefferies that the Company remained open to discussion but there had been no material progress on the fundamental issues the Company had previously raised.
- **WBD – Former CA State AG Xavier Becerra Sees Settlement As Best Outcome for Parties** (link). Xavier Becerra, the Democratic candidate in the race for California governor, said a settlement would be the best outcome in the state attorney general's lawsuit to block the $110 billion merger between Paramount Skydance Corp. and Warner Bros. Discovery Inc. Becerra did not take a side on the merger, saying he wants whatever outcome is good for the industry and the state. "The entertainment industry is our baby in California. We have to fight to keep it vibrant," Becerra said Tuesday afternoon at a Politico event in Sacramento. "I hope it settles before court. It is easier to stand in a conference room and settle than it is to stand in a courtroom."
    - **Why the Paramount-Warner Bros. Sale Is Dividing Movie Theater Owners** (link). Cinema United's leaders were blindsided by Aron's support for the merger at CinemaCon, sources say, but many members saw his contradictory comments as par for the course, since Aron has diverged with Cinema United on prior issues.
- **PAYO – Definitive Proxy Filed** (link). The companies filed their definitive proxy overnight and will hold their shareholder vote on September 14th. The HSR waiting period expired via ET on July 28th. Remaining regulatory items US Money Transmitter approval, and FDI approvals. The merger is expected to close in Mid 2027.
- **CRNX – Austria Federal Competition Authority Clears Transaction** (link).
- **VREX - Teledyne to Acquire Varex Imaging Corporation** (link). Teledyne Technologies Incorporated (NYSE:TDY) ("Teledyne") and Varex Imaging Corporation (NASDAQ:VREX) ("Varex") jointly announced today that they have entered into a definitive agreement under which Teledyne will acquire all of the outstanding common shares of Varex for $18.90 per share payable in cash. The aggregate value for the transaction is approximately $1.1 billion, taking into account Varex's equity awards and net debt as of April 3, 2026. The transaction was unanimously approved by the Boards of Directors of Teledyne and Varex. This transaction is anticipated to be completed in early 2027 and is subject to customary closing conditions, including regulatory approvals and Varex's stockholder approval.
- **WBD – Paramount Pledges To Release 30 Films In Major Theater Chains If It Acquires WBD** (link). Paramount Skydance Corp. has agreed to sign contracts with major theater chains guaranteeing that it will release 30 movies a year in cinemas if it acquires Warner Bros. Discovery Inc., according to people familiar with the matter. Paramount has offered three-year agreements to AMC Entertainment Holdings Inc. and Cineworld Group's Regal Cinemas, the world's two largest theater chains, requiring it to release the films exclusively in theaters for at least 45 days, according to the people, who asked to not be identified because the agreements are private. The films would also not be available to stream online for at least 90 days. If Paramount doesn't fulfill its obligation, it would face penalties, according to the people.
- **ATAI – Definitive Proxy Filed** (link). The Companies filed their definitive proxy this morning and the shareholder vote is set to take place on September 8th. The HSR was filed back on July 29, 2026 and is set to expire on August 28th. ACCC application was filed on August 5th and is set to expire on September 16th. The merger is anticipated to close in Q3 2026.
- **ROKU/ FOXA – Preliminary S-4 Filed** (link). The Companies filed their preliminary S-4 over the weekend. On August 5, 2026, FOX voluntarily withdrew its notification and report form under the HSR Act in order to provide the DOJ additional time to review the proposed Transactions. FOX re-filed its HSR notification on August 7, 2026. As a result, the applicable waiting period will expire at 11:59 p.m., Eastern Time, on September 8, 2026. In the background section In late September 2025, Roku's leadership signaled an intent to explore strategic alternatives, including a potential sale of the company. A Strategic Initiatives Committee of independent Roku Board members was formed, and financial advisors were retained to conduct a confidential market check beginning in March 2026, reaching out to 11 potential counterparties across the media, telecom, and consumer technology industries. Of the 11 parties contacted, the vast majority declined to engage or withdrew early in the process, citing reasons such as competing business priorities, financing concerns, integration challenges, or a lack of strategic interest. Only three parties — FOX Corporation, Party A, and Party B — progressed to meaningful due diligence. Party B ultimately withdrew in May 2026, and Party A never submitted a formal proposal despite months of engagement. No party other than FOX submitted a formal bid. FOX submitted its initial non-binding indication of interest at $154 per share in May 2026, consisting of 60% cash and 40% FOX stock. Following a series of counterproposals, the two sides agreed on a final price of $160 per share — representing a premium of approximately 34% to Roku's unaffected stock price — with Roku stockholders expected to own roughly 27% of the combined company post-closing. Both boards unanimously approved the Merger Agreement on June 14, 2026, and the transaction was publicly announced on June 15, 2026.

Consumer Sentiment as Bad as Ever Despite AI Spending and Market Returns

Consumer sentiment is about as bad as it's ever been. Professional surveys intended to measure consumers' attitudes on the broad economy and their own personal finances have existed since the mid-20th century, meaning they capture the stagflation of the 1970s and the 2008 financial crisis. Yet one look at this graph from the University of Michigan shows that in two key categories, the outlook for personal finances and the labor market, Americans have rarely been more pessimistic than they are today:



Sentiment surveys have been good gauges of future spending behavior in past cycles. But the new trends of the 2020s remind us that as analysts of economic data we cannot simply "beat on, boats against the current" lest we be "borne back ceaselessly into the past." Indeed, the trend of the past five years, as we hinted at in the introduction, has been for consumers to say one thing and do something else entirely:



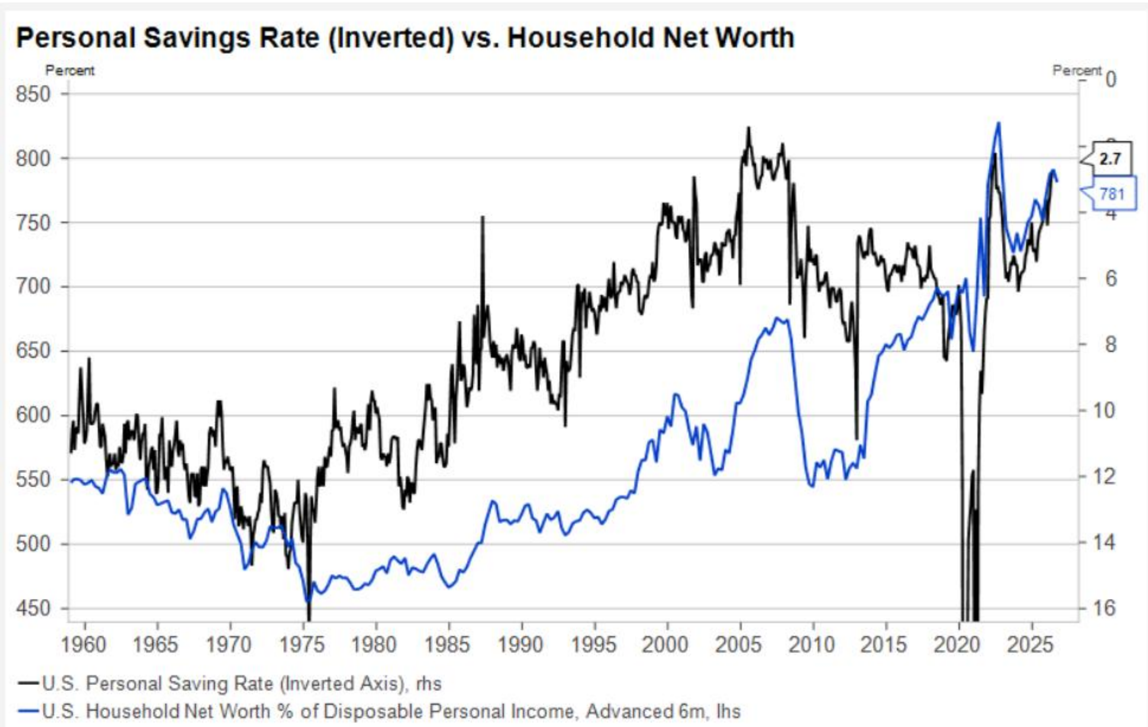
This phenomenon has been examined ad nauseum, and we aren't looking for the two lines on the graph above to converge anytime soon. As Nick Carraway wisely said, "reserving judgements is a matter of infinite hope." Today, we are most interested in consumer behavior, not consumer attitudes. What is keeping spending afloat in such a challenging environment? Our next section dives into some of the headwinds, tailwinds and crosswinds consumers face.

The Pushes and Pulls on U.S. Consumers

Over time, consumer spending behavior has been inextricably linked to the labor market. When jobs are plentiful and paying well, consumers tend to have the means and the desire to spend more:

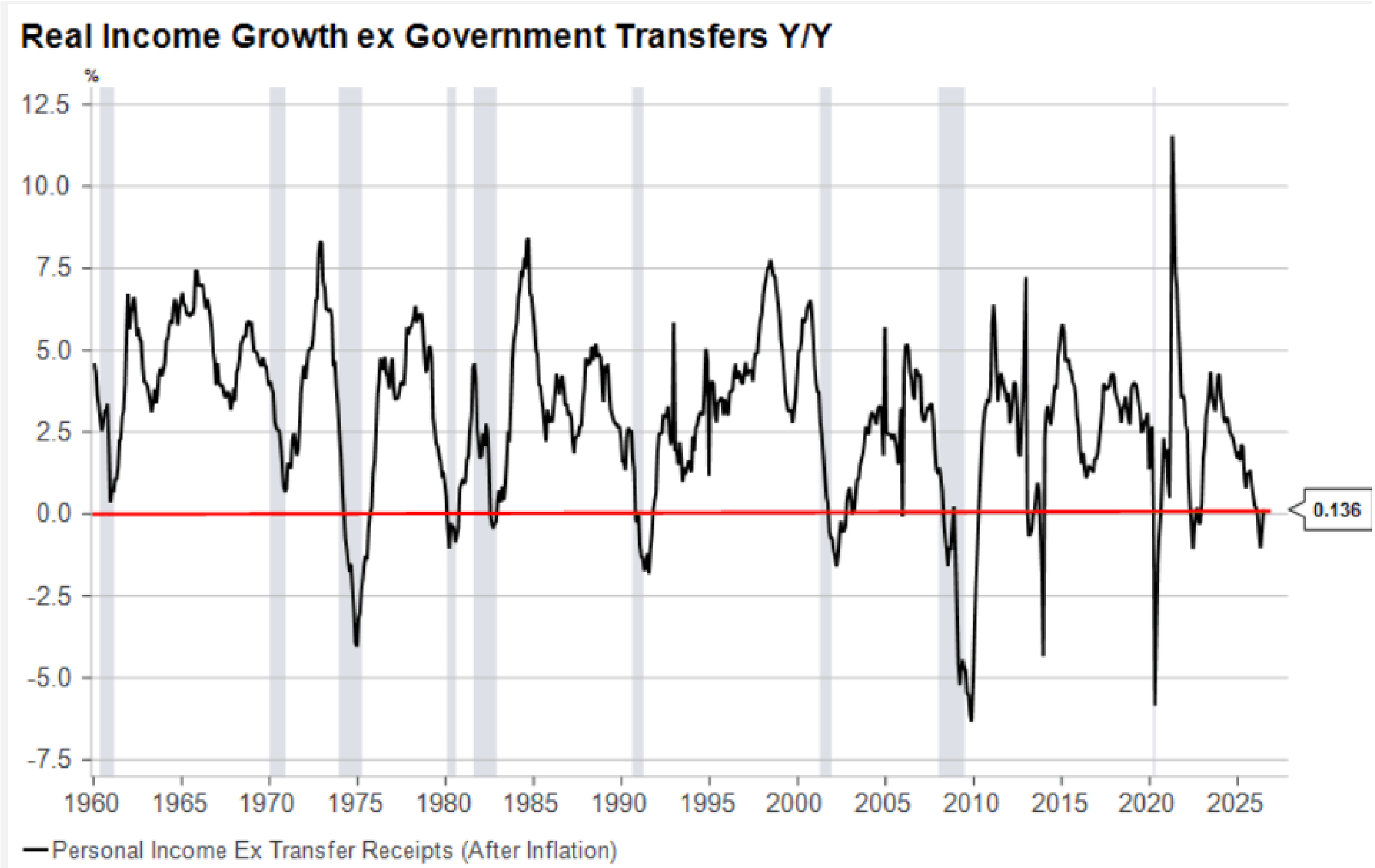
In fact, consumers often save less of their take-home pay during good times, a sign that the decision to save or spend comes down more to financial security ("I feel richer and can spend more") than it does to affordability ("I need to save less to afford the things I need"). Of course, in any economy there are examples of both phenomena, but a falling savings rate in a strong economy is a sign of high consumer confidence.

Currently, the combination of a booming stock market and the significant rise in home prices over the past six years has helped bring the savings rate to one of its lowest levels on record (note the savings rate and its axis are inverted on this graph):



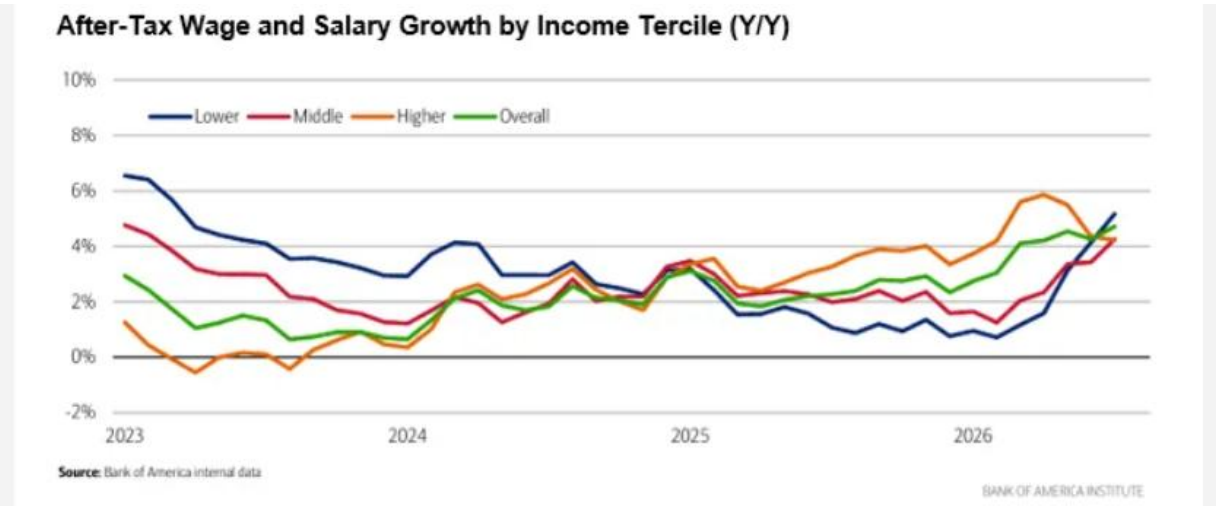
This graph above shows the wealth effect in action, and it continues to drive spending growth for the large and growing segment of the population (i.e., retirees) who a) own their own home; b) have substantial financial wealth; and c) are not overly sensitive to inflation or labor market conditions.

The challenge of 2026 for consumers (and economists) has been that while the wealth effect continues to pull spending up, the income effect – especially when inflation is factored in – is putting more stress on a significant number of households. After recovering swiftly in 2023 and 2024, inflation is once again overtaking any growth in wages:



It's likely that the decline in personal savings this year is due both to wealthier households choosing to save less and lower income households needing to spend more on essential items like gasoline. But according to a recent survey of evidence by the Minneapolis Fed, there isn't much evidence of a K-shaped pattern in spending. Households on all rungs of the income ladder are buying more goods and services – even controlling for inflation – than they were in 2019.

There is one other wrinkle to address here on the income side, and that is changes to the tax code that took effect this year. Many aspects of the One Big Beautiful Bill Act (OBBBA) were intended to boost after-tax incomes of lower wage workers such as those dependent on tips. Data from Bank of America shows an acceleration in after-tax incomes for lower-income workers, the first time we have seen this since the acute labor shortage following the pandemic:

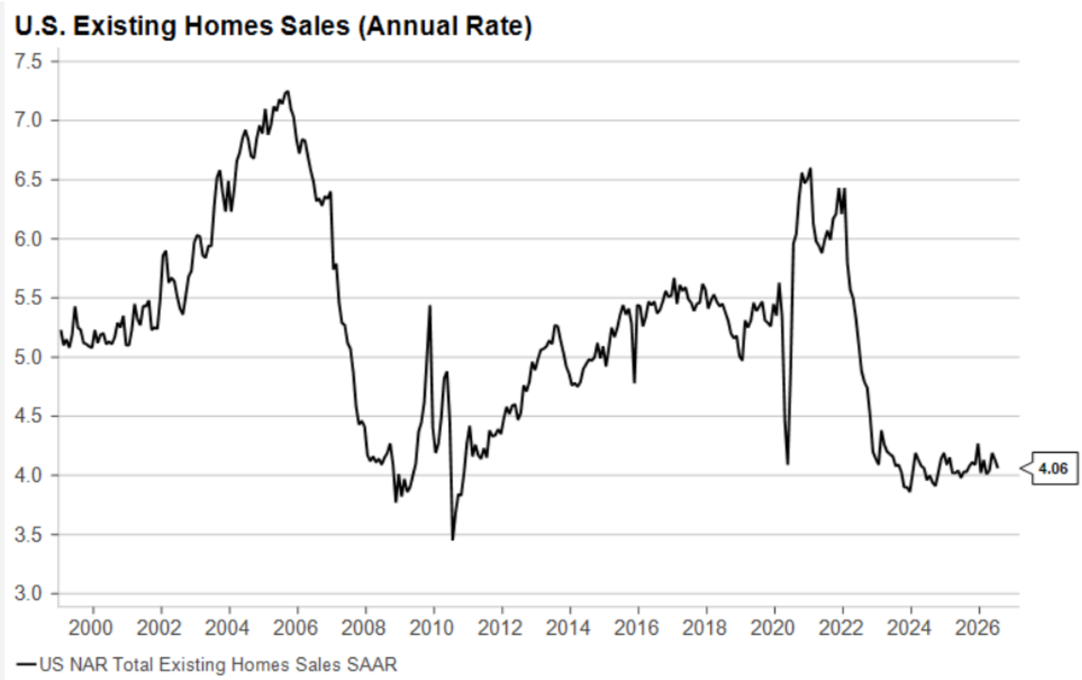


Bank of America speculates that the OBBBA is responsible for a lot of this "catch up", which may mean the effect is a one-off. But it may also be the case that stricter immigration enforcement and the resulting shrinking of the labor force has helped create a tighter labor market (i.e., employers having to pay up for scarcer workers), which could become more perpetual. BofA also points to an increase in job switching as a potential booster. We will address this point and the broader issue of household mobility in the next section.

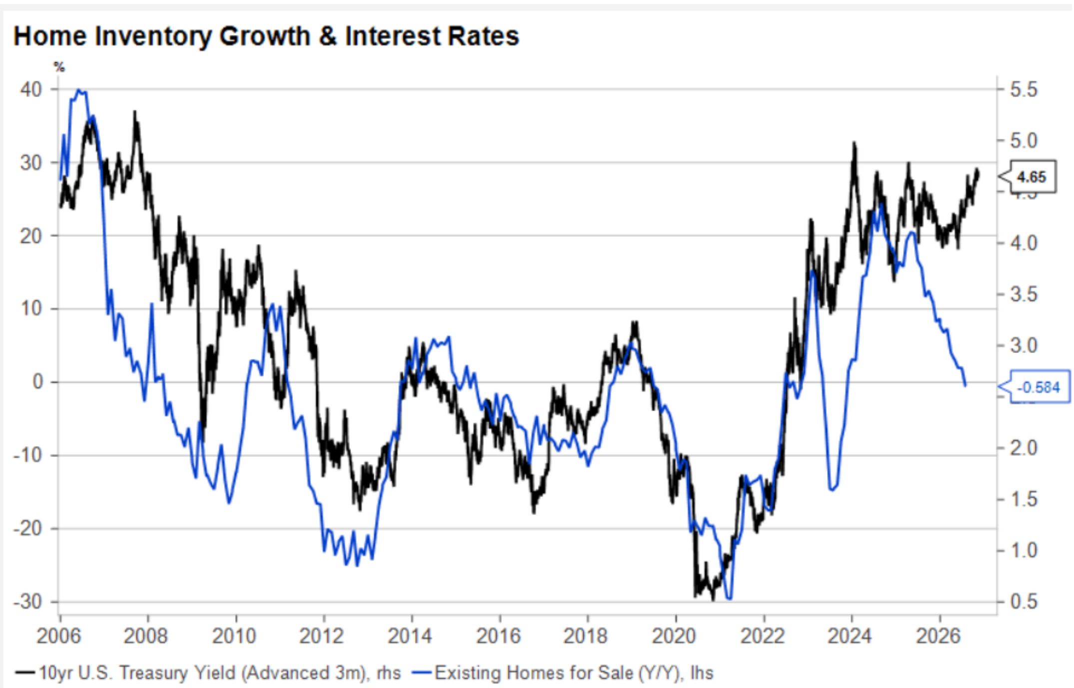
High Interest Rates Are a Problem for Consumers

We can certainly lay some of the blame for poor consumer sentiment on the recent bout of negative real income growth. But sentiment has been poor for this entire decade, even during years like 2023 and 2024 in which real income growth was strong. Something else is behind the sour mood out there, something bad enough to make consumers angry but not bad enough to stop them from spending. We think persistently high interest rates are contributing to the misery in multiple respects.

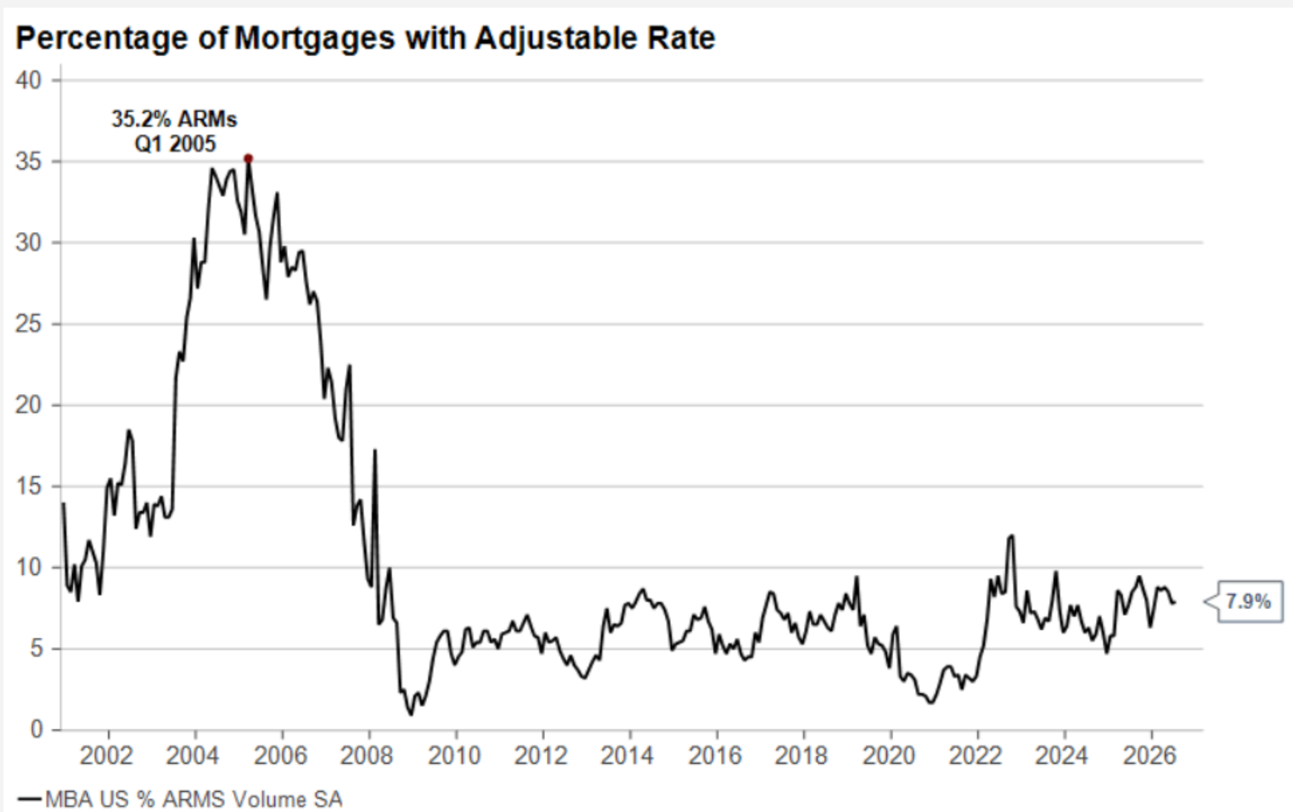
First, high interest rates have frozen the housing market. More specifically, the rapid transition from historically low interest rates (which allowed existing homeowners to refinance mortgages at unthinkably low rates) to higher rates (making many homes unaffordable given the simultaneous increase in prices) has produced historically low home sales.



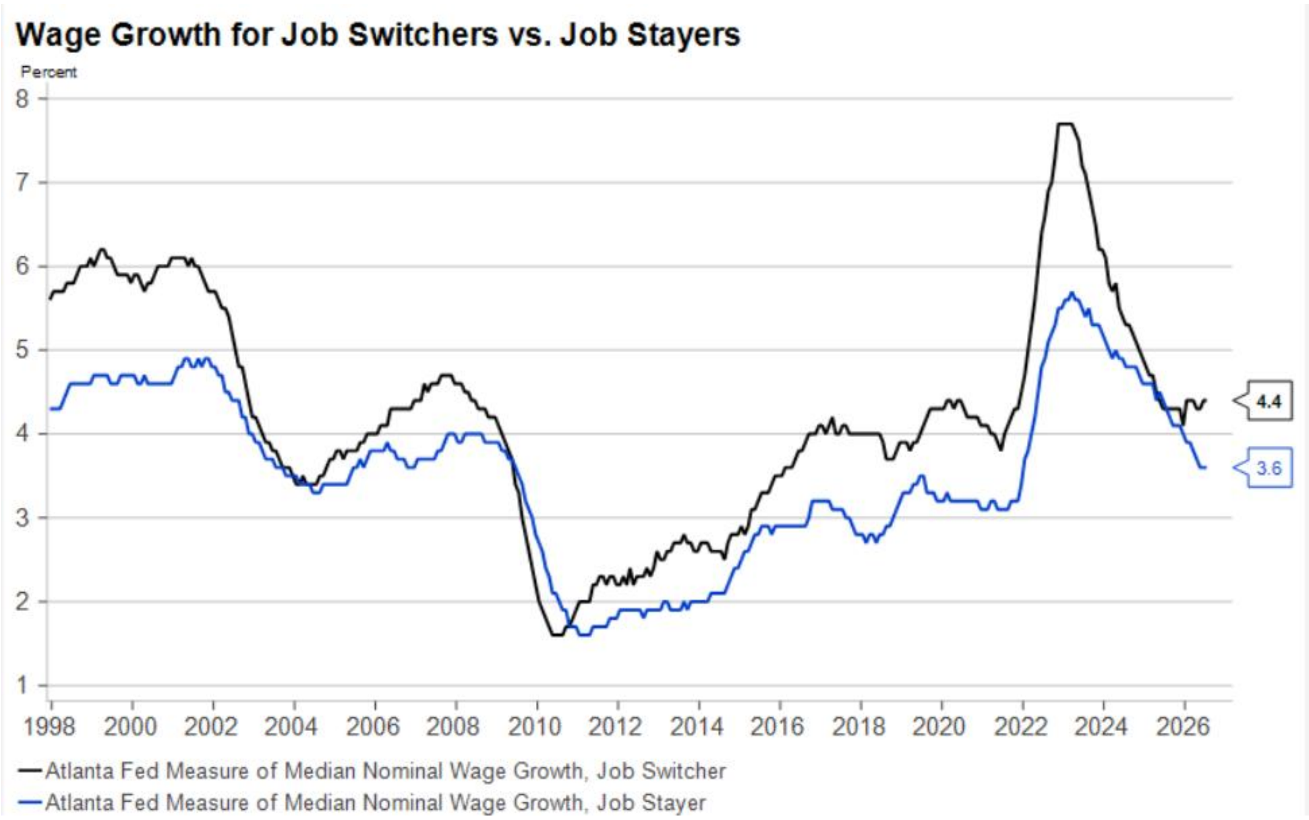
Second, higher interest rates have not improved housing affordability by boosting the number of homes for sale, as they typically do. A few years after Fed tightening periods like the mid-2000s, enough economic discomfort normally builds up (through higher mortgage rate resets and higher unemployment) to force some homeowners to sell at discounted prices. But that isn't happening, either:



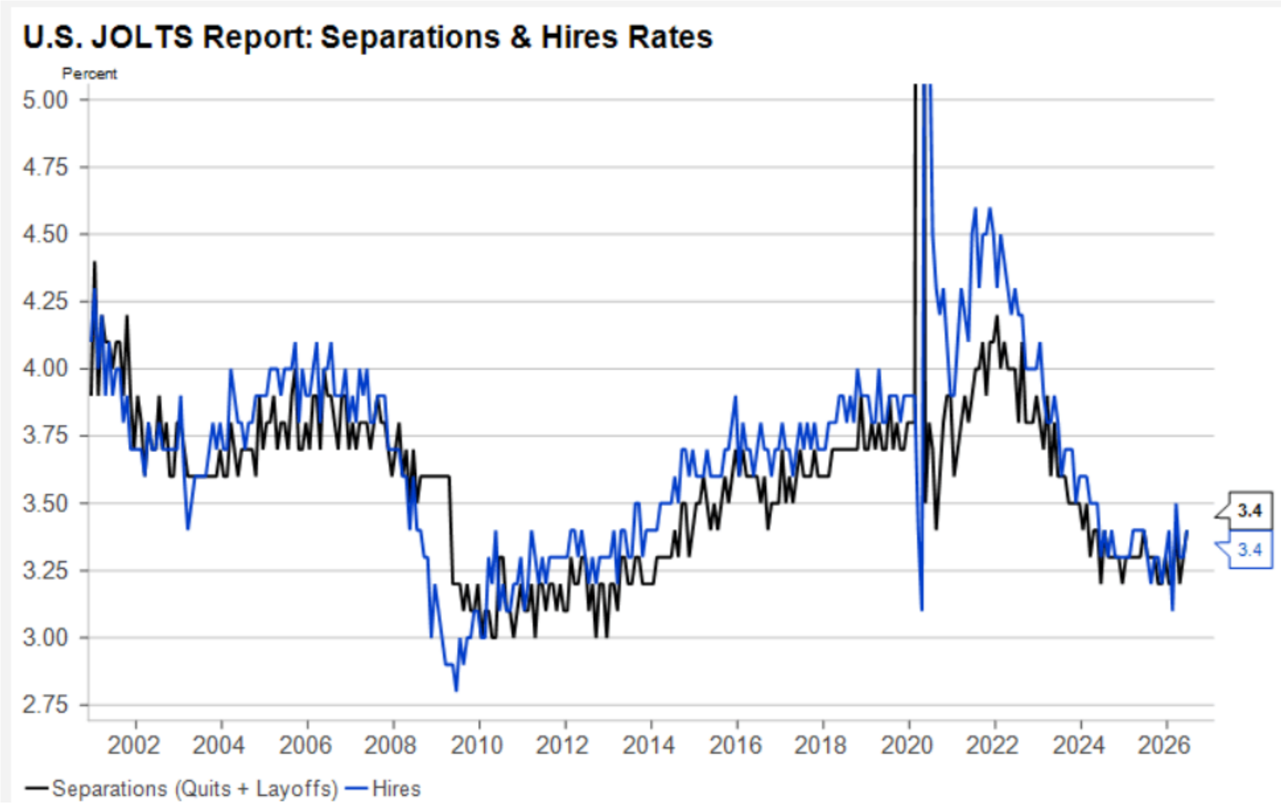
The reason existing homeowners aren't selling is that their monthly mortgage payments are very low for the size of the house in which they are living. Moving brings with it the prospect of living in a smaller home with a much higher mortgage rate, not an attractive prospect for most. The current generation of homeowners has learned the lessons of the 2008 financial crisis, but their wisdom has accrued at the expense of the next generation of homeowners.



Why does housing matter to consumers? Well, housing mobility is closely associated with job mobility, and job switching is historically linked with faster wage gains. That pattern has held in 2026 even with fewer job switchers than normal.



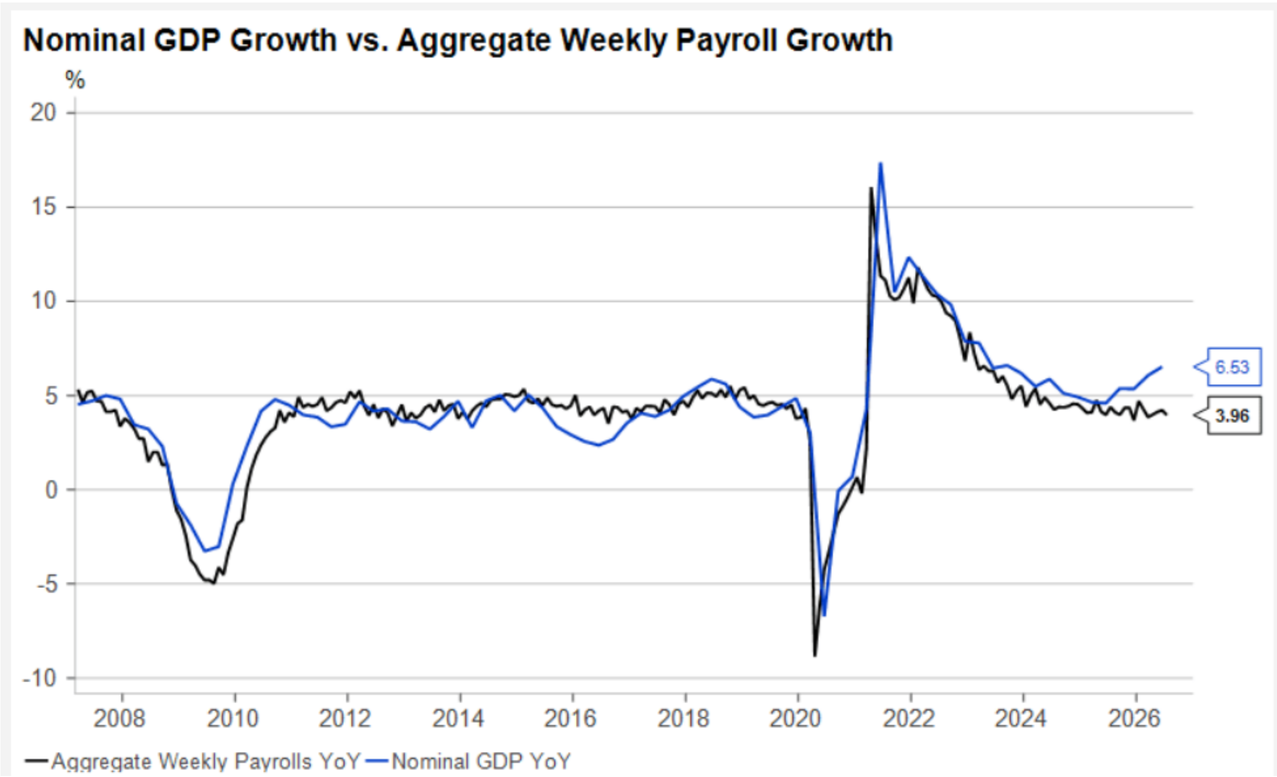
We can see from the BLS' monthly JOLTS data that job separations (including both voluntary quits and layoffs) and hiring both remain subdued.



Lack of mobility brings with it personal and financial frustrations, but it's unlikely to have a crippling effect on spending behavior. In fact, current renters who are locked out of the housing market may feel they have more cash to spend since they aren't worried about saving for an impending down payment. Even when housing and labor markets are cooling, spending can remain robust and savings rates can fall…as long as the stock market is going up. This brings us to our conclusion.

So what? Consumers are unhappy, but they continue to spend. Most workers are making enough money, and those who aren't are willing and able to save less or borrow to sustain their spending habits. They find it hard to move or switch jobs, but this may actually free up some disposable income they never counted on having. What's the problem, here?

Ultimately, the problem is one of sustainability. Consider this chart of nominal GDP growth (the change in the value of all the goods and services produced in the U.S.) and total weekly payroll growth. Pay special attention to the recent divergence:



Nominal GDP growth is a reasonable proxy for trend profits growth, while aggregate weekly payrolls represent the sum of all workers' take-home pay. One is growing much faster than the other, and that's unusual. Eventually, one of these two things will happen: payroll growth will accelerate to match nominal GDP growth (meaning some profits transfer to workers) or nominal GDP growth will decelerate through some combination of lower inflation (narrowing profit margins) or slower real growth, potentially with a drag from higher interest rates.

"So we drove on toward death through the cooling twilight." All right, perhaps that's a tad dramatic. But we subscribe to the adage that if something can't go on forever, it won't. Too many households are saving too little. Others are one more energy or food price shock away from cutting discretionary spending. Still more are delaying large purchases in the hope that borrowing costs may soon come down.

For now, consumers are smiling at us with "a quality of eternal reassurance." And we don't think households will be the first link in the economic chain to break in this cycle. As we wrote last week, slower corporate earnings growth, whenever it arrives, seems to us the largest risk to economic growth. Consumers remain sensitive to the equity market, to be sure, but they seem more than capable of supporting themselves and the economy so long as they feel wealthy enough to do so.

Retail Sales Miss

U.S. retail sales fell **-0.6% month-over-month** in July 2026, marking the largest monthly drop in over a year. The reading missed consensus Wall Street expectations, which had projected a **+0.1% increase**.

Key Data Breakdown (Commerce Department)

- **Headline Retail Sales: -0.6% MoM** (down to $763.6 billion) vs. +0.2% in June.
- **Control Group Sales** *(excludes autos, gas, building materials, and food service; used to calculate GDP)*: **-0.4% MoM**.
- **Excluding Autos & Gas: -0.2% MoM**.

Category Drivers of the Downside Miss

1. **Non-store (Online) Retailers: -2.2% MoM**. This was the biggest driver of the drop, primarily caused by **calendar distortion/pull-forward**. Amazon held its major Prime Day sales event in late June rather than July, dragging down July e-commerce comparisons.
2. **Motor Vehicles & Parts Dealers: -1.8% MoM**. Auto sales reversed sharp June gains (+1.9%) as promotional incentive programs rolled off.
3. **Gasoline Stations: -0.9% MoM**. Because retail sales figures are unadjusted for inflation, temporary drops at the pump in early July lowered nominal gas station receipts.
4. **Electronics & Appliance Stores: -0.5% MoM**.

Areas of Relative Strength

- **Food Services & Drinking Places (Restaurants): +0.5% MoM**.
- **Clothing, Furniture, & Garden Supplies:** Recorded modest positive growth.

Primary Reasons for the Slump

1. **Fade of the Tax-Refund Tailwind:** Stronger-than-expected spending in April and May was bolstered by government tax refunds. That cash cushion was largely exhausted by July, leaving households reliant on core wages.
2. **Cumulative Inflation & High Interest Rates:** Household debt levels (specifically credit card balances) and elevated borrowing costs are weighing on discretionary spending power.
3. **Prime Day Pull-Forward Effect:** June online sales artificially boosted the previous month's figures at the direct expense of July receipts.
4. **Labor Market Cooling:** Sluggish jobs data from early August signaled a broader softening in wage growth and employment momentum, leading consumers to behave more cautiously.

YTD returns in plain vanilla fixed income have been abysmal as expected

Asset Class Return Analysis (%)

Higher

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026
High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	EMD (Local Currency) 19.26	Bank Loan 2.12
EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	EMD (Hard Currency) 14.30	EMD (Hard Currency) 1.84
Bank Loan 10.16	EMD (Hard Currency) 9.32	Treasury 0.86	High Yield 14.41	Treasury 8.00	Municipal 1.52	High Yield -11.22	EMD (Local Currency) 12.70	EMD (Corp. Bonds) 7.63	Global Agg Ex-U.S. 8.85	EMD (Local Currency) 1.82
EMD (Local Currency) 9.94	EMD (Corp. Bonds) 7.96	Bank Loan 0.44	EMD (Local Currency) 13.47	EMD (Corp. Bonds) 7.13	EMD (Corp. Bonds) 0.91	EMD (Local Currency) -11.69	EMD (Hard Currency) 11.09	EMD (Hard Currency) 6.54	EMD (Corp. Bonds) 8.73	EMD (Corp. Bonds) 1.72
EMD (Corp. Bonds) 9.65	High Yield 7.48	EMD (Corp. Bonds) -1.65	EMD (Corp. Bonds) 13.09	High Yield 6.17	Investment Grade -1.04	MBS -11.81	EMD (Corp. Bonds) 9.08	Investment Grade 2.13	MBS 8.58	High Yield 1.59
Investment Grade 6.11	Investment Grade 6.42	Global Agg Ex-U.S. -2.15	Bank Loan 8.64	EMD (Hard Currency) 5.88	MBS -1.04	EMD (Corp. Bonds) -12.26	Investment Grade 8.52	MBS 1.20	High Yield 8.50	Municipal 0.43
MBS 1.67	Municipal 5.45	High Yield -2.26	Municipal 7.54	Municipal 5.21	EMD (Hard Currency) -1.51	Treasury -12.46	Municipal 6.40	Municipal 1.05	Investment Grade 7.77	MBS -0.45
Global Agg Ex-U.S. 1.49	Bank Loan 4.12	Investment Grade -2.51	Treasury 6.86	MBS 3.87	Treasury -2.32	Investment Grade -15.76	Global Agg Ex-U.S. 5.72	Treasury 0.58	Treasury 6.32	Global Agg Ex-U.S. -0.81
Treasury 1.04	MBS 2.47	EMD (Hard Currency) -4.61	MBS 6.35	Bank Loan 3.12	Global Agg Ex-U.S. -7.05	EMD (Hard Currency) -16.45	MBS 5.05	EMD (Local Currency) -2.38	Bank Loan 5.90	Investment Grade -0.83
Municipal 0.25	Treasury 2.31	EMD (Local Currency) -6.21	Global Agg Ex-U.S. 5.09	EMD (Local Currency) 2.69	EMD (Local Currency) -8.75	Global Agg Ex-U.S. -18.70	Treasury 4.05	Global Agg Ex-U.S. -4.22	Municipal 4.25	Treasury -0.84

Lower

Goldman on optical stocks outperforming memory

"What's up with the Memory v Optical spread? After similar drawdowns in July (both Optical and Memory down ~30% in July), Optical has now outperformed Memory by 20+ pts to start August"

Iran War Update

8/10/26: September crude oil contracts up 3.5% today on no peace treaty, but the market seems to be caring less about the war over time…

Trump Denies Iran Compensation for Damage and Asks for U.S. Compensation Instead

I see that Representatives of the Islamic Republic of Iran are asking for compensation for the damage done to them during the last five month Military Conflict (started because, THEY WILL NOT HAVE A NUCLEAR WEAPON), even though it was never mentioned in any of our negotiations or meetings! But it is an interesting idea because now I am likewise demanding compensation from Iran, for all of the people that they have killed and gravely wounded with their roadside bombs and many conflicts, for which they are famous, as led initially by General Soleimani, including the families of those killed on the USS Cole, and thousands of others killed in combat. Additionally, compensation should be paid to the families of the hundreds of thousands of innocent protestors that Iran has killed over the last 50 years, not to mention the 52,000 that have been killed in the last five months. I have instructed my representatives to put this firmly into any, and all, future negotiations. Thank you for your attention to this matter! President DONALD J. TRUMP


Donald J. Trump
@realDonaldTrump

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8-16-26

OIL STEADIED AS RENEWED ISRAEL-HEZBOLLAH FIGHTING IN LEBANON AND CONTINUED HORMUZ TANKER ATTACKS RAISED DOUBTS OVER A QUICK U.S.-IRAN RESOLUTION, WITH BRENT NEAR $89 A BARREL AND WTI AROUND $83 AFTER CRUDE GAINED MORE THAN 40% THIS YEAR.

IRAN AND OMAN APPEAR CLOSER TO A DEAL ON MANAGING THE STRAIT, BUT THE U.S. — NOT PART OF THE TALKS — WANTS UNRESTRICTED PASSAGE RESTORED, AS TRUMP PREPARES TOUGHER MEASURES AND BESSENT SIGNALED NEW SANCTIONS COULD COME THIS WEEK.

US Pulls Out of Asia

The U.S. is pulling its last aircraft carrier out of Asia, as the USS George Washington leaves the Pacific to replace the USS Abraham Lincoln in the Middle East amid the ongoing Iran war.

The move will temporarily leave the western Pacific without a U.S. carrier.

Source: ABC News

President Donald Trump said he told the Pentagon to "substantially reduce" joint military exercises with South Korea and suggested his shift was driven by frustration that the longtime US ally hadn't provided more support for his war with Iran.

Trump said in a social post Sunday that the drills were costly and sent an "inappropriate signal" to North Korea, citing his "very good relationship" with its leader Kim Jong Un. A 10-day joint exercise involving some 18,000 South Korean troops was scheduled to begin Monday with the goal of addressing new threats from North Korea, officials in Seoul said last week.

He said it was too late to cancel the imminent exercises but said they would be reduced.

South Korea, like many US allies, has declined to get involved in the US-Israeli war on Iran, which began with airstrikes on Feb. 28. Trump has previously complained about European allies refusing to let the US use their airfields to launch attacks.

In his social post, Trump said that "while somewhat unrelated (?), I recently asked the President of South Korea if they would like to join us in the Denuclearization of the Islamic Republic of Iran, and they said, 'No thanks!'"

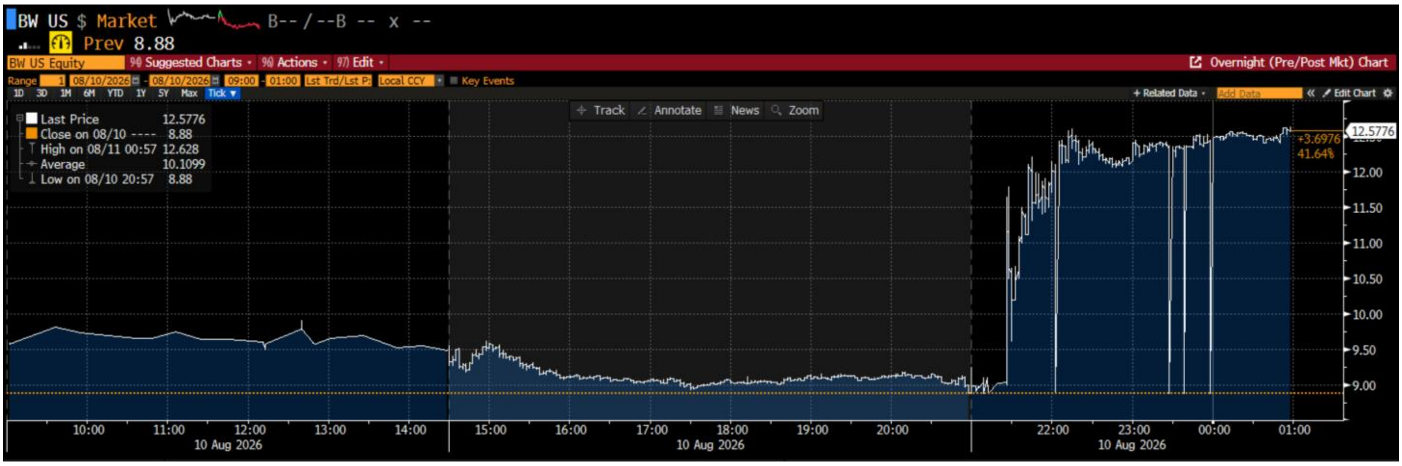
He said Sunday he instructed Defense Secretary Pete Hegseth to "substantially reduce" joint military exercises with South Korea.

While the US and South Korea have conducted joint military drills for decades, they were curtailed during Trump's first presidency when he negotiated directly with Kim.

The Iran war has spiked the price of oil and gas and put pressure on Trump's Republican party heading into midterm elections. The US has said it is readying economic measures against Tehran, in an effort to force Iran to capitulate after months of stalled talks.

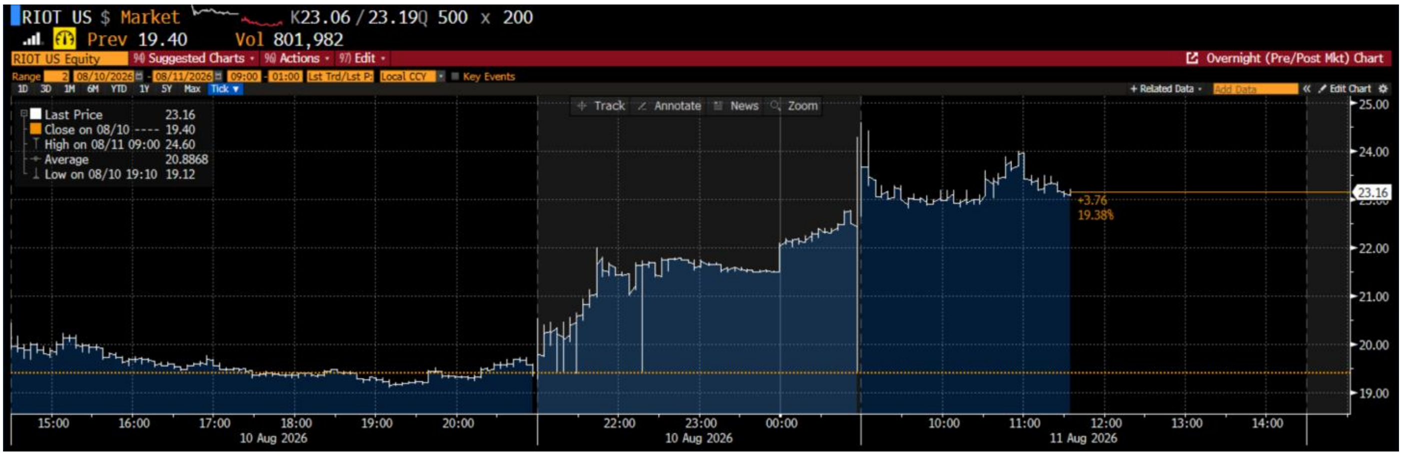
$BW Babcock and Wilcox crushes estimates, up 40% premarket, we trimmed half of common

- Babcock & Wilcox Enterprises, Inc. shares jumped 41.64% in Monday's after-hours trading after the company reported stronger-than-expected second-quarter results and raised its full-year 2026 adjusted EBITDA target.
- The company reported revenue of $319.7 million, up 130% year-over-year, and net income of $14.3 million, compared with a net loss of $58.5 million a year earlier.
- Babcock & Wilcox raised its full-year 2026 adjusted EBITDA target to $80 million to $105 million and announced a share repurchase program of up to $50 million.
- Bookings increased 38% to $151 million, while backlog climbed 533% to $2.6 billion. Babcock & Wilcox also said its global pipeline exceeds $14 billion.
- CEO Kenneth Young said demand from artificial intelligence data centers, utilities and industrial customers is accelerating investment in power-generation capacity. The company also secured an additional 1 gigawatt of steam turbines from Siemens Energy AG (OTC:SMEGF) for anticipated data center project.



Anthropic PBC has struck a $9.1 billion deal with $RIOT

- Riot Platforms Inc., a Bitcoin mining company that sells AI data center capacity has struck a deal with Anthropic.
- The deal is for 191 megawatts of computing from Riot's Rockdale, Texas, campus to Anthropic, which is expected to generate $9.1 billion in revenue for Riot.
- The agreement runs through June 2048 and includes an option to extend the contract, potentially translating into as much as $16.1 billion in total sales for Riot.



- $RIOT signs up to 286MW, 20-year compute deal with $AMD worth $9B, option to upsize to $16B
- Implies $2.4M/MW annual rent
- 80-90% NOI margin
- Assuming $11M/MW capex, deal worth $15/share (15x NOI)
- Discloses exclusive LOI at Corsicana; @ similar terms could be worth ~ $50/share

CAVEAT: RIOT'S $9.1B AI LEASE WON'T START PAYING RENT UNTIL DECEMBER 2027; FUNDING PLAN RELIES ON BITCOIN SALES AND UNSECURED DEBT

We were able to add on the selloff at 19.85

RIOT SIGNS $9.1 BILLION DEAL WITH LEADING FRONTIER AI LAB AT ROCKDALE CAMPUS
RIOT
DEAL HIGHLIGHTS
191 MW
Critical IT Capacity
Dec 2027
Initial Deployment and Rent Commencement
Morgan Stanley Interim Financing3
IG-Backstop in Finalization
$9.1 Billion
Total Contract Revenue 1
June 2028
Full Deployment
$11.0-12.0M / IT MW
Illustrative Capex Range4
80% – 90%
Anticipated NOI Margin Range
20 Year Initial Term
Upon Full Deployment2
Two 5-Year
Extension Options
1. Contract value for deployment over the entire term of the lease, including phased development starting Dec 2027.
2. Deployment will be delivered in phases, with the full deployment estimated to be delivered on the listed month above.
3. Morgan Stanley interim financing facility of up to $573 million.
4. Represents costs of new construction beyond existing infrastructure.

Dan Niles Weekly Update

Last wk, S&P/Nas/Mag7 +0.4%/+0.1%/-0.8%. Cooler inflation (CPI, PPI) & economic data (consumer sentiment, retail sales) but +5% oil steepened the yield curve but lowered odds of a rate hike.

Looking forward, I continue to believe the impact of Agentic AI with the advent of OpenClaw on January 30th has at least a year to run:

1) Token production has gone up roughly ~7.5x from the end of January more than offsetting the nearly 50% token cost reduction seen since open-weight model usage started to take off in May.

2) Combined annualized run-rate revenues for OpenAI and Anthropic which ended last year at $29B seems to be around $100B currently with Anthropic getting profitable in Q2.

3) Capex from the Big6 hyperscalers accelerated from 84% y/y/ in CQ1 to 92% in CQ2 with forecasts for nearly 100% in Q3. But this is being supported by cloud revenue growth at the 3 Big Public cloud vendors of $AMZN $MSFT $GOOGL accelerating from 23% y/y in Q1:25 to 35% in Q1:26 to 43% in Q2:26. Arguable more important is public cloud operating margins expanded from 34% to 37% and 39% during those time periods.

4) The $500B financing deal backstopped by up to $125B from $NVDA adds even more lower cost money to fund AI capex spend for the non-hyperscaler players. Nvidia gained 0.5% last week.

5) The liquidation of Situational Awareness and retail accounts during July cleared out some of the frothiness in the AI related names

In terms of negatives:

1) The cost of money (yields on government bonds) remain near the highest levels for the 30 yr tenor at 5.3% since 2007

2) Given large scale offensive US military actions are seemingly off the tablein favor of financial sanctions, probably driven by current election polls, I now believe Iran is likely to hold the Strait of Hormuz hostage until past the US mid-terms. This would be akin to them releasing the US hostages in 1981 (they were held for 444 days) just hours after President Reagan was sworn in replacing Carter. There were severe financial sanctions then also.

3) Since 1990, which happens to be the Gulf War, from the end of July through November 9th, which covers the reaction to all mid-term results, the performance is worse than non mid-term years. For mid-term years the median S&P500 gain from 7/31-11/9 is 0.9% with gains 56% of the time but the median peak loss from 7/31 is 6.2% (intra-period median peak loss of 9.9%.) For non mid-term years the median gain is 2.7% from 7/31-11/9 with gains 59% of the time and the median peak loss from 7/31 is 3.5% (intra-period median peak loss of 5.2%.) This year with the momentum seen by the Socialists which are not big business friendly, I see more risk than normal.

4) The easy money on the AI technical rebound from oversold levels on 7/29 due to the forced sale by Situation Awareness is probably over. There were negative stock reactions to headline beat and raise earnings on both revs & EPS for AI infrastructure winners $CSCO (-8% for the week but still up +45% YTD), $AMAT (-6%/+97%) and $COHR (-14%/+77%). While negatives can always be found, their biggest crime was arguably their recent bounce from 7/29-8/7 of 8%, 24% and 71% respectively and their market beating YTD gains.

In summary, I remain bullish. Even from the end of July through November 9th during mid-term years since 1990, the S&P has an additional median gain of 4.2% to its peak before giving some of that back closer to the election. Given some of the negatives, especially the reaction to solid earnings data, I would add some hedges back on further market gains and get more selective. Consumer discretionary hedges should also make sense if oil is higher for longer.

I believe value should continue to accrue to the infrastructure layer which includes 1) the public cloud vendors such as Amazon, Microsoft, Google and 2) the semiconductor companies. $INTC, my favorite semi company, still gained 0.8% last week despite: 1) a $20B equity offering which causes ~5% dilution and 2) being up 178% YTD. This clears the funding overhang.

Dan Niles on Pain Trade Being Higher

Last wk, the AI surge post Situational Awareness resolution continued. S&P/NAS/SOX was +3.6%/+5.2%/+9.2%. WTI -8% with 10Y bond ylds -9bps helped.

I wrote on 7/29, “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.” I thought forced liquidations of both retail accounts and hedge funds were creating a bottom. The next day, Situational Awareness had a forced sale of all its public equity positions.

The Morgan Stanely Momentum Index is now up a whopping 14% in just 7 trading days from July 29th following the 38% drawdown from June 22nd to July 29th. The more concentrated TMT Index is up 25% from 7/29 following the 54% decline from 6/22-7/29. The S&P/Nasdaq/SOX (Semiconductor Index) is up 6.0%/9.2%/18.3% since 7/29.

To end the week, the less than expected jobs report on Friday encouraged equity and bond markets that had been worrying about rate hikes. I still believe hikes are less likely than current fears given Kevin Warsh was appointed as Fed Chairman for his belief in AI being deflationary. The CPI report on Wednesday will be important for this thesis.

It was encouraging to see the semiconductor sector rally 9.2% last week despite the acid test of lackluster results from $AMD and the memory names which have been the tip of the spear in the semiconductor trade.

$AMD had both revs and EPS edge up low single digits for Q3 but this was disappointing compared to $INTC EPS going up ~40% for Q3. AMD's stock was up 2% for the entire week despite declining 7% in reaction to results the next day.

$SNDK was flat for the entire week despite declining 7% the next day in reaction to guiding CQ3 revenues 2% below consensus.

$WDC was down 20% last week after guiding EPS just 4% above consensus for CQ3 which was disappointing relative to

$STX results where CQ3 moved up 25%. In the near-term, I continue not to be a fan of the memory sector relative to other AI infrastructure names given I remain concerned about US companies like $AAPL getting approval to use Chinese memory & recent moves by $NVDA to lessen memory requirements

Nvidia is evaluating shipping the Rubin Ultra with as little as 192 GB of HBM vs the original roadmap of 1 Terabyte. But this would be good for Nvidia that reports earnings later this month given they could ship a lot more GPUs for a given amount of memory. Also Elon Musk stated last week, "Going forward, we have decided to build exclusively on Nvidia, because we think the Vera Rubin architecture is the best architecture." This is a powerful statement given the many companies trying to push the benefits of their ASIC accelerators.

Nvidia is also a value and growth play at the same time with just a 25x CY26 PE for over 80% revenue growth. Revenue growth for Nvidia has also accelerated for every quarter from July 2025 at 56% y/y to expectations of 96% for July of 2026. In support of this growth, the six big hyperscalers saw capex growth accelerate from 84% y/y in the March quarter to 92% in the June qtr with forecasts of nearly 100% growth in the September quarter. Each quarter of 2026 is showing higher y/y capex growth than at any time during this AI buildout.

In summary, I believe the near-term pain trade is higher in equity markets. For those funds that got punished in July and were forced to de-gross near the bottom, FOMO and performance chasing is now kicking in. None of my technical indicators are flashing overbought yet given the severe drawdowns prior to the current rally. The evolving situation in Iran is obviously the wildcard.

NVIDIA AI Factory Compute Is Becoming an Investable Asset Class By Jensen Huang

Today, we announced partnerships with Apollo, BlackRock, Blackstone, Brookfield, Goldman Sachs and KKR to establish independent financing platforms designed to mobilize over $500 billion of third-party capital to support the buildout of AI infrastructure over time.

This is a major milestone for NVIDIA and the AI industry. We have moved from an era in which companies bought chips and built data centers project by project to one in which AI factories can be financed as productive infrastructure — with repeatable platforms, long-term institutional capital and a diverse customer base that uses compute to create revenue.

AI has reached an inflection point. It is moving from research into production. AI is creating real value, and the infrastructure behind it is becoming one of the world's most productive assets. In AI, compute is revenue.

A New Infrastructure Asset

NVIDIA compute is not just a chip. It is a complete AI factory platform including accelerated computing, networking, systems software, AI frameworks and a global developer ecosystem.

NVIDIA DSX AI factories can run the world's broadest range of AI models, modalities and algorithms — language, vision, speech, biology, physical AI and robotics. One NVIDIA AI factory can serve many customers and many workloads. That makes it flexible and fungible.

It is also built on a globally adopted architecture used across every major cloud, and by systems makers and enterprises around the world. When needs change, the factory can be used by another customer, another cloud or another operator. This broad ecosystem gives NVIDIA compute a deep market of potential users and offtakers, helping protect residual value.

CUDA makes the factory better over time. Every generation of NVIDIA software improves the performance, efficiency and total cost of ownership of already- installed infrastructure. The hardware does not stand still: software innovation allows an AI factory to produce more intelligence at lower cost throughout its life, extending its useful economic value.

NVIDIA A100 is a powerful example. NVIDIA introduced the Ampere-based A100 in 2020, and six years later, it remains in active commercial use for AI training, fine-tuning, inference and high-performance computing. Customers continue to commit capacity for multi-year deployments, extending A100's economic life toward a decade.

The market is also demonstrating the durability of NVIDIA compute economics. One-year H100 rental pricing rose from about $1.70 per GPU-hour in October 2025 to about $2.35 per GPU-hour in March 2026. Cross-provider on-demand median pricing rose from roughly $2.00 per GPU-hour in October 2025 to $2.70 in June 2026. Blackwell capacity commands a premium, with reported B200 cloud rates spanning approximately $5.30 to $7.05 per GPU-hour.

That is what makes NVIDIA AI factories different. Their value is not fixed at installation: CUDA continuously improves their output; the installed base remains productive well beyond its initial depreciation period; and the same standard architecture serves a deep, growing global market of AI workloads.

These are the characteristics of an investable infrastructure asset: it produces revenue, serves a broad market, improves in performance over time and can be redeployed.

Bringing Capital to AI Factories

The demand for AI infrastructure is extraordinary. But access to capital is uneven. Many great AI companies, enterprises and AI clouds have demand for compute but do not yet have access to financing at the scale or cost required to build quickly.

That is why we are partnering with the world's leading long-term capital providers.

Apollo, BlackRock, Blackstone, Brookfield, Goldman Sachs and KKR are also among the world's leading infrastructure investors, with deep expertise in underwriting long-lived, productive assets. Together, we are creating repeatable financing platforms to help the AI ecosystem build the factories it needs.

The platforms are designed to help qualified AI labs, enterprises and AI clouds access AI-factory infrastructure at scale. The more than $500 billion figure represents aggregate third-party capital that these platforms are designed to mobilize over time — the capital is not NVIDIA revenue, a single fund or a commitment to a single customer.

The financial institutions will independently assess each opportunity — the customer, demand, utilization, cash flow and residual value. NVIDIA provides the AI factory platform. The financial institutions provide long-term capital and financing expertise.

The Important Questions

Is this circular financing?

This initiative is designed to address that concern. We are bringing independent, long-term institutional capital into the AI infrastructure market.

The demand is real: it comes from frontier AI labs, AI-native startups, enterprises, cloud providers and countries building AI services. The capital providers independently underwrite each project — including the customer, demand, utilization, cash flow and residual value. NVIDIA provides the platform; the investors make independent financing decisions.

This is the beginning of an open capital market for AI infrastructure.

Why would NVIDIA support financing?

In some cases, NVIDIA may provide a residual-value support mechanism for up to 25% of an opportunity, assessed carefully on a project-by-project basis. That support is limited, residual-value based and designed to complement — not replace — independent underwriting.

This is substantially lower than other compute-financing arrangements. NVIDIA can provide support because NVIDIA compute is unique: it is fungible, universally adopted, software-upgradable and redeployable across a large ecosystem of customers.

Our role is to help unlock a very large pool of independent capital while maintaining disciplined risk exposure.

Can the market absorb this capacity?

The question is not whether we are building data centers. The question is whether we are building productive AI factories.

An AI factory turns energy and data into valuable intelligence. Its customers are broad: frontier AI labs, AI clouds, enterprises and nations. They are building AI because it has become useful — doing valuable work across every industry.

There is discipline in the model. Each financing partner will independently evaluate demand, utilization, cash flow and residual value. Capacity will be built around real customer economics.

Where is the return on investment?

The return is in the usefulness of AI.

Companies are using AI to write software, discover drugs, design products, serve customers, automate operations and build new services. AI factories make this possible. More compute creates better AI; better AI creates more usage; more usage creates more revenue; and more revenue drives more compute.

This is the virtuous cycle of the AI industrial revolution.

The Infrastructure of Intelligence

Every industrial revolution has been built on infrastructure: electricity, transportation, communications and computing, with every buildout enabled by external financing.

AI factories are the infrastructure of the intelligence era.

With these partnerships, NVIDIA and the world's leading financial institutions are creating a new way to finance the infrastructure that will power this industrial revolution. We will make AI factories more accessible to the companies, industries and nations building the future.

The age of AI is here. Together, we will build the infrastructure to power it.

Private Equity Is Stuck With 33,575 Unsold Businesses (NYT)

Even amid a booming deal-making environment, private equity firms are unable to exit a growing number of investments at values their investors require.

The long-awaited deal-making boom has finally arrived. SpaceX set a record for the world's largest initial public offering. David Ellison is pursuing a $110 billion deal linking Paramount with Warner Bros. The utility firm NextEra Energy has struck a deal to buy Dominion Energy that values it at more than $120 billion.

But private equity — a deal-making machine for decades — is largely sitting on the sidelines. For the third consecutive year, private equity firms are saddled with a rapidly increasing number of companies that they cannot sell or take public at the returns their investors expect.

As of June 30, private equity firms had 33,575 unsold companies in their portfolios, according to PitchBook, an industry data firm. That's up from 32,451 companies at the end of last year and 15,923 companies a decade ago.

The growing backlog is a challenge for private equity's core business model. Typically, such firms aim to buy a company, often add large amounts of debt to its balance sheet, improve its financial performance and then sell it for a profit, usually within five to seven years.

The state of limbo has been difficult for large investors like pension funds and endowments that have spent decades paying steep fees to private equity firms promising market-beating returns. Some investors and industry professionals are worried that the firms won't be able to sell companies without taking big losses.

"Private equity is stuck because those companies have failed to fulfill their value promise," said Andrew Milgram, a managing partner and chief investment officer at Marblegate Asset Management, an investment firm.

As the backlog grows, private equity firms continue to underperform the broader stock market. From July 1, 2022 to March 31, 2026, U.S. private equity firms generated annualized returns of 6.4 percent, according to the most recent data from MSCI, an index firm. That's far below the 15.2 percent annualized returns of the S&P 500 and the 19.3 percent of the Nasdaq during the same time period.

There are several reasons for the logjam. Higher interest rates have made it difficult for private equity firms to find buyers that rely on cheap debt to finance acquisitions.

Another challenge is the weakness in the software sector, where there is a heavy concentration of private equity-owned companies. The value of many software firms has declined, as investors worry that artificial intelligence will cut into future earnings.

Historically, many private equity-owned companies have been sold to other private equity firms. But that important source of demand has also largely dried up.

When the Federal Reserve held interest rates low and debt was cheap, it was relatively easy for a private equity firm to write small checks and borrow heavily to purchase a company. But since the Fed began raising interest rates in 2022, private equity firms have needed more cash to pay down debt at the higher rates. That means the firms are not willing to spend as much to purchase companies, which drives down their valuations.

Last week, the investment behemoth Apollo Global Management reported weak quarterly results in its private equity division. The firm specifically pointed to a tricky market for company sales and I.P.O.s as a reason for its lower performance returns in that part of the business, saying exits were being "prudently delayed."

"Buyers and sellers still have too big of a valuation gap," said John Maldonado, managing partner at Advent International, a private equity firm.

The delays are becoming the new normal. For years now, private equity firms and their bankers have promised a rebound in either selling the businesses they own or taking them public. Such an outcome has proved elusive.

Elizabeth Cooper, global head of private equity at the law firm Simpson Thacher & Bartlett, said that going into this year, she had "a whole stable of companies" she had thought would be sold in the early part of the year. They're still waiting.

"Everything basically got reset," Ms. Cooper said, pointing to continued high interest rates and volatility in the stock market and politics.

Some private equity executives say the backlog may not end up being a big problem, because some companies that have taken longer to sell could ultimately generate large returns.

Still, the private equity struggles contrast sharply with the investments that venture firms — another giant source of money in private companies — have made in A.I. pioneers like OpenAI, Anthropic and SpaceX, which are generating seemingly once-in-a-lifetime returns.

The first half of 2026 was the second highest-volume period for initial public offerings in more than a decade.

But for many private equity firms, I.P.O.s have not been a viable path to selling their businesses.

Since 2022, only 70 private equity-backed companies have gone public on U.S. exchanges, according to the data firm Dealogic. From 2017 to 2021, 424 private equity-backed companies did so.

Software companies are some of the most troubled parts of the pipeline.

Many private equity firms gorged on such businesses in 2021, before the advent of ChatGPT, when software companies were trading at all-time highs. Because the exit of these companies in the current environment could lead to painful losses, many private equity firms are waiting to sell them.

In 2021, Thoma Bravo, a private equity firm invested heavily in software, bought Proofpoint, a cybersecurity software business, for $12 billion.

Thoma Bravo recently engaged in negotiations with the company’s lenders and extended the terms of its loan by two years, paying higher interest rates to do so, according to a person familiar with the deal. On calls with lenders, the person said, Proofpoint and Thoma Bravo executives said they would consider taking the company public in the coming years. But by this point in an ownership cycle, many private equity firms would try to have a clearly defined path and timeline for either an I.P.O. or a sale, rather than seeking ways to amend and extend their debt holdings.

Other companies have been lingering even longer.

The giant private equity firm Blackstone bought Ancestry.com in 2020 for $4.7 billion. Six years later, Blackstone still owns the company and recently renegotiated and extended the maturities on its debt, suggesting that the firm expects an even longer holding period.

“This is a standard refinancing transaction for a highly successful investment that we’ve only owned for around five and a half years,” a Blackstone spokesperson said. “It does not indicate our future plans for the business.”

Vista Equity Partners, another private equity firm, acquired Solera Holdings, a software maker, for $6.5 billion in 2016. The company filed for an initial public offering in 2024, but it hasn’t materialized.

A representative for Vista Equity declined to comment.

Many in the industry predict that private equity firms will eventually be forced to sell and give cash back to investors, even if it means accepting a lower price.

Advent International is the rare private equity firms finding many exits. This year, it has sold several companies and taken others public, returning billions of dollars to its clients.

Mr. Maldonado, a managing partner at Advent, said he expected that other firms would have to follow suit because investors simply needed money back.

“I wouldn’t underestimate the amount of effort that’s going into dealing with the new reality and coming up with solutions that will allow firms to exit these assets,” he said.

Apollo's CUSIP Dreams

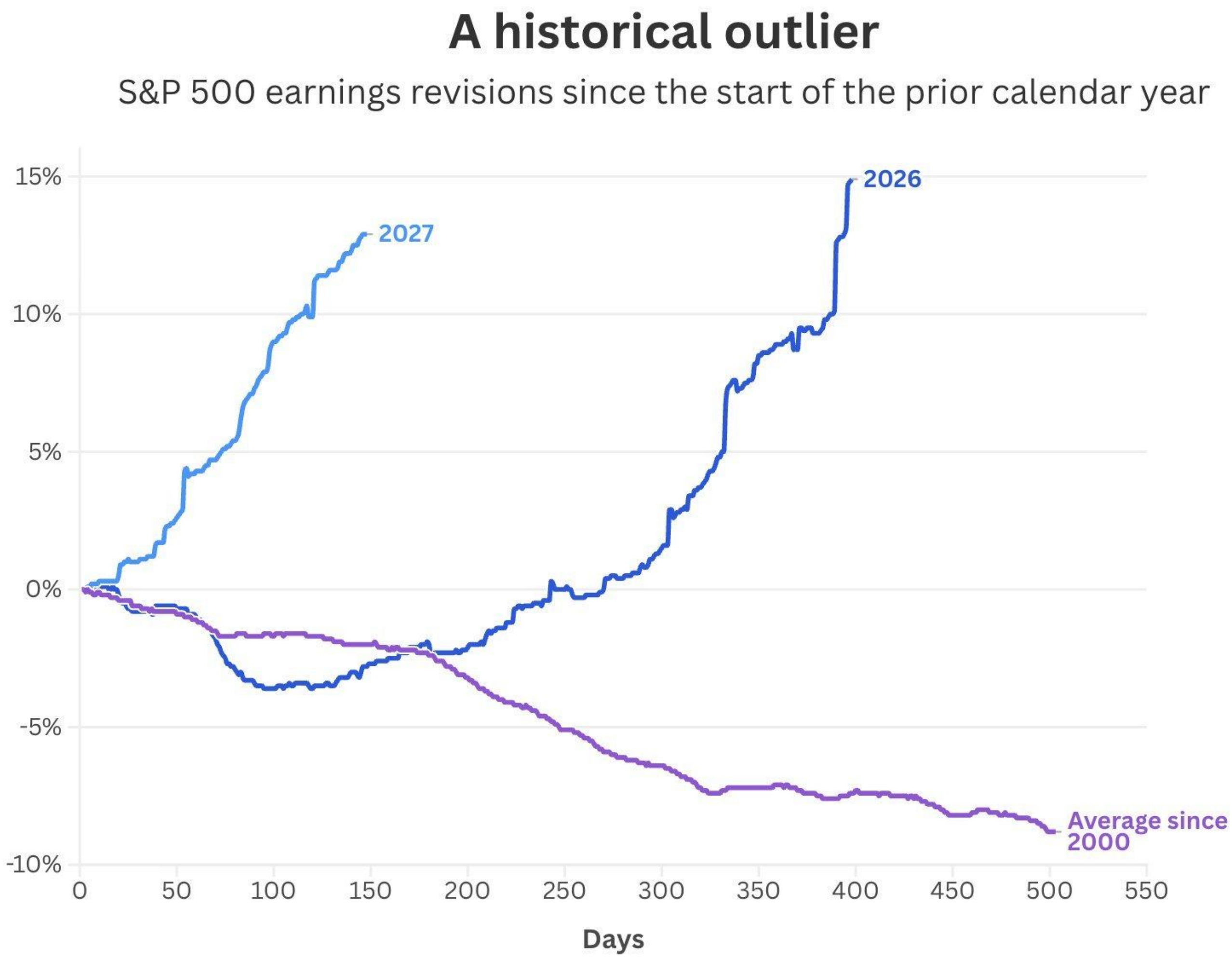
While most prominent CEOs write annual investor letters, Apollo CEO Marc Rowan now usually has a must-read soliloquy embedded in the company's earnings call. He has long been saying public and private markets are starting to come together in meaningful ways.

One embodiment of this is Apollo's latest data-driven efforts alongside Intercontinental Exchange (known as ICE), where the duo has begun to attach identifiers to private credit assets. It's meant to facilitate secondary trading of private debt instruments. There are now more than 2,000 "ICE IDs" assigned to privately held assets, Rowan said on Apollo's Aug. 4 conference call with analysts. And Apollo's market-making operation has now traded more than $30 billion, with volume roughly doubling.

Rowan likens the relationship with ICE to how CUSIPs have become ubiquitous in the public credit universe. The Rowan call sent me down a CUSIP rabbit hole, I have to admit. The system was developed in the 1960s to create some standardization in debt markets, back then extremely opaque, and over time morphed such that CUSIP identifiers were attached to everything from certificates of deposit to syndicated loans and private placements for insurance companies. In invoking CUSIPs, Rowan is saying he expects ICE IDs to become more ubiquitous. That would require buy-in well beyond Apollo.

Beyond his CUSIP dream, Rowan is also expanding an effort around more frequent pricing. Apollo went live with estimated daily value on July 1 for its investment grade fixed income universe and expects daily pricing across all of its credit assets by October 1.

SPX Earnings Revisions have been Higher



Source: ruist Wealth IAG, FactSet, Macrobond, S&P Dow Jones. Earnings revisions represent the percentage change in consensus calendar-year earnings estimates from the start of the prior calendar year. Data as of August 4, 2026.

S&P 500 Reporting Highest Revenue Growth Since Q4 2021

At this late stage of the earnings season, the (blended) revenue growth rate for the S&P 500 for Q2 is 15.0%. If 15.0% is the actual growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q4 2021 (16.1%).

However, the Q2 revenue growth rate for the S&P 500 has been increasing over a longer period. On March 31, the estimated revenue growth rate for Q2 was 9.5%. On June 30, the estimated revenue growth rate for Q2 was 12.2%. Today, the (blended) revenue growth rate is 15.0%.

All eleven sectors are reporting (or have reported) year-over-year revenue growth. Five of these eleven sectors are reporting (or have reported) double-digit revenue growth led by the Energy, Information Technology, and Communication Services sectors.

The Energy sector reported the highest (year-over-year) revenue growth rate of all eleven sectors at 42.5%. Higher (average) year-over-year oil prices contributed to the year-over-year increase in revenues for this sector, as the average price of oil in Q2 2026 ($92.55) was 45% above the average price for oil in Q2 2025 ($63.68). At the sub-industry level, all 5 sub-industries in the sector reported year-over-year growth in revenues: Oil & Gas Refining & Marketing (53%), Integrated Oil & Gas (46%), Oil & Gas Exploration & Production (32%), Oil & Gas Storage & Transportation (28%), and Oil & Gas Equipment & Services (2%).

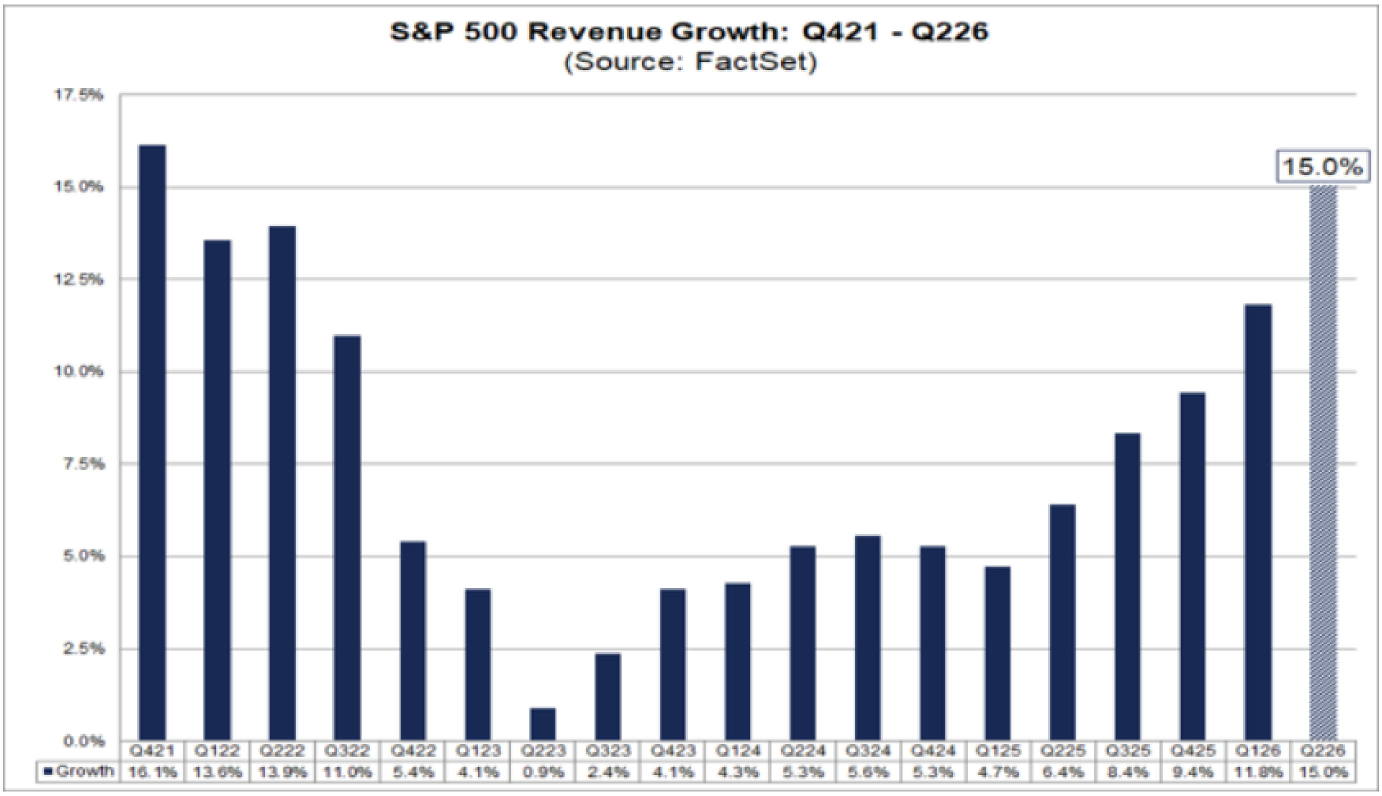
The Information Technology sector is reporting the second-highest (year-over-year) revenue growth rate of all eleven sectors at 35.9%. At the industry level, all 6 industries in the sector are reporting year-over-year revenue growth: Semiconductors & Semiconductor Equipment (77%), Technology Hardware, Storage, & Peripherals (31%), Electronic Equipment, Instruments, & Components (21%), Communication Equipment (20%), Software (18%), and IT Services (4%).

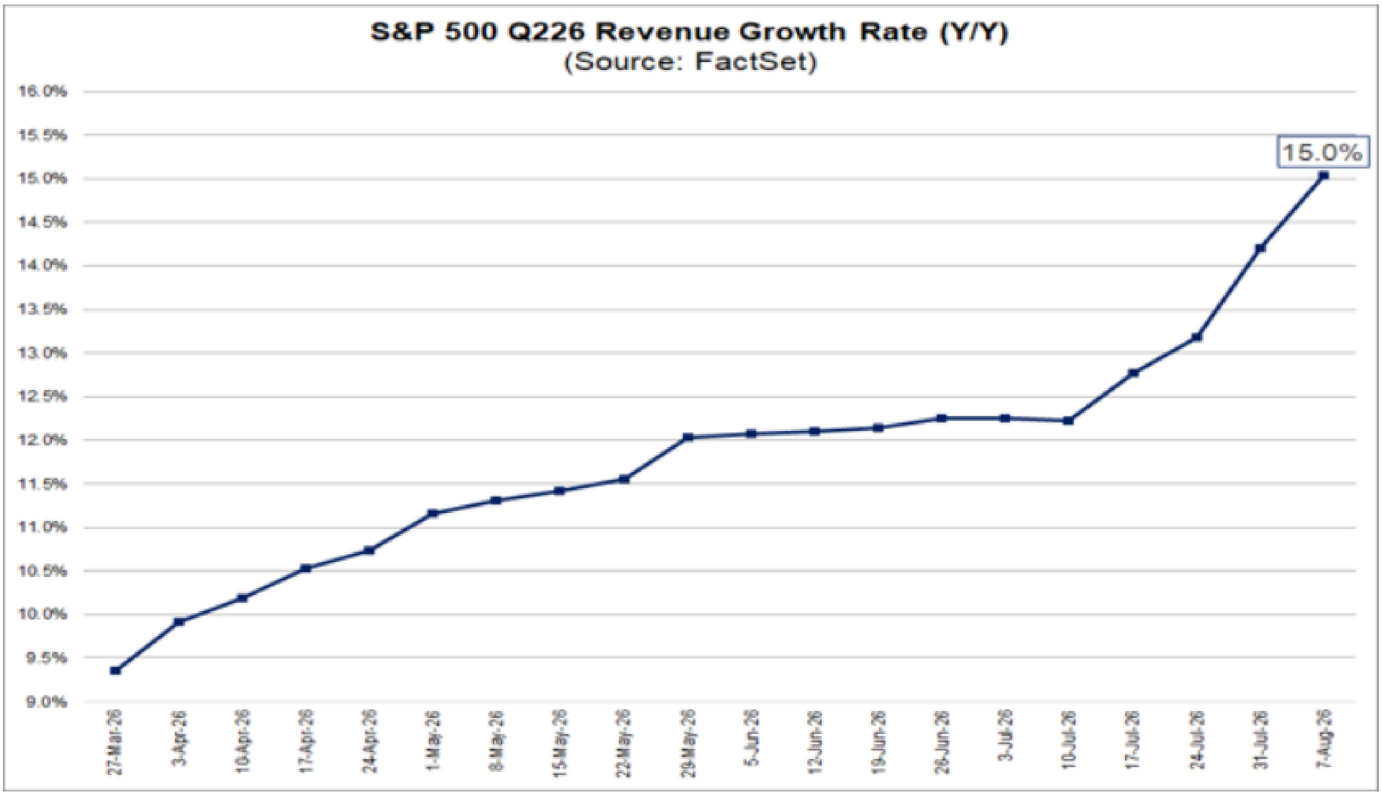
The Communication Services sector is reporting the third-highest (year-over-year) revenue growth rate of all eleven sectors at 15.3%. At the industry level, all 5 industries in the sector are reporting year-over-year revenue growth: Interactive Media & Services (25%), Media (11%), Wireless Telecommunication Services (8%), Entertainment (5%), and Diversified Telecommunication Services (less than 1%).

The Information Technology and Energy sectors are also the largest contributors to revenue growth for the S&P 500 for Q2. If these two sectors were excluded, the blended revenue growth rate for the S&P 500 for Q2 would fall to 9.7% from 15.0%.

Looking ahead, analysts expect lower revenue growth for the S&P 500 for the 2nd half of 2026. For Q3 2026 and Q4 2026, the estimated revenue growth rates for the index are 11.3%, and 10.9%, respectively.

For CY 2027, the estimated revenue growth rate is 8.4%.





At this late stage of the Q2 earnings season, the S&P 500 is reporting impressive results, even if one excludes the unusually large EPS surprises reported by Alphabet and Amazon.com. Overall, both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are above recent averages. As a result, the index is reporting higher earnings for the second quarter today relative to the end of last week and relative to the end of the quarter. In addition, the index is also reporting its highest (year-over-year) earnings growth rate since Q2 2021.

Overall, 88% of the companies in the S&P 500 have reported actual results for Q2 2026 to date. Of these companies, 86% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 76%. If 86% is the actual number for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since Q2 2021 (87%). In aggregate, companies are reporting earnings that are 29.2% above estimates, which is also above the 5-year average of 7.0% and above the 10-year average of 7.4%. If 29.2% is the actual number for the quarter, it will mark the highest earnings surprise reported by the index since FactSet began tracking this metric in 2008. The current record for the highest earnings surprise is 23.2%, which occurred in Q2 2020. Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

The unusually high earnings surprise percentage for the index is mainly due to the unusually large positive EPS surprises reported by Alphabet ($9.11 vs. $2.88) and Amazon.com ($5.75 vs. $1.82) for Q2. The (GAAP) EPS actual for Alphabet for Q2 included a gain of $98 billion in other income primarily due to net unrealized gains on equity securities, while the (GAAP) EPS actual for Amazon.com for Q2 included a gain of $53.4 billion in other income primarily due to investments in Anthropic. Excluding Alphabet and Amazon.com, the earnings surprise percentage for the S&P 500 for Q2 2026 would fall to 10.9% from 29.2%. However, this surprise percentage is still above the 5-year and 10-year averages.

During the past week, positive EPS surprises reported by companies in multiple sectors (led by the Health Care, Communication Services, and Energy sectors) were the largest contributor to the increase in the overall earnings growth rate for the index over this period. Since June 30, the positive EPS surprises reported by Alphabet and Amazon.com have been the largest contributors to the increase in the overall earnings growth rate for the index over this period.

As a result, the index is reporting higher earnings for the second quarter today relative to the end of last week and relative to the end of the quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the second quarter is 50.4% today, compared to an earnings growth rate of 47.4% last week and an earnings growth rate of 23.1% at the end of the second quarter (June 30).

If 50.4% is the actual growth rate for the quarter, it will mark the highest earnings growth rate reported by the index since Q2 2021 (91.6%). It will also mark the second consecutive quarter of earnings growth above 25% and the seventh consecutive quarter of double-digit earnings growth for the index.

Excluding Alphabet and Amazon.com, the blended earnings growth rate for the S&P 500 for Q2 2026 would fall to 32.0% from 50.4%. However, this would still mark the mark the second consecutive quarter of earnings growth above 25% and the seventh consecutive quarter of double-digit earnings growth for the index.

Ten of the eleven sectors are reporting year-over-year earnings growth. Eight of these ten sectors are reporting double-digit growth, led by the Energy, Communication Services, Consumer Discretionary, Information Technology, and Materials sectors. On the other hand, the Health Care sector is the only sector reporting a year-over-year decline in earnings.

In terms of revenues, 76% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 70% and above the 10-year average of 68%. In aggregate, companies are reporting revenues that are 3.2% above the estimates, which is also above the 5-year average of 1.9% and above the 10-year average of 1.6%. If 3.2% is the actual number for the quarter, it will mark the highest revenue surprise reported by the index since Q2 2022 (also 3.2%). Again, historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

As a result, the blended revenue growth rate for the second quarter is 15.0% today, compared to a revenue growth rate of 14.2% last week and a revenue growth rate of 12.2% at the end of the second quarter (June 30).

During the past week, positive revenue surprises reported by companies in the Energy and Health Care sectors were the largest contributors to the increase in the overall revenue growth rate for the index over this period. Since June 30, positive revenue surprises reported by companies in the Energy, Health Care, and Financials sectors have been the largest contributors to the increase in the overall revenue growth rate for the index over this period.

If 15.0% is the actual revenue growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q4 2021 (16.1%). It will also mark the second consecutive quarter of double-digit revenue growth for the index.

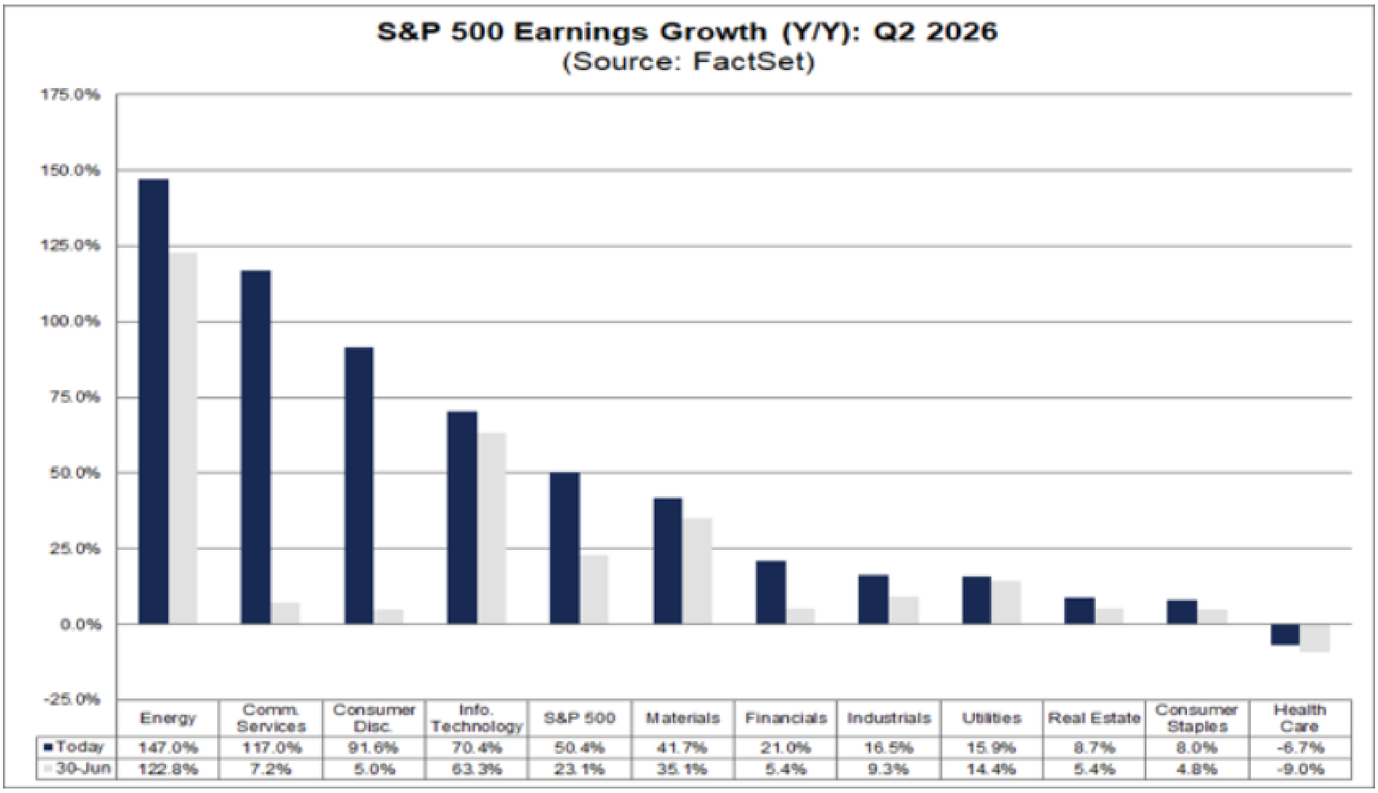
All eleven sectors are reporting year-over-year growth in revenues. Five of these eleven sectors are reporting double-digit growth, led by the Energy, Information Technology, and Communication Services sectors.

For Q3 2026 and Q4 2026, analysts are calling for earnings growth rates of 27.4% and 25.2%. For CY 2026, analysts are predicting (year-over-year) earnings growth of 30.0%.

The forward 12-month P/E ratio is 20.0, which is above the 5-year average (19.9) and above the 10-year average (19.0). However, this P/E ratio is below the forward P/E ratio of 20.4 recorded at the end of the second quarter (June 30).

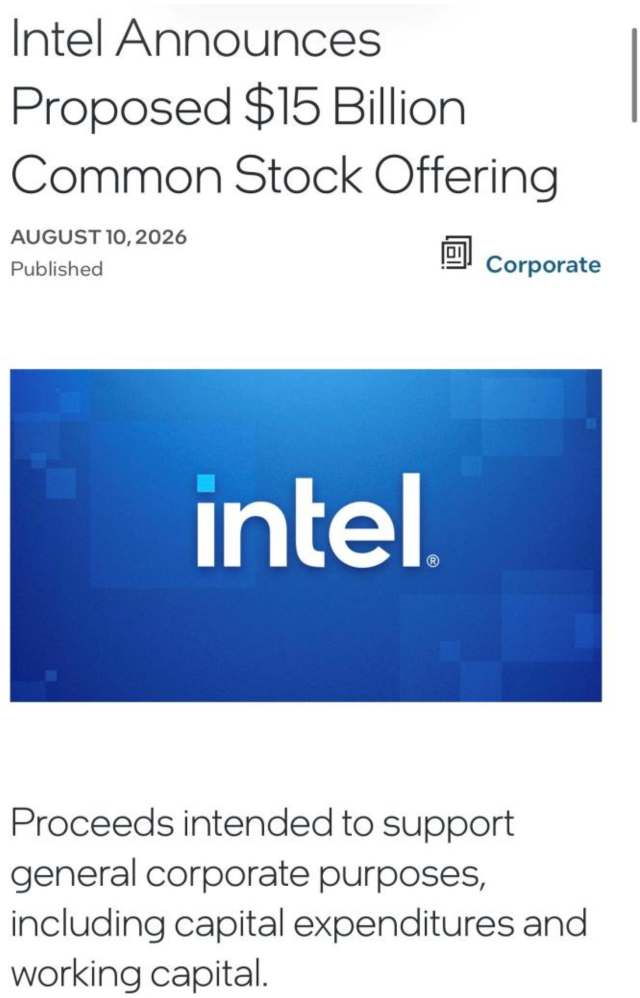
During the upcoming week, 9 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the second quarter.

Q2 2026: Growth



Intel Selling $15 Billion in Common Stock as AI Demand $INTC

- Intel Corp. said it will be offering $15 billion in common stock, taking advantage of renewed interest in its business prospects during the artificial intelligence data center boom.
- The money will be used for general corporate purposes, Intel said in a statement on Monday. “Progress in emerging areas including physical AI, purpose-built silicon, advanced packaging and external wafers represent significant growth opportunities for Intel,” the company said.
- “The offering is intended to further enable Intel to pursue the growth opportunities ahead while maintaining a strong balance sheet and its commitment to an investment-grade rating.”



Intel Announces Proposed $15 Billion Common Stock Offering

AUGUST 10, 2026
Published

Corporate

Proceeds intended to support general corporate purposes, including capital expenditures and working capital.

Unity Software (NYSE: U):

Unity Software ($U) is a software platform that provides tools for creating, running, and monetizing interactive 2D, 3D, and real-time digital content. Though originally built for video games, Unity's software is also widely used in industries like automotive, architecture, film, and retail.

Create Solutions (Development Engine)

This is the core software product developers use to build games and applications.

- **Real-Time 3D Engine:** Software used by developers to code, animate, build physics, render graphics, and publish games across 20+ platforms (iOS, Android, PC, PlayStation, Xbox, Meta Quest, Apple Vision Pro).
- **Monetization Model:** Subscription-based SaaS models (Unity Personal, Pro, Enterprise, Industry tiers).
- **Non-Gaming / Industrial Use:** Used by companies to build digital twins, automotive design visualizations, medical simulations, and AR/XR training environments.

Grow Solutions (Monetization & Ad-Tech)

This is Unity's ad-tech and monetization ecosystem, which generates the majority of the company's total revenue. It helps mobile app developers acquire users and make money.

- **Ad Network & UA (Unity Ads / Vector AI):** An AI-driven ad engine that places in-game advertisements (like rewarded video ads) to help developers acquire new users.
- **Mediation Platforms (LevelPlay):** An automated auction system that lets game developers connect multiple ad networks simultaneously to maximize ad revenue per user.
- **Offerwalls & On-Device Platforms (Tapjoy & Aura):** Tools that drive app engagement via rewarded offerwalls and pre-installed app recommendations directly on mobile devices.
- **Monetization Model:** Revenue-sharing models, programmatic ad auctions, cost-per-install (CPI), and performance advertising fees.

The investment thesis for Unity Software ($U) centers on a core turnaround narrative following significant leadership changes, operational restructuring, and product monetization upgrades.

1. The Vector AI Platform & Ad-Tech Acceleration

- **High-Margin Monetization Growth:** The main growth driver in the Grow segment is **Vector**, Unity's AI/machine-learning mobile ad platform.
- **Optimized ROAS:** The rollout of Day-28 Return On Ad Spend (ROAS) optimization provides mobile game advertisers with improved campaign visibility compared to legacy Day-7 metrics, driving increased spending on the network.
- **Shift to High-Margin Revenue:** Unity sunset the lower-margin legacy ironSource Ad Network and divested non-core publishing assets (Supersonic). This pivot replaces low-margin ad revenues with higher-margin AI platform subscriptions and services.

2. Turnaround Under New Management

- **Leadership Reset:** Following controversial pricing policy changes (the "Runtime Fee" backlash), CEO Matt Bromberg took the helm to rebuild trust with game developers and stabilize core creator relationships.
- **Operational Discipline:** Comprehensive restructuring efforts (headcount rationalization and divestment of non-strategic assets) expanded adjusted EBITDA margins to **~27%**.
- **Earnings Execution:** Recent earnings results demonstrate operational momentum:
  - **Q2 2026 Results:** Beat consensus with revenue reaching **$546.5 million** vs. $514.6 million expected, driven by strength in strategic grow revenue.
  - **EPS Surprise:** Delivered adjusted EPS of **$0.28** vs. $0.22 expected.

3. Core Engine Moat & Spatial Computing / AI Catalysts

- **Real-Time 3D (RT3D) Duopoly:** Unity retains a duopoly (alongside Unreal Engine) in mobile game engines, underpinning over 60% of top mobile titles. This developer base serves as a captive audience for its monetization layer.
- **Unity AI (Generative Engine Tools):** Integration of direct-in-engine AI coding and asset-generation tools speeds up developer productivity while expanding monetization tiers.
- **Industrial & XR Expansion:** The core engine acts as a foundational asset for non-gaming industrial digital twins, spatial computing (Apple Vision Pro, Meta Quest), and browser/web-based commerce applications.

Key Risks & Debate Points

- **Competition from AppLovin ($APP):** AppLovin's AXON 2.0 engine remains a strong competitor in mobile ad tech, keeping pressure on Unity's Grow segment execution.
- **Valuation & Valuation Volatility:** Following a post-earnings run-up, the stock trades at an elevated forward multiple relative to immediate GAAP profits, relying on management hitting its late-2026 target for full GAAP net profitability.

U (watchlist): Leading game engine (70%+ top 1,000 mobile games) recovering from ironSource merger, Runtime Fee debacle & mgmt turnover. New CEO Bromberg (ex-Zynga) simplifying ads via Vector—now $223M Q1'26 rev (44% of total, 80%+ GM, ~15% QoQ growth 4 straight qtrs). Vector leverages proprietary in-game data vs AppLovin; experts cite up to 5x ROAS, potential 80% wallet share. Mgmt sees $1B+ Vector rev 2026 vs conservative consensus. SBC dilution concern eased (reserve cut to 2.5%). Valuation not cheap, but AppLovin-style flywheel could be inflection.

Unity's (U) Q2'26 earnings report reflected a few key themes/narratives: a) overall strong set of operating results with revenues across both its segments and consolidated company profit margins exceeding expectations; 2) inside the Grow business, the company's Vector platform is accelerating and driving incremental change for the business at a much faster rate than the market had anticipated with +23% QoQ growth and surpassing a $1B annual run rate two quarters earlier than expected (with forward commentary of another ~20% QoQ for Q3); 3) characterized the scaling and integration of Runtime data as a long-term strategic advantage which is only just starting to produce tangible results; 4) further emphasis (building on last quarter) that the strategic flywheel between the Create and Grow businesses is positioning the company to capitalize on a full funnel gaming opportunity with AI at its core (opening a wider set of market opportunities as the friction to create, distribute and monetize gaming content are being structurally lowered); & 5) emphasis on maintaining strong growth and expanding margins in the forward periods and that the company contribution margins (~82-83%) give them the flexibility to reinvest and improve the margin trajectory while not losing sight of any of the long-term strategic elements of innovation an scaling. In total, this was a continuation of the theme established with the company pre-announcement in late March and likely to be another steppingstone toward multiple quarter performance of the business.

In the short term, we expect investors will remain focused on the linearity of performance in the quarters ahead given the inherent unpredictability of underlying model improvements (both in timing and scope) and how the overall advertising/gaming landscape continues to grow both structurally and cyclically. Over the long term, we see Unity mgmt as focused on their strategic priorities aimed at a mix of revenue growth and margin trajectory across their combined businesses which would be driven by operational improvements and market share improvements for its Grow segment & stable growth for its core Create segment. We highlight the possibility of our medium-term estimates proving conservative (with management expressing optimism around operating momentum continuing to build into 2H and against what we see as a positive secular growth backdrop for the industry), but look to our industry channel check work deeper into the quarter before underwriting improved/sustained outperformance (against what we see as the potential for some of this forward growth being priced in with the stock up +40% over the past month). We maintain our Neutral rating but raise our 12-month PT from $34 to $50 as we adjust our forward operating estimates for this earnings report & updated management commentary.

GSe U Grow Breakdown	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E	2028E	2029E	2030E	2031E
Grow Solutions - Total	$ 285	$ 287	$ 318	$ 338	$ 352	$ 389	$ 403	$ 431	$ 466	$ 505	$ 549	$ 596	$ 1,228	$ 1,574	$ 2,117	$ 2,575	$ 3,034	$ 3,517	$ 4,004
% q/q growth	-6.7%	0.9%	10.8%	6.3%	4.0%	10.6%	3.5%	7.0%	8.2%	8.4%	8.6%	8.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% y/y growth	-4.1%	-3.8%	6.4%	10.9%	23.5%	35.4%	26.5%	27.4%	32.6%	30.0%	36.3%	38.5%	2.4%	28.1%	34.5%	21.6%	17.8%	15.9%	13.9%
% of total revenues	65.4%	65.1%	67.6%	67.2%	69.2%	71.2%	71.4%	71.3%	73.7%	74.5%	75.4%	75.8%	66.4%	70.8%	74.9%	76.8%	78.2%	79.3%	80.2%
Strategic Grow	$ 189	$ 201	$ 226	$ 251	$ 279	$ 329	$ 383	$ 431	$ 466	$ 505	$ 549	$ 596	$ 867	$ 1,421	$ 2,117	$ 2,575	$ 3,034	$ 3,517	$ 4,004
% q/q growth	n/a	6.7%	12.5%	10.9%	11.0%	18.0%	16.3%	12.6%	8.2%	8.4%	8.6%	8.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% y/y growth	n/a	n/a	n/a	n/a	47.8%	63.5%	69.0%	71.6%	67.3%	53.6%	43.4%	38.5%	n/a	63.9%	49.0%	21.6%	17.8%	15.9%	13.9%
% of Grow revenues	66.2%	70.1%	71.1%	74.2%	79.3%	84.6%	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%	70.6%	90.3%	100.0%	100.0%	100.0%	100.0%	100.0%
% of total revenues	43.3%	45.6%	48.1%	49.9%	54.8%	60.2%	67.8%	71.3%	73.7%	74.5%	75.4%	75.8%	46.9%	63.9%	74.9%	76.8%	78.2%	79.3%	80.2%
Vector (Unity Ads)	$ 122	$ 141	$ 165	$ 189	$ 218	$ 268	$ 321	$ 370	$ 407	$ 447	$ 492	$ 541	$ 618	$ 1,177	$ 1,887	$ 2,359	$ 2,831	$ 3,326	$ 3,825
% q/q growth	n/a	15.0%	17.5%	14.6%	15.0%	23.0%	20.0%	15.0%	10.0%	10.0%	10.0%	10.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% y/y growth	n/a	n/a	n/a	n/a	78.0%	90.4%	94.4%	95.2%	86.7%	67.0%	53.1%	46.4%	n/a	90.5%	60.4%	25.0%	20.0%	17.5%	15.0%
% of Grow revenues	43.0%	49.0%	51.9%	56.0%	61.9%	68.9%	79.9%	85.8%	87.2%	88.5%	89.7%	90.7%	50.3%	74.8%	89.2%	91.6%	93.3%	94.6%	95.5%
% of total revenues	28.1%	31.9%	35.1%	37.6%	42.9%	49.0%	57.0%	61.2%	64.3%	65.9%	67.6%	68.8%	33.4%	52.9%	66.8%	70.4%	73.0%	75.0%	76.6%
Other Strategic Grow	$ 66	$ 60	$ 61	$ 62	$ 61	$ 61	$ 61	$ 61	$ 60	$ 58	$ 57	$ 55	$ 249	$ 244	$ 229	$ 216	$ 203	$ 190	$ 179
% q/q growth	n/a	-8.6%	1.0%	0.9%	-1.2%	0.3%	0.0%	0.0%	-2.5%	-2.5%	-2.5%	-2.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% y/y growth	n/a	n/a	n/a	n/a	-8.0%	1.0%	0.0%	-0.9%	-2.2%	-4.9%	-7.3%	-9.6%	n/a	-2.1%	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
% of Grow revenues	23.2%	21.1%	19.2%	18.2%	17.3%	15.7%	15.2%	14.2%	12.8%	11.5%	10.3%	9.3%	20.3%	15.5%	10.8%	8.4%	6.7%	5.4%	4.5%
% of total revenues	15.2%	13.7%	13.0%	12.2%	12.0%	11.2%	10.8%	10.1%	9.4%	8.6%	7.8%	7.0%	13.5%	11.0%	8.1%	6.4%	5.2%	4.3%	3.6%
Non-Strategic Grow	$ 96	$ 86	$ 92	$ 87	$ 73	$ 60	$ 20	$ -	$ -	$ -	$ -	$ -	$ 361	$ 153	$ -	$ -	$ -	$ -	$ -
% q/q growth	n/a	-10.5%	6.9%	-5.1%	-16.4%	-17.9%	-66.6%	-100.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% y/y growth	n/a	n/a	n/a	n/a	-24.1%	-30.3%	-78.2%	-100.0%	-100.0%	-100.0%	-100.0%	n/a	n/a	-57.7%	-100.0%	n/a	n/a	n/a	n/a
% of Grow revenues	33.8%	29.9%	28.9%	25.8%	20.7%	15.4%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.4%	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%
% of total revenues	22.1%	19.5%	19.5%	17.3%	14.3%	11.0%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	19.5%	6.9%	0.0%	0.0%	0.0%	0.0%	0.0%

Q2'26 Positives & Negatives:

Positives: a) Q2 total revenues & Q3 guidance both beat prior GSe/Visible Alpha Street estimates driven by U's Strategic Grow segment; b) Positive commentary around strategic growth opportunities including Vector (healthy sequential growth reacceleration to 23% QoQ and building momentum with utilization of Runtime data), Unity AI (generative AI tools for Create business powered by Vector AI infrastructure) and Unity 7 (new open collaborative platform well positioned for agentic AI access), with management expressing optimism around the long-term secular growth opportunity with respect to AI; & c) Q2 Adj. EBITDA & Q3 guide both above prior estimates and management pulling forward by one quarter its prior expectation for timing to reach GAAP net income profitability (from Q4'26 to Q3'26) as solid underlying operating leverage begins to show (with full divestiture of non-strategic assets).

Negatives: a) Q2 Create segment revenues ~in line with expectations with YoY growth (excl. Q2'25 one-time benefit) decelerating sequentially (& guide for further decel in Q3), albeit with management reiterating confidence in DD % compounded growth long term; & b) Q2 stock-based comp, while declining YoY, remains somewhat elevated at ~14% of revenues.

Q3'26 & 2026 Estimate Changes:

- Q3'26: Revenues of $564mm (from prior $539mm), Adj. EBITDA of $187mm (from prior $144mm), & GAAP EPS of $0.05 (from prior $(0.00)).
- 2026: Revenues of $2.22bn (from prior $2.15bn), Adj. EBITDA of $694mm (from prior $596mm), & GAAP EPS of $(0.63) (from prior $(0.69)).

Exhibit 3: Q3'26, 2026, 2027 & 2028 Estimates Changes

$mm, except per-share data

	Q3 2026				2026			2027			2028		
	Old	New	% Change	Guidance	Old	New	% Change	Old	New	% Change	Old	New	% Change
Total Revenues	$ 539	$ 564	5%		$ 2,150	$ 2,223	3%	$ 2,613	$ 2,826	8%	$ 3,029	$ 3,351	11%
Create Solutions	$ 160	$ 161	1%		$ 648	$ 649	0%	$ 710	$ 709	0%	$ 777	$ 776	0%
Create - Strategic	$ 160	$ 161	1%	$159-163m	$ 645	$ 646	0%	$ 710	$ 709	0%	$ 777	$ 776	0%
Create - Non-Strategic	$ -	$ -	n/a		$ 3	$ 3	6%	$ -	$ -	n/a	$ -	$ -	n/a
Grow Solutions	$ 379	$ 403	6%		$ 1,502	$ 1,574	5%	$ 1,903	$ 2,117	11%	$ 2,252	$ 2,575	14%
Grow - Strategic	$ 334	$ 383	15%	$380-385m	$ 1,293	$ 1,421	10%	$ 1,767	$ 2,117	20%	$ 2,143	$ 2,575	20%
Grow - Non-Strategic	$ 45	$ 20	-56%	$20m	$ 210	$ 153	-27%	$ 137	$ -	100%	$ 110	$ -	100%
GAAP EBITDA	$ 62	$ 104	69%		$ (12)	$ 60	n/a	$ 510	$ 751	47%	$ 696	$ 1,016	46%
% margin	*11.5%*	*18.5%*	*702 bps*		*-0.6%*	*2.7%*	*328 bps*	*19.5%*	*26.6%*	*707 bps*	*23.0%*	*30.3%*	*736 bps*
Adj. EBITDA	$ 144	$ 187	29%	$185-190m	$ 596	$ 694	16%	$ 865	$ 1,101	27%	$ 1,087	$ 1,400	29%
% margin	*26.7%*	*33.1%*	*635 bps*		*27.7%*	*31.2%*	*351 bps*	*33.1%*	*38.9%*	*583 bps*	*35.9%*	*41.8%*	*592 bps*
GAAP EPS	$ (0.00)	$ 0.05	n/a		$ (0.69)	$ (0.63)	10%	$ 1.02	$ 1.37	35%	$ 1.39	$ 1.79	29%

Unity (U)

Ticker	U
Stock Price	$ 40.65
Diluted Shares (mm)	489
Market Cap (mm)	$ 19,898
Net Debt (Cash)	$ (115)
Enterprise Value (mm)	$ 19,783

	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Sales	$ 1,813	$ 1,850	$ 2,223	$ 2,826	$ 3,351	$ 3,880	$ 4,435	$ 4,996
YoY Growth	*-17.1%*	*2.0%*	*20.2%*	*27.1%*	*18.6%*	*15.8%*	*14.3%*	*12.6%*
EV/Sales	**10.9x**	**10.7x**	**8.9x**	**7.0x**	**5.9x**	**5.1x**	**4.5x**	**4.0x**
EV/Sales to Growth	**-0.64x**	**5.33x**	**0.44x**	**0.26x**	**0.32x**	**0.32x**	**0.31x**	**0.31x**
GAAP EBITDA	$ (346)	$ (18)	$ 60	$ 751	$ 1,016	$ 1,267	$ 1,521	$ 1,759
GAAP EBITDA Margin	*-19.1%*	*-1.0%*	*2.7%*	*26.6%*	*30.3%*	*32.7%*	*34.3%*	*35.2%*
YoY Growth	*28.7%*	*-94.8%*	n/a	*1151.0%*	*35.3%*	*24.7%*	*20.0%*	*15.7%*
EV/GAAP EBITDA	**-57.1x**	**-1092.5x**	**329.4x**	**26.3x**	**19.5x**	**15.6x**	**13.0x**	**11.2x**
EV/GAAP EBITDA to Growth	**-1.99x**	**11.53x**	**n/a**	**0.02x**	**0.55x**	**0.63x**	**0.65x**	**0.72x**
Adj EBITDA	$ 390	$ 409	$ 694	$ 1,101	$ 1,400	$ 1,690	$ 1,986	$ 2,270
Adj EBITDA Margin	*21.5%*	*22.1%*	*31.2%*	*38.9%*	*41.8%*	*43.5%*	*44.8%*	*45.4%*
YoY Growth	*-13.0%*	*4.9%*	*69.9%*	*58.5%*	*27.2%*	*20.6%*	*17.5%*	*14.3%*
EV/Adj EBITDA	**50.8x**	**48.4x**	**28.5x**	**18.0x**	**14.1x**	**11.7x**	**10.0x**	**8.7x**
EV/Adj EBITDA to Growth	**-3.92x**	**9.92x**	**0.41x**	**0.31x**	**0.52x**	**0.57x**	**0.57x**	**0.61x**
GAAP Net Income	$ (664)	$ (404)	$ (275)	$ 692	$ 925	$ 1,185	$ 1,452	$ 1,701
GAAP Net Income Margin	*-36.6%*	*-21.8%*	*-12.4%*	*24.5%*	*27.6%*	*30.5%*	*32.7%*	*34.0%*
GAAP EPS	$ (1.68)	$ (0.96)	$ (0.63)	$ 1.37	$ 1.79	$ 2.24	$ 2.68	$ 3.06
YoY Growth	*-22.6%*	*-42.8%*	*-34.7%*	*n/a*	*30.5%*	*25.0%*	*19.6%*	*14.3%*
P/E (GAAP)	**-24.2x**	**-42.4x**	**-64.9x**	**29.6x**	**22.7x**	**18.1x**	**15.2x**	**13.3x**
PEG (GAAP)	**1.07x**	**0.99x**	**1.87x**	**n/a**	**0.74x**	**0.73x**	**0.77x**	**0.93x**
FCF minus SBC	$ (183)	$ 24	$ 262	$ 617	$ 886	$ 1,129	$ 1,380	$ 1,614
(FCF-SBC) Margin %	*-10.1%*	*1.3%*	*11.8%*	*21.8%*	*26.4%*	*29.1%*	*31.1%*	*32.3%*
YoY Growth	*-61.0%*	*n/a*	*1000.5%*	*135.7%*	*43.7%*	*27.4%*	*22.2%*	*17.0%*
EV/(FCF-SBC)	**-108.0x**	**832.2x**	**75.6x**	**32.1x**	**22.3x**	**17.5x**	**14.3x**	**12.3x**
EV/(FCF-SBC) to Growth	**1.77x**	**n/a**	**0.08x**	**0.24x**	**0.51x**	**0.64x**	**0.64x**	**0.72x**
FCF	$ 286	$ 404	$ 579	$ 966	$ 1,270	$ 1,552	$ 1,845	$ 2,126
FCF Margin %	*15.8%*	*21.8%*	*26.1%*	*34.2%*	*37.9%*	*40.0%*	*41.6%*	*42.6%*
YoY Growth	*60.0%*	*41.2%*	*43.4%*	*66.8%*	*31.5%*	*22.2%*	*18.9%*	*15.2%*
EV/FCF	**69.2x**	**49.0x**	**34.2x**	**20.5x**	**15.6x**	**12.7x**	**10.7x**	**9.3x**
EV/FCF to Growth	**1.15x**	**1.19x**	**0.79x**	**0.31x**	**0.49x**	**0.58x**	**0.57x**	**0.61x**
SBC	$ 469	$ 380	$ 318	$ 349	$ 384	$ 423	$ 465	$ 511
YoY Growth	*-27.7%*	*-19.0%*	*-16.5%*	*10.0%*	*10.0%*	*10.0%*	*10.0%*	*10.0%*

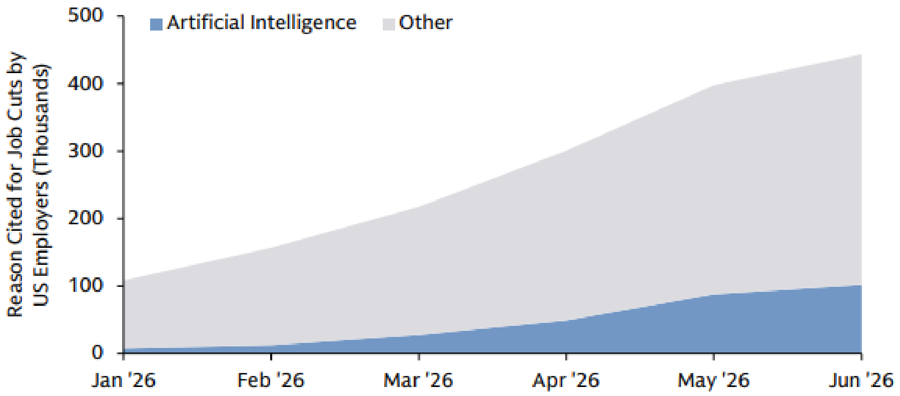
Scenario Analysis

	Downside	Base	Upside
Valuation	$ 28	$ 55	$ 71
% upside/downside	*-31%*	*35%*	*75%*
Sales (NTM)	$ 2,231	$ 2,479	$ 2,727
Downside/Upside Adjustment	*-10%*	-	*10%*
Sales (NTM + 1 year)	$ 2,700	$ 3,068	$ 3,436
Downside/Upside Adjustment	*-12%*	-	*12%*
EV / Sales	4.5x	8.0x	10.0x
Sales CAGR	15.4%	23.0%	30.2%
EV / Sales to Growth	0.29x	0.35x	0.33x
Enterprise Value	$ 12,150	$ 24,545	$ 34,363
GAAP EBITDA (NTM + 4 years)	$ 1,385	$ 1,615	$ 1,690
EBITDA Margin %	29.5%	34.4%	36.0%
EV / EBITDA	16.0x	25.0x	28.0x
EBITDA CAGR	17.0%	23.2%	25.0%
EV / EBITDA-to-Growth	0.94x	1.08x	1.12x
Discount Rate	15.0%	12.0%	10.0%
Discount Period (Years)	3	3	3
Enterprise Value (NTM + 3 years)	$ 22,155	$ 40,374	$ 47,315
Discounted Enterprise Value	$ 14,567	$ 28,738	$ 35,548
Weightings			
EV derived from Sales	50%	50%	50%
EV derived from GAAP EBITDA	50%	50%	50%
Enterprise Value	$ 13,359	$ 26,641	$ 34,955
Capital Structure Adjustments			
Adjusted Net Debt - NTM Ending	$ (851)	$ (851)	$ (851)
Adjusted Shares Outstanding - NTM Ending	502	502	502

AI Job Apocalypse or Labor Transformation?

Generative artificial intelligence may be a new technology, but disruption is not a new phenomenon. Similar to past periods of innovation, we believe that AI will increase productivity, change the way we work, and transform the labor market. There will likely be disruption, but we are already seeing potential across companies and economies. GS Research estimates that widespread adoption of AI may increase labor productivity by 15% over the next 10 years, contributing to a $7tn increase in annual global GDP.

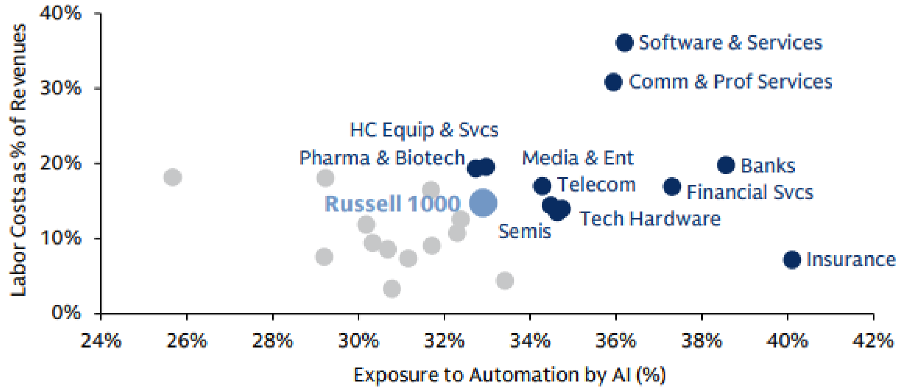
Limited Evidence of AI Related Job Losses So Far



Source: Challenger and Goldman Sachs Asset Management. As of June 30, 2026.

As AI capabilities improve, we are beginning to see examples of AI-related job losses in the US. This year, employers have cut 444k jobs and cited AI as the reason in 23% of cases. However, that number likely includes both the roles and the budgets that have been replaced by AI. We estimate that over time 7% of jobs are likely to be displaced, but leading AI labs have suggested that the technology can do just 2-3% of all jobs today.

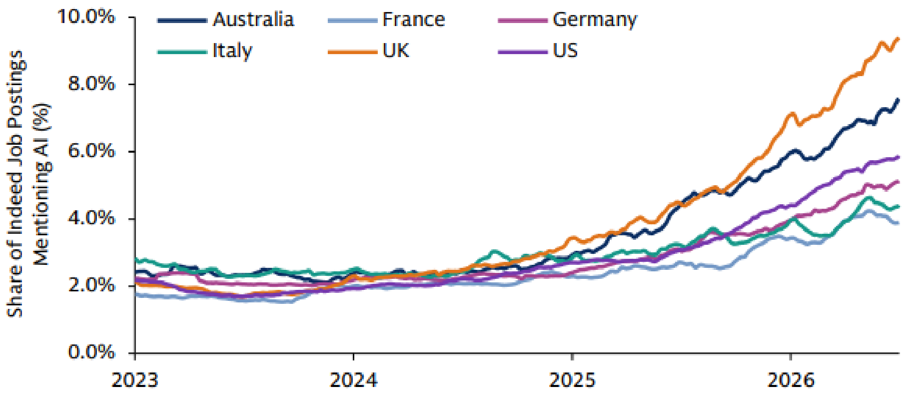
Some Sectors May Be More Exposed Than Others



Source: Goldman Sachs Global Investment Research. As of December 31, 2025.

We believe the majority of jobs are likely to be complemented by AI, though some sectors may be more exposed than others. Roles with defined tasks in predictable environments are more likely to be substituted, while industries involving data, problem solving, and human elements are more likely to be augmented. Here, technology, financials, healthcare, and service sectors stand out to us as potential long-term AI beneficiaries. We assume a 10-year timeline, with faster adoption causing more disruption.

New AI-Related Job Openings



Source: Macrobond and Goldman Sachs Asset Management. As of June 30, 2026.

As in past periods of innovation, we believe that AI will ultimately reshape the labor force. For example, roughly 60% of workers today are employed in occupations that did not exist in 1940. Already we are seeing AI create new roles and requirements, with the share of job postings mentioning AI increase meaningfully in the last year. This has been particularly true in service economies such as the UK, Australia, and the US, though we also expect a pickup in trade jobs related to data center construction.

Monday Market Recap

1. Nvidia $NVDA announced partnerships with Apollo, BlackRock, Blackstone, Brookfield, Goldman Sachs, and KKR to create independent AI compute financing platforms designed to mobilize more than $500 billion of third-party capital over time. The goal is to turn Nvidia compute and full-stack AI infrastructure into an investable asset class, helping fund the global buildout of AI factories while giving Nvidia customers access to large pools of capital at attractive rates. Jensen: "In AI, compute is revenue. NVIDIA compute is uniquely suited for this role. It is broadly adopted, flexible across models and workloads, fungible and transferable across customers and operators, and continuously improved through CUDA software. That is why we are bringing the world's leading long-term capital providers together to independently underwrite AI infrastructure. These financing platforms will help customers access scarce compute at scale and build the DSX AI factories that will power every industry and country in the age of AI."

2. Meta $META released Muse Glimmer, a new 30B-parameter dense AI model with open weights that can run locally, with weights for Muse Spark 1.2 expected to follow soon. Meta CEO Mark Zuckerberg also said he believes everyone will eventually have a personal AI agent that understands them and what they care about.

3. Chinese humanoid robot makers accounted for more than 97% of global shipments in 1H26, with volumes more than tripling to 19,100 units. Agibot led the market with a 44% share, while industrial and commercial use cases made up over 70% of shipments. Unitree Robotics is also going public on the Shanghai Stock Exchange at a $9 billion valuation, with its IPO oversubscribed by retail investors by 8000%.

4. Microsoft $MSFT plans to unveil its next-generation Maia 300 AI chip in September, according to The Information, marking progress after a slower start for its in-house silicon program. Microsoft reportedly plans to expand internal use of Maia while also targeting major external customers. The move could give Microsoft more control over the AI infrastructure powering its services as demand for compute continues to surge.

5. Rocket Lab $RKLB reported Q2'26 revenue of $234M, slightly ahead of estimates of $231M, up 62% YoY. EPS came in at -$0.08 versus -$0.07 expected, while backlog reached a record $2.36B, up 137% YoY. For Q3, Rocket Lab guided revenue to $250M–$265M, above estimates of $239M, with non-GAAP gross margin expected at 35%–37%. Non-GAAP gross margin in Q2 was 41.5%, while net loss was $49.3M. Business highlights included the announced Iridium acquisition and the launch of GHOST, a globally deployable launch system. Management said backlog growth, combined with new Q3 deals, represents more than $1B in new contracts across launch and space systems, positioning Rocket Lab to become a self-launching, tier-1 space power.

6. The top 10 most active options today by contracts traded were $NVDA with 3.6M contracts, $TSLA with 1.9M contracts, $AAPL with 1.2M contracts, $SPCX with 1.2M contracts, $MSFT with 1.1M contracts, $MU with 945K contracts, $INTC with 880K contracts, $PLTR with 803K contracts, $AMZN with 778K contracts, and $META with 704K contracts.

7. Hims & Hers $HIMS reported Q2'26 revenue of $753.2M, beating estimates of $700M, up 38% YoY. Adjusted EBITDA came in at $60.3M versus $47.2M expected, while subscribers rose 19% YoY to 2.891M. U.S. revenue grew 16% YoY to $621.8M, while Rest of World revenue surged 1,641% YoY to $131.4M, helped by the close of the Eucalyptus acquisition in June. For Q3, Hims guided revenue to $880M–$900M, well above estimates of $793M. For FY26, the company raised revenue guidance to $3.1B–$3.3B versus $2.93B expected, while reiterating increased conviction in its 2030 targets of at least $6.5B in revenue and $1.3B in adjusted EBITDA.

8. Earnings season is nearly complete, and results have been much stronger than expected. With almost 90% of S&P 500 companies reported, Q2 EPS is now projected to rise 30% YoY excluding investment mark-ups from Alphabet and Amazon, well above the 22% consensus forecast from July 1. Including those one-time gains, EPS growth jumps to nearly 50% YoY. Meanwhile, 76% of companies have beaten EPS expectations, matching last quarter's beat rate, which was the highest since 2021.

9. Intel $INTC announced a proposed $15B underwritten public offering of common stock, with proceeds intended for general corporate purposes, including CapEx and working capital. The company said customer demand remains strong, driven by major investment in AI compute, with growth opportunities across physical AI, purpose-built silicon, advanced packaging, and external wafers. Intel also expects to give underwriters a 30-day option to buy up to an additional $2.25B of common stock, while emphasizing that the raise is meant to support growth opportunities, maintain balance sheet strength, and preserve its investment-grade rating.

10. Trading volume across the 7 leveraged ETFs tied to $SKHY SK Hynix has collapsed nearly 90% to less than 100M shares/day after regulators raised the minimum cash deposit required to trade the products, effective July 31. The stock decline and tighter rules have shaken out retail investors who chased the rally, with roughly 1T won ($710M) in retail accounts facing forced liquidation in June and another 993B won ($700M) in July, the two largest forced-liquidation months this year. Margin loan balances have fallen to 27.4T won ($19.3B) as of August 4, the lowest level of the year. Morgan Stanley estimates the deleveraging process is now more than halfway complete, though foreign investors remain cautious after selling $30B in June, another $6.2B in July, and $4.3B so far in August.

11. Bank of America is sticking with its call for 75 bps of Fed rate hikes this year despite weaker labor data. U.S. payrolls fell by 23,000 in July, while prior months were revised down by another 103,000. The unemployment rate declined to 4.1%, wage growth slowed to 3.2%, and labor-force participation slipped. Even with hiring softening, BofA still expects the Fed to begin raising rates in September, arguing that inflation remains the central concern.

12. Micron $MU today said customers remain largely insensitive to memory pricing as data center demand continues to outstrip supply, with the company saying it cannot meet even half of current customer needs. Management also pointed to demand signals extending multiple years, though it did not provide a specific update to quarterly guidance.

Tuesday Market Recap

1. CoreWeave $CRWV reported Q2'26 revenue of $2.6B, slightly ahead of estimates of $2.56B, with adjusted EBITDA of $1.5B versus $1.43B expected and adjusted EBITDA margin of 59%. Revenue backlog reached roughly $104B, up 46% YoY, while active power more than tripled YoY to 1.5GW and contracted power increased to 4.2GW. CoreWeave raised FY26 guidance to $12.4B–$13.2B in revenue and $960M–$1.15B in adjusted operating income, while lifting its active power target to more than 1.85GW. The company now expects year-end annualized run-rate revenue of $18.5B–$19.5B, managed inference ARR above $250M exiting 2026, and long-term active power of 8GW+ by 2030. Management said customer demand is accelerating as enterprise adoption broadens and its platform deepens.

2. Gemini has become $GOOGL Google's fastest-growing product ever, crossing 1B monthly users and becoming the company's 14th product to reach the billion-user milestone. The scale-up underscores how quickly Google is pushing Gemini across Search, Android, Workspace, and its broader AI ecosystem.

3. BofA downgraded AppLovin $APP to Neutral with a $400 price target, saying risks to the company's long-term 30% YoY revenue growth trajectory have increased. Analyst Omar Dessouky said post-Q2 growth appears to be driven more by engineer-directed improvements to Gaming models, while it is less clear whether the prior 3%–5% QoQ self-learning growth assumption still applies. BofA also noted that with AppLovin's high relative market share, estimated at roughly 2x its next-largest competitor, long-term growth from self-learning alone may be harder to sustain than the market previously assumed.

4. President Trump is reportedly weighing a capital gains tax cut ahead of the midterms, including the idea of indexing capital gains to inflation before taxes are calculated. Under that approach, investors would only owe taxes on the inflation-adjusted "real" gain, not the full nominal gain. For example, if someone bought a business or stock position for $2M and sold it years later for $5M, the nominal gain would be $3M. But if cumulative inflation over that period was 25%, the inflation-adjusted cost basis would rise to $2.5M, leaving only $2.5M of taxable real gain instead of $3M. Trump has also floated capital gains exemptions for home sales worth $2M or less. There has not been a major U.S. capital gains tax cut since 2003.

5. Senator Bernie Sanders has reportedly called on major AI companies to pause development, sending letters to the CEOs of OpenAI, Anthropic, and Meta, according to NYT. The push adds to the growing political scrutiny around frontier AI development, safety, and whether the largest labs should slow deployment as model capabilities continue advancing.

6. Apple $AAPL is reportedly still planning a glass-centric iPhone redesign for the device's 20th anniversary in 2027, contrary to a Jefferies report that said it had been canceled, according to Bloomberg. The new Pro models are expected to feature glass that curves into the sides, with a metal band running through the middle.

7. U.S. existing home sales fell 1.7% in July to a 4.06M annualized pace, slightly above estimates. Median existing home prices rose 2% YoY to $434,100, while inventory increased to 1.54M homes. The data points to a housing market that is still soft on transaction volume, but with prices remaining resilient as supply continues to build.

8. The top 10 most active options today by contracts traded were $NVDA with 2.2M contracts, $TSLA with 1.4M contracts, $SPCX with 861K contracts, $AAPL with 823K contracts, $MU with 664K contracts, $AMZN with 568K contracts, $PLTR with 559K contracts, $INTC with 555K contracts, $GOOGL with 546K contracts, and $HTZ with 518K contracts.

9. Supermicro $SMCI reported Q4'26 revenue of $11.1B, below estimates of $11.55B, but adjusted EPS came in at $1.70 versus $0.96 expected, up 315% YoY. Gross margin expanded to 17.5%, up 800 bps YoY, while net income reached $1.2B, adjusted EBITDA was $1.7B, and operating income came in at $1.5B. For Q1, Supermicro guided revenue to $14.5B–$15.5B, well above estimates of $11.68B, with adjusted EPS of $1.01–$1.10. For FY27, the company guided revenue to $65B–$72B, far ahead of the $52.5B estimate. Management said Supermicro generated more than $60B in new orders and entered fiscal 2027 with record backlog, while improving profitability through a richer enterprise customer mix and broader adoption of its optimized Data Center Building Block Solutions architecture.

10. Stifel reiterated its Buy rating on Rocket Lab $RKLB and raised its price target to $132, saying the company delivered a "beat and raise" quarter with Q2 results ahead of expectations across revenue, margins, and EBITDA. Rocket Lab signed 26 new Electron/HASTE missions, expanded total launch backlog to more than 90 missions, and grew overall backlog to roughly $2.4B, with another $800M of bookings added after quarter-end. Stifel also highlighted accelerating Space Systems revenue as SDA programs ramp, multiple defense awards, and continued progress on Neutron, which remains on schedule for pad delivery in Q4'26. The firm said Rocket Lab's Iridium acquisition, GHOST launch system, defense exposure, backlog visibility, and limited competition create a compelling long-term risk/reward despite near-term cash burn.

11. Schwab clients were net buyers of ETFs and equities in July by a 2:1 ratio. The top stocks bought were $SPCX, $MU, $INTC, $ORCL, and $TSLA, while the top stocks sold were $AAPL, $AVGO, $ADBE, $PYPL, and $AMD. The data shows retail leaning back into high-beta AI, memory, and space-linked names while trimming exposure to some of the market's more mature tech leaders.

12. The SEC is reportedly preparing to roll out two major crypto initiatives $BTC $ETH as the Clarity Act stalls in Congress, according to Bloomberg. The agency will hold an open meeting Friday to create a tailored offering regime for certain crypto-related investment contracts. The SEC is also expected to unveil an “innovation exemption” for trading tokenized securities, potentially paving the way for 24/7 trading of stock tokens on blockchains. Details could be released as soon as Friday, though the proposal is still being finalized and could change.

Wednesday Market Recap

1. Nebius $NBIS reported Q2’26 revenue of $582.3M, beating estimates of $573M and up 454% YoY. Adjusted EBITDA came in at $236.2M versus $175M expected, compared to -$21M last year. AI Cloud revenue surged 514% YoY to $575M, operating cash flow reached $2.25B, and cash stood at $8.04B. Nebius reaffirmed FY26 guidance, now expects customer prepayments of more than $9B in 2026, and raised contracted capacity to 5 GW from prior guidance of more than 4 GW. Management said it could sell its entire 2027 capacity today, but is deliberately holding some back for higher-value immediate customer demand. $NBIS finished up 34% on the day.

2. July CPI came in cooler, with headline inflation rising just 0.1% MoM after falling 0.4% in June. Over the last 12 months, CPI rose 3.4%, down from 3.5% in June. Shelter increased 0.1% and accounted for roughly two-thirds of the monthly increase, while food also rose 0.1% and food away from home climbed 0.3%. Energy prices fell 1.5% on the month. Core CPI, excluding food and energy, rose 0.2% after being flat in June, while annual core inflation eased to 2.5% from 2.6%. Energy remains the biggest annual pressure point, up 14.7% YoY, while food is up 3.0% over the last year.

3. Bank of America $BAC plans to deploy $250B through mid-2027 across AI data centers, semiconductors, hardware, power generation, energy storage, and critical minerals, according to WSJ. The initiative will span lending, investing, capital markets, banking, and advisory work. BofA said equity investments are not the focus, but has not ruled them out for the right projects. The push also extends beyond AI infrastructure into transportation, natural gas, and water infrastructure.

4. Institutional investors are reducing U.S. tech exposure. Hedge funds, asset managers, and other large investors sold $21.6B of Nasdaq futures in the week ending August 4, the largest weekly sale on record, according to Goldman Sachs. Short sales drove the move, accounting for 72% of total selling. Hedge funds sold $11.9B, while asset managers sold $7.4B. As a result, combined institutional positioning in Nasdaq futures fell to -$5B, turning negative for the first time since May 2025 after reaching as high as +$54B in October 2025.

5. South Korea is tightening rules on single-stock leveraged ETFs again, requiring new investors to complete at least 5 days of mock trading totaling 5+ hours before buying these products. The rule takes effect August 19 and applies to investments both locally and abroad. The move follows a sharp retail wipeout in leveraged ETF products, after regulators already raised the minimum cash deposit requirement to 30M won or roughly $21,000, and extended mandatory online training for new investors to 3 hours.

6. The top 10 most active options today by contracts traded were $NVDA with 3.6M contracts, $TSLA with 2.2M contracts, $SPCX with 1.7M contracts, $MU with 1.3M contracts, $AAPL with 1.2M contracts, $OWL with 908K contracts, $INTC with 903K contracts, $META with 796K contracts, $HTZ with 725K contracts, and $SMCI with 720K contracts.

7. OpenAI’s run-rate revenue from business customers grew 32% MoM in July, outpacing 20% growth in overall run-rate revenue, according to DealBook. The gap highlights how quickly enterprise demand is becoming a larger driver of OpenAI’s growth as companies scale paid usage across AI tools, APIs, and workflow integrations.

8. Nelson Peltz’s Trian Fund Management is reportedly preparing a potential take-private bid for Wendy’s $WEN, according to FT. Trian is Wendy’s largest shareholder with a 16% stake and is assembling a consortium that could include BlueFive Capital and major franchisee Flynn Group. A formal offer could come in the coming weeks, though talks could still change or fall apart.

9. Google $GOOGL unveiled the Pixel 11 lineup, including the Pixel 11, Pixel 11 Pro, Pixel 11 Pro XL, and Pixel 11 Pro Fold, while raising prices by $100 versus the prior generation due to a “severe” memory crunch. The lineup now starts at $899, while the foldable starts at $1,899. Google also introduced the Pixel Watch 5 at $399, adding insulin-resistance tracking, which it says is a first for the category.

10. Bill Ackman is back in Netflix $NFLX. He first bought the stock in 2022 around $350/share, investing roughly $1.1B, before selling a few months later for a 40% loss and taking a roughly $400M hit. He redeployed the capital into Google, which worked, but Netflix went on to rise about 650% from its lows. Now, with the stock down roughly 50%, Ackman is back in. His thesis is that Netflix can compound revenue at a double-digit rate, grow content costs more slowly than revenue, continue expanding margins, and use its buyback program to help drive earnings growth near 20% annually. Ackman says the current valuation is a substantial discount for a business with Netflix’s growth profile and dominant market position. He also added $V, $MA, $ICE, $ALC, and $SPGI to his portfolio.

11. The financial industry cut 14,000 jobs in July, bringing payrolls down to 9.09M, the lowest level since July 2022. This marks the sector’s 5th straight monthly decline, with total job losses of 59,000 over that stretch. Since May 2025, financial industry payrolls are down 121,000, the largest drawdown since the 2020 pandemic. Excluding the pandemic, this is the biggest contraction in financial-sector employment since the 2008 Financial Crisis, as firms accelerate AI adoption to boost productivity and reduce labor costs.

12. The S&P 500 has historically kept climbing after major breakouts to new all-time highs. Over the last 30 years, the index has risen in 13 of 17 similar instances, gaining an average of roughly 6.3% over the next 6 months. The only exceptions were 2000, 2007, 2018, and 2019, with 2000 and 2007 preceding major bear markets. Most recently, after a similar breakout in 2025, the S&P 500 gained 12.3% over the following six months. The index has now posted 26 all-time highs in 2026, following 39 record closes in 2025 and 57 in 2024.

Thursday Market Recap

1. SanDisk $SNDK laid out its investor day targets, guiding for mid-to-high teens revenue growth, roughly 80% non-GAAP gross margins, and about 50% adjusted free cash flow margins. The company also expects to return 100% of excess cash to shareholders. SanDisk highlighted its HBF technology as a potential major efficiency unlock for AI inference, saying internal testing showed 1 HBF GPU could run the same model that required 8 HBM GPUs, implying 8x CapEx efficiency, while 4 HBF GPUs matched the token output of 8 HBM GPUs, implying 2x GPU efficiency. $SNDK was up 14%.

2. U.S. PPI came in slightly cooler on the headline number, rising 4.7% YoY versus 4.9% expected and 0.0% MoM versus 0.2% expected. Core PPI was mixed, rising 4.2% YoY versus 4.1% expected, but only 0.2% MoM versus 0.3% expected. Initial jobless claims came in at 209K versus 202K expected, while continued claims were 1.777M versus 1.794M expected.

3. Norway's $2.3T sovereign wealth fund, the world's largest, generated a record $184.3B profit in H1 2026. The fund returned 9.4% over the period, with its 72.1% equity allocation up 13.0%. In Q2 alone, the portfolio gained 11.5%, its strongest quarter since Q2 2020, led by equities returning 16.0% as AI-related names drove performance. Nvidia $NVDA remained the fund's largest holding at the end of H1, followed by Microsoft $MSFT and Apple $AAPL. Norway's fund now owns roughly 1.5% of all publicly listed companies globally and has become one of the world's largest institutional investors in AI-related stocks.

4. OpenAI's annualized revenue has reportedly topped $40B, roughly doubling its run rate from the end of 2025, according to Bloomberg. July run-rate revenue rose more than 20% MoM, driven by strength in Codex, subscriptions, and early ad sales, highlighting how quickly OpenAI's monetization is scaling across both consumer and business lines.

5. Reddit $RDDT is set to join the S&P 500 before the open on August 18, replacing AvalonBay Communities $AVB. AvalonBay is being acquired by Equity Residential $EQR, with the combined company expected to remain in the index under the new name Vivmark Residential $VMRK. S&P Dow Jones Indices also announced that Sun Communities $SUI will join the S&P MidCap 400 before the open on August 20, replacing Webster Financial $WBS, which is being acquired by Banco Santander $SAN.

6. The top 10 most active options today by contracts traded were $NVDA with 2.4M contracts, $TSLA with 2.0M contracts, $SPCX with 1.2M contracts, $MU with 1.0M contracts, $AAPL with 881K contracts, $INTC with 863K contracts, $SMCI with 843K contracts, $NFLX with 681K contracts, $PLTR with 625K contracts, and $AMZN with 600K contracts.

7. Ondas $ONDS reported Q2'26 revenue of $83.8M, beating estimates of $68M and up 67% QoQ. Adjusted gross margin came in at 50.4%, while adjusted EBITDA was -$50.6M versus -$32M expected. Backlog reached $613M, or $757M pro forma including DZYNE and Cyberhawk, with $175M of new orders in Q2 and another $105M already in Q3 to date. Ondas raised FY26 revenue guidance to $525M–$550M versus $509M expected and guided Q3 revenue to $140M–$155M. The company also pulled forward its profitability timeline, now targeting platform-level adjusted EBITDA profitability by Q4 2026 and company-wide profitability by Q4 2027. Key wins included a $52.9M lethal unmanned strike order, more than $240M of captured orders under a $982M Army IDIQ program, and NASA raising its Stratollite IDIQ ceiling from $45M to $395M.

8. Nu Holdings $NU reported Q2'26 revenue of $5.51B, beating estimates of $5.23B, up 50.3% YoY. Diluted EPS came in at $0.216 versus $0.20 expected, while net income rose 66.8% YoY to $1.06B. Gross profit increased 51.6% YoY to $2.35B, total assets grew 31.9% YoY to $82.75B, and total interest income and gains reached $4.76B, up 52.1% YoY. On the balance sheet, deposits rose 23.7% YoY to $45.33B, credit card receivables increased 42.1% YoY to $21.49B, loans to customers grew 43.8% YoY to $11.32B, and total equity reached $13.25B.

9. Elon Musk disclosed ownership of 6,418,547,515 SpaceX $SPCX shares in a new SEC filing, representing a 48.4% stake in the company. Based on the filing, Musk's stake is valued at roughly $908.35B.

10. Nebius $NBIS is facing permitting-related delays at its Vineland data center after Hunterbrook reported a second stop-construction order at the site. The first order, issued on August 6, paused LNG tank work, while the second, issued on August 10, paused Bloom Energy $BE fuel-cell work after the city said required approvals and permits had not been secured. Nebius said on August 12 that it does not expect a material impact to the project timeline and confirmed that Vineland capacity remains included in its 2026 connected power targets. The main building structure was completed earlier this summer, engineering fit-out is underway, and fuel-cell installation is expected to move quickly once the permitting issues are resolved.

11. OpenAI is replacing chief revenue officer Denise Dresser less than a year after she joined the company. Dresser is leaving to pursue other opportunities, while Dali Rajic, president and COO of Alphabet-owned Wiz, will take over the role. The move marks another major leadership change as OpenAI scales revenue across enterprise, subscriptions, APIs, and new monetization channels.

12. Hedge funds bought $6.8B of U.S. equities last week, the largest weekly purchase in 18 years. As a share of S&P 500 market cap, it ranked as the 9th-largest weekly buy since 2008. This follows $4.8B of purchases the week before, bringing total hedge fund buying to $11.6B over the last 2

weeks, the largest two-week purchase on record. The 4-week average of hedge fund purchases has now risen to $1.8B. Meanwhile, institutional investors sold $1.1B, their second straight weekly sale, while retail investors sold $4.1B, pushing their 4-week average selling to $500M.

Friday Market Recap

1. SanDisk $SNDK laid out its investor day targets, guiding for mid-to-high teens revenue growth, roughly 80% non-GAAP gross margins, and about 50% adjusted free cash flow margins. The company also expects to return 100% of excess cash to shareholders. SanDisk highlighted its HBF technology as a potential major efficiency unlock for AI inference, saying internal testing showed 1 HBF GPU could run the same model that required 8 HBM GPUs, implying 8x CapEx efficiency, while 4 HBF GPUs matched the token output of 8 HBM GPUs, implying 2x GPU efficiency. $SNDK was up 14%.

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CoreWeave Earnings:

- CoreWeave Inc. surged in premarket trading after the company said sales will be $3.45 billion to $3.6 billion in the third quarter, faster sales growth than anticipated.
- The shares rose about 17% in premarket trading on Wednesday. They had been up 26% this year through the close.
- Shares of data center operator Applied Digital Corp. and neoclouds Nebius Group NV and IREN Ltd. also gained in late trading.
- The firm's backlog was $104 billion at the end of the quarter, and it inked more than $25 billion in new customer commitments after the period ended, suggesting that "AI demand remains strong".
- CoreWeave raised its revenue outlook to a range of $12.4 billion to $13.2 billion for the full year, and its shares rose about 17% in premarket trading on Wednesday.

CoreWeave has become a bellwether for the AI data center boom. Wall Street firms pouring hundreds of billions of dollars into the build-out of digital infrastructure are closely watching its performance since it's one of the few AI computing suppliers, known as neoclouds, that are publicly traded. Its results are, to an extent, a gauge of how overall AI computing demand is faring.

CoreWeave signed deals in the second quarter that will carry margins 5 to 10 points higher than those in recent quarters, Chief Executive Officer Michael Intrator said during a call with analysts. That's due in part to tight capacity, allowing the company to secure more favorable terms.

For the full year, CoreWeave raised its revenue outlook to a range of $12.4 billion to $13.2 billion. Previously, the company anticipated sales of $12 billion to $13 billion.

Revenue more than doubled to $2.58 billion in the second quarter, the company said. Its net loss, meanwhile, was $1.14 a share — narrower than projected. Analysts had estimated sales of $2.56 billion and a loss of $1.41 a share.

CoreWeave, which serves customers like OpenAI, Meta Platforms Inc. and Microsoft Corp., has borrowed tens of billions of dollars and is spending heavily on AI chips and data centers to meet demand.

The company said last week it will enter the Asian market with three planned data centers in Indonesia.

The rapid expansion has fueled red ink, but CoreWeave has been trying to get better borrowing rates by tying financing packages to larger and more established clients.

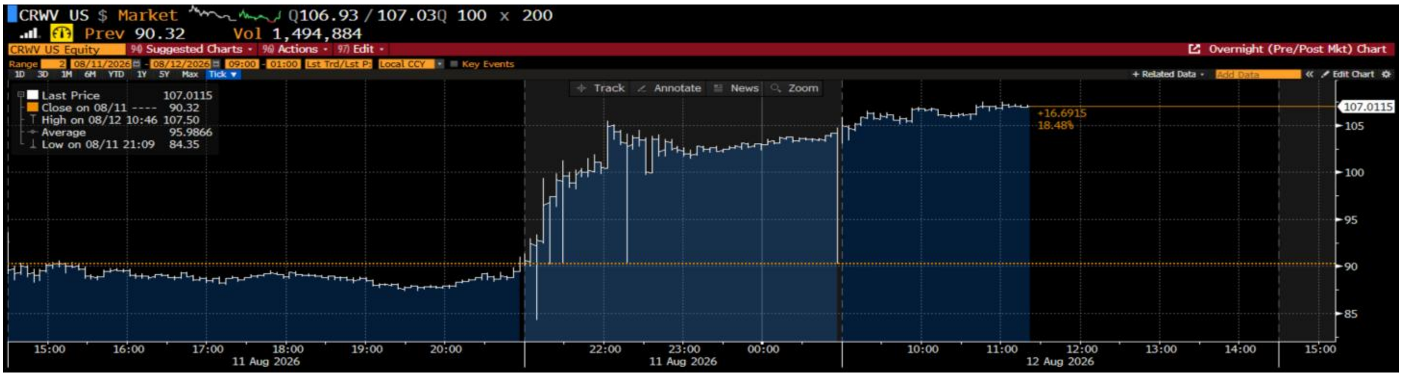
CoreWeave has faced recent turbulence. Its shares were hit by dramatic fluctuations over the past two weeks as AI-focused hedge fund Situational Awareness liquidated its public positions — a move that pressured many technology companies.

Ken Griffin's Citadel ended up buying a big chunk of the fund's AI stocks. Situational Awareness had owned about 1.6% of CoreWeave's outstanding stock as of March 31, according to data compiled by Bloomberg.

CoreWeave, which held its initial public offering in March 2025, has attracted investors looking to bet on the explosion in AI spending. The Livingston, New Jersey-based company is a close partner of Nvidia Corp., the leading maker of AI chips. Nvidia is also a significant investor.

CoreWeave is one of several companies closely tied to AI infrastructure that are reporting earnings this week. Super Micro Computer Inc., which makes AI servers, also posted its results on Tuesday, giving an outlook that far surpassed estimates. Chip equipment maker Applied Materials Inc. delivers its latest numbers on Thursday.

Last month, Microsoft said its cloud unit grew at the fastest clip in four years, and Alphabet Inc.'s Google posted better-than-expected cloud revenue with a backlog that grew to $514 billion. That was up from roughly $460 billion a quarter earlier.



NEBIUS BEATS Q2 2026 EARNINGS:

- Revenue $582M, +454% YoY

- EPS -$0.12, +68% YoY

- ARR $3.0B at End of June, +58% QoQ

- AI Cloud Adjusted EBITDA Margin 50% vs 24% in Q4 2025

- 2026 Contracted Power Guidance Raised to 5 GW

- Contracted Power Guidance Has Increased 5x Since August 2025

- Capacity Footprint Expanding Across U.S. & Europe

- FY2026 Guidance Reaffirmed

$WYFI +15% pre-mkt on EPS beat across the board

- Rev $28.8M, street was at $19-24M but ~$12M was a termination payment (previously disclosed) so don't get too excited
- NC-1 finally billing. RPO barely moved ($924M --> $933M, basically all Nscale)
- Signs $380M+ in NEW cloud deals since May call: Baseten ($165M, 1,392 B300s, Ontario, Nov '26), Prime Intellect ($108M, 576 Vera Rubins, their first VR deployment, Q2 '27), Iceland ($87.5M, 5yr + rev share); Paris deal ($160M, previously announced) also in the mix
- NC-1 refi in exclusivity. If it closes, capital recycles into next site, late-stage diligence per press release.

WhiteFiber, Inc. Reports Second Quarter 2026 Results

PR Newswire

NEW YORK, Aug. 12, 2026

NEW YORK, Aug. 12, 2026 /PRNewswire/ -- WhiteFiber, Inc. (Nasdaq: WYFI) ("WhiteFiber" or the "Company"), a leading provider of AI infrastructure and high-performance computing solutions, today announced financial results for the second quarter ended June 30, 2026.

Sam Tabar, Chief Executive Officer of WhiteFiber, said:

"At NC-1, we moved from construction into active customer deployment. Initial billing has commenced, and we expect to reach full contracted run-rate billing across the 40 megawatts of contracted IT load later this month. NC-1 is our flagship site and demonstrates our ability to acquire and develop large-scale AI infrastructure, with the potential to scale toward approximately 300 gross megawatts over time.

We have entered into exclusivity with a consortium of lenders for a proposed secured financing for NC-1. We are progressing through diligence and are negotiating definitive documentation. This potential financing is subject to customary approvals and conditions, and we cannot provide assurance that the financing will be completed on favorable terms or at all. However, if completed, we expect this financing would return a significant portion of our invested capital to the balance sheet and allow us to recycle it into future development.

The repositioning of our Cloud Services business around larger, longer-duration engagements is translating into meaningful momentum. Since our last earnings call, we have signed new multi-year agreements representing more than half a billion dollars of aggregate contract value over their initial terms. These include NVIDIA B300 deployments with Baseten, our first Vera Rubin deployment with Prime Intellect and our previously announced five-year deployment in the Paris region. We are also seeing strong customer interest in a capital-light managed-services offering through which customers would fund the underlying hardware while WhiteFiber deploys and operates it.


WYFI US $ 29.52 +1.30
Q29.52 / 29.57Q 100 x 3600
On 14-Aug d Vol 1,342,953 O 28.00 H 30.2008 L 27.7846 Val 39.241M
WYFI US Equity
Suggested Charts
Actions
Edit
Line Chart
Last Price 29.52
Close on 08/11 24.22
High on 08/13 14:42 32.115
Average 29.0338
Low on 08/12 14:57 27.39
Volume 0.174M
12 Aug 2026
13 Aug 2026
14 Aug 2026


BTBT US $ 1.57 +0.08
Q1.56 / 1.57Q 24800 x 115k
On 14-Aug d Vol 22,303,801 O 1.50 H 1.57 L 1.48 Val 34.246M
BTBT US Equity
Suggested Charts
Actions
Edit
Line Chart
Last Price 1.57
Close on 08/11 1.35
High on 08/13 15:03 1.645
Average 1.5019
Low on 08/12 15:54 1.425
Volume 1.648M
12 Aug 2026
13 Aug 2026
14 Aug 2026

Google's Gemini Surpasses 1 Billion MAUs

Google CEO Sundar Pichai confirmed that the Gemini app officially crossed 1 billion monthly active users (MAUs), making it the fastest-growing product in Google's history and the 14th Google service to enter the "Billion-User Club" (joining Search, Android, YouTube, Gmail, Maps, Chrome, and Google Play).

Key Usage Metrics Released with the Milestone

- **Multimodal Shift: 63% of active users** interact with Gemini via voice commands rather than typed text prompts.
- **Gemini Live Adoption: 1 in 5 Gemini Live sessions** utilizes real-time visual streams (live camera sharing or screen sharing) to solve real-world tasks.
- **Cross-Platform Scale:** Surpassed **100+ million active users on iOS**.
- **Content Generation:** Users generate over **150 million images per day** via Gemini's creative tools.
- **Education & File Inputs: 38% of school-related queries** involve uploaded document attachments (PDFs, study guides, photos of worksheets).

Growth Trajectory

Date	**Gemini App Monthly Active Users**
May 2025	400 million
October 2025	650 million
February 2026	750 million
May 2026 (I/O)	900 million
August 2026	**1.0+ Billion**

CPI In Line w/ Expectations

- CPI 3.4% YoY, (Est. 3.4%)
- CPI 0.1% MoM, (Est. 0.1%)
- Core CPI 2.5% YoY, (Est. 2.5%)
- Core CPI 0.2% MoM, (Est. 0.2%)

CPI MoM	Jul	0.1%	0.1%	-0.4%
Core CPI MoM	Jul	0.2%	0.2%	0.0%
CPI YoY	Jul	3.4%	3.4%	3.5%
Core CPI YoY	Jul	2.5%	2.5%	2.6%
CPI Index NSA	Jul	333.990	333.918	333.952
Core CPI Index SA	Jul	336.766	336.789	336.065

PPI Lower than Expectations

U.S. PPI came in slightly cooler on the headline number, rising 4.7% YoY versus 4.9% expected and 0.0% MoM versus 0.2% expected. Core PPI was mixed, rising 4.2% YoY versus 4.1% expected, but only 0.2% MoM versus 0.3% expected. Initial jobless claims came in at 209K versus 202K expected, while continued claims were 1.777M versus 1.794M expected.

Big Miss in Retail Sales

Big miss in retail sales, sales down 0.6% vs est of +0.1%

Core retail sales down 0.2% vs est. +0.3%

Retail Sales Advance MoM	Jul	0.1%	-0.6%	0.2%	--
Retail Sales Ex Auto MoM	Jul	0.2%	-0.3%	-0.2%	--
Retail Sales Ex Auto and Gas	Jul	0.3%	-0.2%	0.4%	--
Retail Sales Control Group	Jul	0.3%	-0.4%	0.5%	0.4%

Workday Software LBO

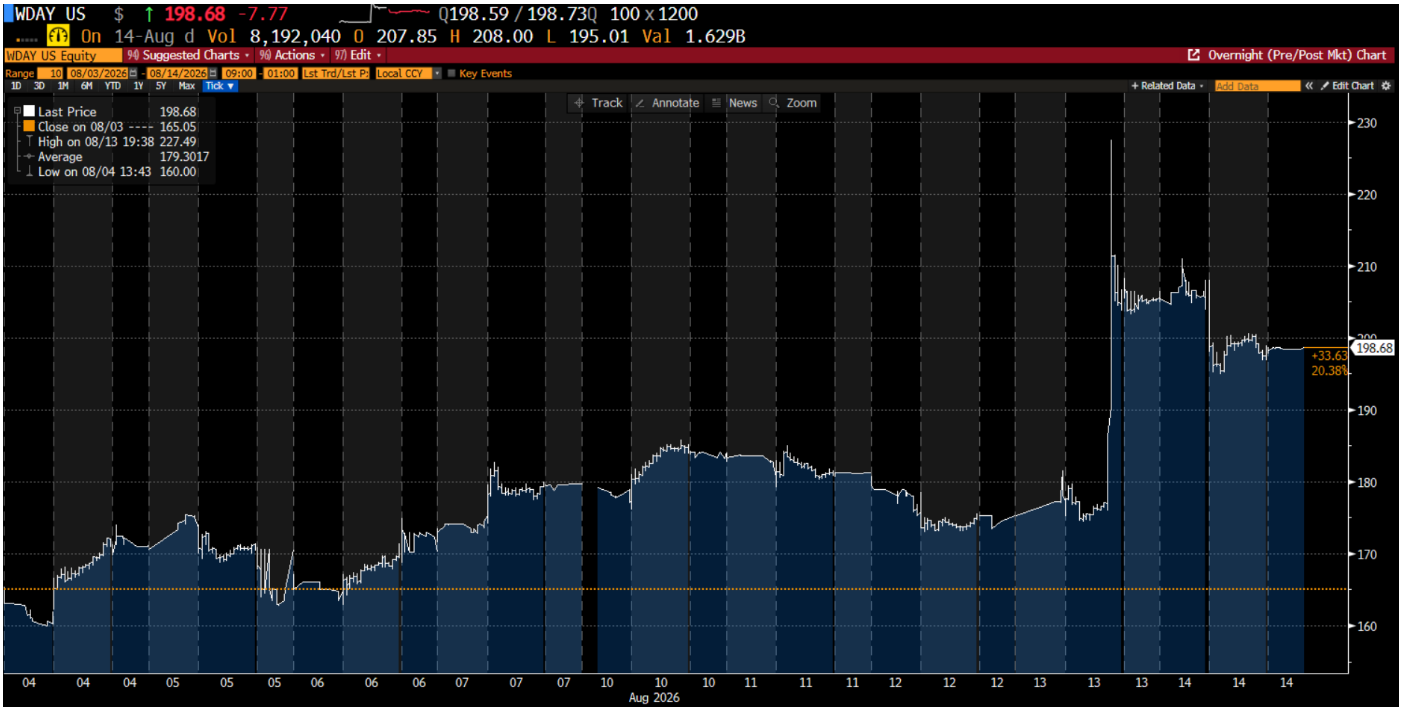
The story today about Silver Lake, a premier private equity firm with over $100B in assets focused on tech, potentially looking to acquire $WDAY likely puts a floor under software sector for some time.

Workday prior to today's 18% move higher had been down 18% over the past year (8/12/25-8/12/26) vs $IGV (the software ETF) which was down 6% and the S&P up 20%. It was considered one of the names most likely to be disintermediated by AI.

PE firms 1) use debt which increases risk if they are wrong, 2) the cost of longer-term debt is the highest in nearly 20 years and 3) they need to feel comfortable about terminal value given exits are typically now in 5-7 years. This is a much harder bar to clear than a typical public market investor who has daily liquidity if they change their mind or a strategic acquirer that may have other synergistic reasons to do the deal.

Also, the size of this deal makes the bar even harder to clear. With a closing market cap today of over $50B for Workday, if it were to occur this would rival the prior record-breaking technology PE deal for Electronic Arts of ~$55B that Silver Lake was also involved in.

This news follows the results from $TEAM last week, another name that investors have put in the AI disintermediation basket, which rallied 35% the next day in reaction to earnings and is still down 2% from 8/12/25-8/12/26.



Micron's AI-Driven Profits Projected to Hit $400 Billion in Two Years

Morgan Stanley projects combined operating income of about $400 billion for Micron in 2026 and 2027, driven by high-bandwidth memory for AI that boosts gross margins to 85-89.5% and operating margins to 81-87%. Bank of America sees even more upside, modeling $236 EPS by 2030 with steady high margins and long-term contracts locking in $100 billion in revenue through then. While some worry about future oversupply risks, the focus remains on AI transforming the memory business from boom-bust cycles to stable, performance-based value, with shares trading near $970 at just 6x forward earnings.

BofA thinks AI may have permanently changed the memory cycle for $MU with the firm seeing a path to $236 of EPS by 2030.

The note also assumes gross margins can hold ~80% as HBM and advanced DRAM consume more wafer capacity while long lead times keep supply structurally tight.

Exhibit 1: Using SNDK-like assumptions (+15% sales CAGR, 80%+ GM, 50%+ FCF Margin), MU EPS power could be $230+, growing at +34% CAGR FY26-30

MU Sales/EPS consensus vs. using SNDK-like assumptions

	BofA	Cons	Consensus				SNDK-like Assumptions			
	FY26E	FY27E	FY28E	FY29E	FY30E	FY26-30E	FY28E	FY29E	FY30E	FY26-30E
Sales ($bn)	$129.3	$248.1	$280.0	$297.9	$280.5	21.4%	$285.3	$328.1	$377.3	30.7%
GM	80.6%	84.5%	78.1%	73.5%	78.0%		80.0%	80.0%	80.0%	
EPS	$73.12	$151.37	$168.91	$168.94	$136.24	16.8%	$168.80	$199.53	$236.16	34.1%
FCF	$55.7	$131.1	$160.3	$170.8	$190.8	36.1%	$142.6	$164.0	$188.6	35.7%
Buybacks	$1.6	$41.0	$77.3	$117.1	$61.7					
Dividends	$0.6	$2.0	$2.5	$1.0	$0.6					
Return %	4.0%	32.7%	49.8%	69.1%	32.7%					

Source: BofA Global Research estimates, Bloomberg, Visible Alpha

BofA GLOBAL RESEARCH

At a Glance: Geopolitical events to watch in **August 2026**

Our monthly Look-Ahead covers a *non-exhaustive* list of key events, issues and themes to watch in the month ahead. The below map intends to serve as an executive summary, providing a list of the issues at a glance. These are covered in more detail in subsequent slides.

United Kingdom
- **All August:** New Prime Minister Andy Burnham is likely to set the tone for his premiership through early statements on cost-of-living measures and his forthcoming ten-year "new plan for Britain".

Iceland
- **29 August:** Iceland will hold a referendum on resuming EU accession talks in light of growing global geopolitical and trade frictions.

Kazakhstan
- **23 August:** Kazakhstan will hold **legislative elections** for the newly created Kurultai, the first election to this new unicameral legislature. This is the first change to the legislative structure in three decades.

US/Mexico/Canada:
- **All August:** US-Mexico negotiations will focus on resolving outstanding issues while negotiations with Canada will be complicated as a result of a new US 50% tariffs on Canada and the Canada-US 30-day countdown for a new cross-border economic/security agreement.

China:
- **Early August:** China's leadership will meet for its summer retreat in Beidaihe. The event provides an opportunity for Party leaders to exchange views on major policy issues.

United States:
- **All August:** The Trump administration will likely keep building its replacement "permanent tariff framework" with a number of Section 301 investigations signaling further tariff actions in the coming weeks.
- **All August:** China-US talks ahead of the next Xi-Trump summit will be a key watchpoint for potential deliverables on trade, investment and AI dialogue.
- **31 August to 1 September:** The G20 Meeting of Finance Ministers and Central Bank Governors may be contentious.

Colombia:
- **7 August:** Abelardo de la Espriella will be inaugurated as Colombia's next president. His administration has vowed significant changes to Colombia's domestic and foreign policies.

US-Iran:
- While continued US and Iranian strikes and bellicose rhetoric threaten an escalatory spiral, mediators and regional actors will continue shuttle diplomacy towards a negotiated offramp.

In the spotlight for August 2026: US-Iran peace talks and **US trade policy**

US-Iran war (all of August)

Expect more volatility – but also efforts to resume dialogue – during August. Tensions escalated significantly in July, with renewed military strikes and the US reimposing sanctions on Iranian oil sales. Both sides appear unwilling to concede for fear of losing ground. While President Trump has suggested that the ceasefire is over, **we retain our assessment that both parties are incentivized to find a near-term resolution** as kinetic attacks will not drive a resolution. That said, we should prepare for more volatility in the coming months as Iran is unwilling to cede control of the Strait of Hormuz and neither side is prepared to lose face. The Yemen-based **Houthi blockade of Saudi Arabia**, announced on 20 July, further heightens risks by threatening crude oil flows via Saudi Arabia's Yanbu on the Red Sea (see map), a terminal which handles about 4 million barrels of crude oil and condensate exports per day.

The persistent security risks will likely continue to drive the Gulf states to reduce their vulnerability to the Strait of Hormuz. Shipping levels through the Strait will periodically be impacted by Iranian threats to navigation and political considerations. Even once dialogue resumes and fighting subsides, **traffic will likely take time to recover** given the challenges of de-mining, a lack of trust between the US and Iran, and Iranian threats. Infrastructure repair to ports, terminals and energy infrastructure, as well as the provision of security guarantees are other factors to watch. Full operational normalization, involving infrastructure repairs, is not expected until 2027 and beyond.

US trade policy (all of August)

When the US 10% global Section 122 tariffs expired **on 24 July**, the Trump administration moved quickly to fill the gap with Section 301 tariffs of 10-12.5% on more than 60 countries. In August, we should expect the Trump administration to **keep building its replacement "permanent tariff framework"** using Section 301 and 232 authorities. The USTR's Section 301 investigations into "structural excess capacity" in 16 manufacturing-heavy economies remains ongoing and could yield new tariffs in the coming weeks. The Trump administration is also pursuing several Section 232 national security investigations with scheduled tariff effective dates of 31 July and 29 Sept. This should keep pressure on countries to strike bilateral deals favorable to the US, spanning trade, investment, industrial and technology concessions.

To watch will be movement on unresolved country-specific issues, e.g., India's tariff talks, the EU's proposed 30% tariff, in addition to continued legal uncertainty as court appeals over the tariffs' legal basis play out. This will set a complex backdrop to the G20 finance ministers' meeting where trade protectionism is already shaping up to be a point of friction.

Key regional ports in the Persian Gulf

Source: Deutsche Bank. For more on the impact of the Iran conflict, see Twenty Miles That Shook the World - Deutsche Bank Research Institute

Key events, issues and themes to watch in **August 2026**

Listed in chronological order

US-Mexico-Canada trade talks (all of August)

The renewal talks are expected to be challenging and potentially protracted. 1 July marked the start of the US-Mexico-Canada (USMCA) trade deal's mandatory six-year joint review process whereby the three countries are required to assess whether to extend the agreement for another 16 years, review it or allow it to move into annual review mode. The US has declined to confirm the renewal of USMCA "in its current form".

In August, we expect further US-Mexico-Canada negotiations focused on resolving outstanding issues (e.g., automotive rules of origin, steel/aluminum, economic security, and issues around agriculture, labour and environment). At the G7 summit, Canada and the US agreed to a 30-day countdown for a new cross-border economic/security agreement, which was extended to 1 August.

In any case, Mexico and Canada are both subject to a 10% Section 301 tariff that took effect on 24 July. In addition, the US 50% tariffs on a range of Canadian goods announced on 20 July, and additional Section 232 investigations (lumber, copper, semiconductors, pharmaceuticals, trucks, critical minerals, etc.) could complicate talks further as Mexico and Canada are top exporters in several of these sectors. The Trump administration is also using the review to push non-trade demands on migration, drug trafficking and defence cooperation.

First weeks of new UK Prime Minister (all of August)

Andy Burnham became the UK's 7th Prime Minister since 2016 on 20 July. He enters office facing a sluggish economy, cost-of-living pressures, and a massive welfare bill. He has pledged this moment as a "circuit-breaker" for Britain and has quickly set out to focus on concrete cost of living measures. In August, we can expect Mr. Burnham to be busy with the early scaffolding for his "No. 10 North" project focused on devolution of power. Mr. Burnham has signaled his priorities will be cost-of-living issues, devolution, public control of essentials, social commitments and longer-term structural reform. UK parliament is typically in summer recess through August, which limits legislative action but gives Mr. Burnham room to set the tone for his premiership with an intention to move quickly on key commitments in the autumn.

Prime Minister Andy Burnham was sworn in on 20 July. Source: House of Commons

Key events, issues and themes to watch in **August 2026**

Listed in chronological order

China-US talks ahead of next Xi-Trump summit (all of August)

Bilateral dialogue to tee up deliverables for the 24 September summit will be a key watchpoint during August. Recent developments – including US allegations of election interference and warnings over Chinese AI models – reinforce our view that relations remain structurally competitive despite the recent stabilisation in ties. Investors should anticipate more, not fewer, bilateral economic restrictions over the medium term.

Nevertheless, there is currently no evidence to suggest these dynamics are likely to delay the next Xi-Trump summit, which will likely go ahead as planned on 24 September. During August, investors should watch for any sign of progress on talks on the Board of Trade (intended to boost non-sensitive trade), Board of Investment (to facilitate investment in non-sensitive areas) and an extension of the Busan agreement – which delayed a range of new economic restrictions until November 2026.

Both sides could also strengthen commitments around AI dialogue, with first talks reportedly expected to happen ahead of the summit. Dialogue on AI was a key deliverable from the May Xi-Trump summit, and both sides could seek to address persistent tensions around the technology, although a major breakthrough appears unlikely.

China's leaders gather for summer retreat in Beidaihe (early August)

The retreat provides an opportunity for Party leaders to exchange views on major policy issues. This year's meeting could potentially cover topics ranging from the conflict in Iran, relations with the EU and US, the implementation of the 15th Five-Year Plan (2026-2031) and early deliberations around the next Party Congress in late 2027.

The retreat primarily serves as an opportunity for internal alignment and consensus building on key domestic and external policy issues. There are no official readouts, but subsequent state media framing, leadership signals, and Party meetings in the autumn could offer clues on the direction of policy debate.