Cross-cutting theme across all four reports: markets are in a "sell the good news" phase for AI infrastructure/semis (TSMC, ASML) even as underlying capex and demand signals remain strongly bullish — several GS voices explicitly frame this as a buying opportunity rather than a trend change, while flagging Iran-related oil risk and the China memory IPO as the two wildcards to watch.

1. Top Stories (7:23 AM ET)

Macro/geopolitical morning briefing

- **Markets opened risk-off**: S&P futures -0.23%, Nasdaq -0.80%, Kospi -6.37%, China/HK diverging (Shanghai -1.85%, HK +1.33% on a 5th straight up day)
- **Korea rate hike**: BOK raised rates 25bp (first hike in 3+ years) and signaled more tightening ahead — inflation running hot on the Iran conflict; watch KRW-sensitive positions
- **Korea also moved to curb single-stock leveraged ETFs** — a sign regulators are worried about retail speculation/AI-driven volatility; bearish for that niche product category
- **Geopolitical overhang persists**: US struck Iran for a 5th straight day; reports Trump is weighing an operation on Kharg Island (a key oil export point) — oil-tail-risk still live
- **Trade friction**: New 25% US tariff on Brazil effective next Wednesday (carve-outs for oil/gas, beef, coffee, oranges, aircraft parts) — watch Brazilian equities/ags exposure
- **Corporate**: Baidu pursuing a US/Hong Kong dual primary listing (opens mainland capital flows); SpaceX trading below its $135 IPO price, with a lockup expiration in early August flagged as a fresh overhang
- **Rating changes of note**: BlackRock upgraded to Overweight (JPMorgan), American Electric Power cut to Neutral (Goldman itself), several new AI-infrastructure-adjacent buy initiations (Synopsys, Cadence, Vertiv, Rambus)
- **Takeaway for investors**: risk sentiment is being driven by a tug-of-war between hawkish central banks/tariffs and an unresolved Iran conflict — defensive positioning bias into the print-heavy day ahead (retail sales, jobless claims, Philly Fed)

2. GS TMT Today 7.16.26

Tech/semis-focused morning note

- **TSMC reported a "good news, bad reaction" quarter**: revenue/profit beat, but gross margin (67.7%) missed the bullish "whisper" of ~70%, and the stock fell -5% pre-market despite the beat
- **Bullish underlying signal being overlooked by the market**: TSMC raised FY26 capex guidance to $60-64bn (from $52-56bn) and FY26 sales growth guide to "above 40%" (from "above 30%") — a strong positive read-through for semicap equipment names
- **Contagion into the broader semi complex**: Korea -7% (SK Hynix -9%), US semis all down 4-8% pre-market (WDC, SNDK, STX, MU) — echoes the ASML sell-the-news reaction from the prior day
- **Rotation theme**: money flowing out of Semis/Memory/Equipment and into Hyperscalers (GOOGL, MSFT, META, ORCL all bid up) — a "pick your AI exposure carefully" signal for investors, not a wholesale AI trade unwind
- **Other stock-specific news**: Uber agreeing to buy Delivery Hero for $14.8bn (major global expansion, funded with cash + new debt); ASML weighing price hikes that could clash with TSMC, its biggest customer; Japan committing to buy 27,500 Nvidia Rubin chips for a domestic robotics AI effort
- **Structural research call**: Global PC shipments trimmed to -14%/-5% YoY for 2026/27E (memory/CPU cost pressure, Windows 10 EOL cycle fading), but AI PCs expected to keep outperforming and reach 82% penetration by 2028 — relevant for PC OEM/component investors
- **Takeaway for investors**: the printed numbers were fine — this is a sentiment/positioning unwind in a crowded trade, not a fundamental derating; may present a buying opportunity in semicap/equipment names if you believe the capex guide over the stock's knee-jerk reaction

3. GS TMT Spec Sales — TSMC/ASML/Telcos

Trading-desk color, more opinionated/actionable

- **Desk view: the ASML/TSMC sell-off is a "spreadsheet trade," not fundamental** — the sales trader explicitly says the market reaction "makes little sense" and states "personally, I would be adding here"
- **ASML specifics bullish**: FY26 revenue guided >10% above Street, capacity guide (+30% EUV units in both 2027 and 2028) excludes any Brainport expansion —

meaning further upside optionality not yet priced in; management also floated potential price hikes into 2027

- **Back-of-envelope EPS upgrades flagged**: ASML 2026 EPS +15%, 2027 +25-30%, 2028 +30%+ — a potentially material re-rating catalyst the market hasn't caught up to yet
- **TSMC capex raise is the real story**: 2026 capex to $60-64bn, capex over the next 3 years "significantly higher" than the past 3 years, plus another $100bn US investment (total $265bn) — reinforces that AI infrastructure spending has a long runway, favorable for the whole picks-and-shovels chain (packaging, advanced nodes, memory)
- **China memory (CXMT) IPO is a double-edged read-through**: pricing Friday, could be China's 2nd-largest listing ever, boosts China's chip self-sufficiency narrative short-term, but raises longer-term oversupply/pricing-pressure risk for global memory names (Samsung, SK Hynix, Micron) — worth monitoring if you're positioned in memory
- **European telecom/media earnings mixed**: Telenor cut guidance again (Norway weakness, stock likely down); Tele2 in-line and reiterated guidance (calling stock unchanged); Publicis beat with a raised bottom-end organic growth guide and higher FCF outlook (positive share reaction expected)
- **Other cross-asset nuggets**: PayPal +17% on Stripe/Advent takeover reports — seen as a bullish read-through for undervalued payments names generally; Intel shifting more Nova Lake production to TSMC (73% global foundry share by 1Q26); component shortages spreading from consumer electronics into servers
- **Takeaway for investors**: this is the most actionable/contrarian of the four notes — it argues the recent semi-equipment sell-off is a buying opportunity, but flags the China memory IPO as a genuine medium-term risk to the memory supply/demand balance

4. GS Morning — FX/EM/Vickie Chang on Oil, Fed & AI

Macro strategy note, most relevant for global asset allocators

- **Oil risk has been "capped" versus the start of the war**: GS now sees only ~$110/bbl upside in a severe Strait of Hormuz disruption scenario (down from ~$150/bbl at war's outset), due to underestimated Middle East supply flexibility and weaker-than-expected Chinese demand (imports down ~1mn bpd YoY)

- **European gas (TTF), not Brent, is the better disruption hedge** — desk recommends long TTF winter given thin European inventories and less market flexibility; a useful hedging idea for portfolios with European energy exposure
- **FX desk frustrated that "soft landing" dollar-bearish data isn't playing out** — Iran escalation and firmer crude are offsetting what would otherwise be broad dollar weakness; energy exporters (BRL, LATAM) outperforming vs. energy importers (EGP, HUF) lagging
- **EM equities framed as "a reset, not a reversal"**: recent EM sell-off (concentrated in AI-capex-linked names) is viewed as positioning-driven, not fundamental — Q2 EM earnings season (consensus +60% YoY, Tech-led) seen as the key catalyst to restore momentum
- **Specific EM trade ideas offered**: long PLN, HUF, ILS, ZAR (dovish central banks / peaked inflation); long TRY, NGN, KZT for carry — actionable ideas for EM currency-focused investors; note MXN/CLP flagged as vulnerable if Fed-hike pricing persists
- **Korea (KRW/BOK) deep dive**: July hike was unanimous and materially more hawkish than May's split decision — GS trading desk is outright long KRW, targeting a break of the 200-day moving average (1,475), partly because Samsung/Hynix's inability to rebound has reduced the equity-hedging flows that had been driving USD/KRW demand
- **Vickie Chang's "big picture" framing**: three themes (oil relief, AI/growth optimism, hawkish Fed) are in a tug-of-war creating range-bound but volatile macro assets; GS expects oil and Fed forces to resolve "modestly benign," but views the **AI theme as the primary source of remaining equity volatility** — the main tail risk is a sustained oil price spike
- **Takeaway for investors**: the strategic message is to stay long risk/EM carry but keep an oil-shock hedge (TTF) in place, and recognize that equity volatility going forward will be driven more by AI-narrative swings than by conventional macro variables

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