SSR Macro Biggest Week for 2Q Earnings (AMZN, AAPL, META, MSFT), Econ Calendar, PCE Inflation 7-26-26

Nvidia in Talks to Provide a $250 Billion Backstop for OpenAI as part of a Massive Data Center Project

Adding to Growth Position in Applovin (APP) for 30% Upside in 1 Year

Betterware (BWMX) Special Situation Idea with 50% Upside in 2 Years

On Middle East Attack Pause, Oil Down 5%, US 10Y Yield down 4 bps

Economic Calendar: The most important economic events next week are Durable Goods Orders, Consumer Confidence, Personal Income, Personal Spending, PCE Inflation, Personal Consumption, and UMich Sentiment

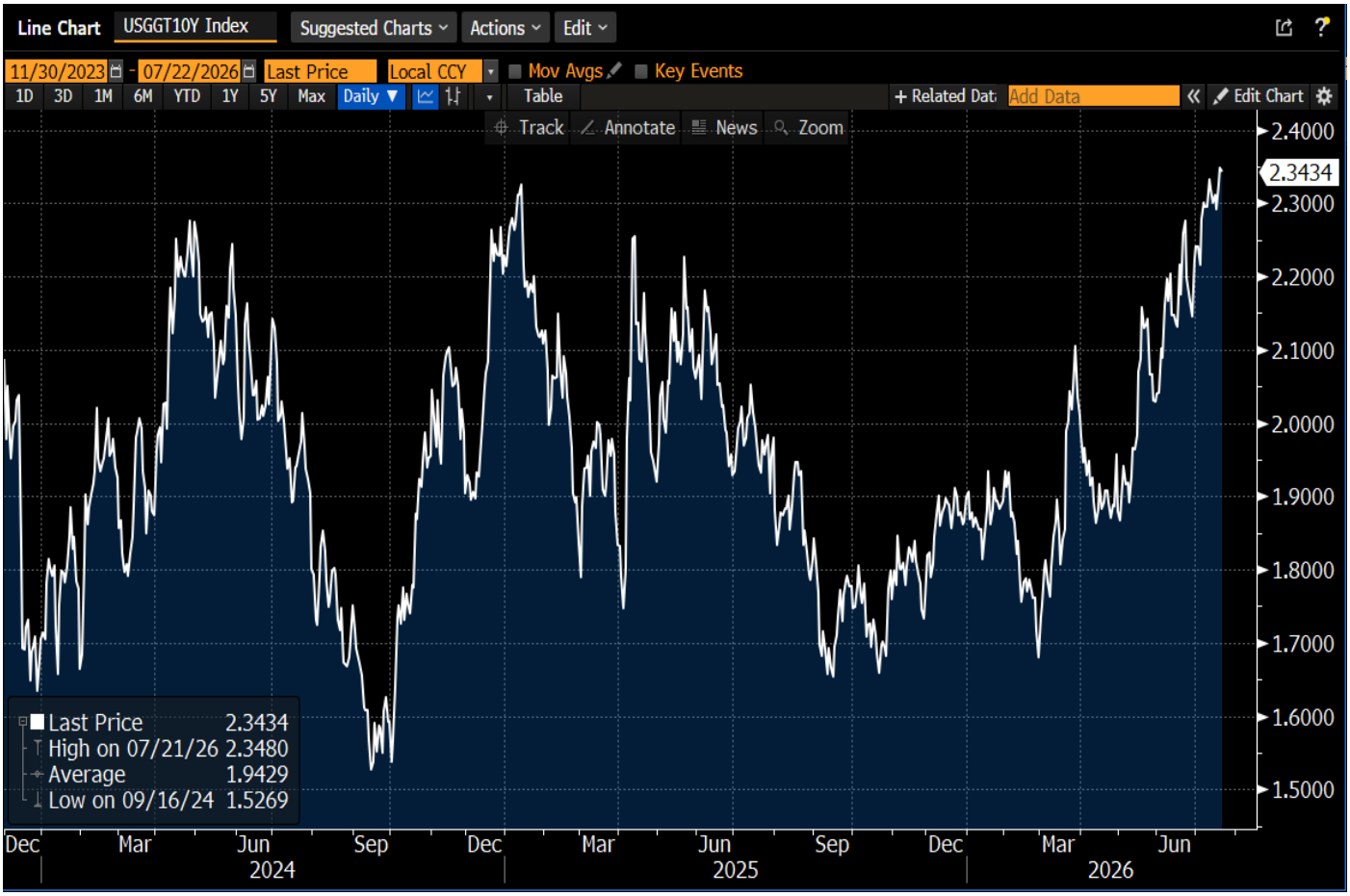
United States | Browse | 22:08:00 | 07/26/26 - 08/02/26

Economic Releases | All Economic Releases | View: Agenda / Weekly

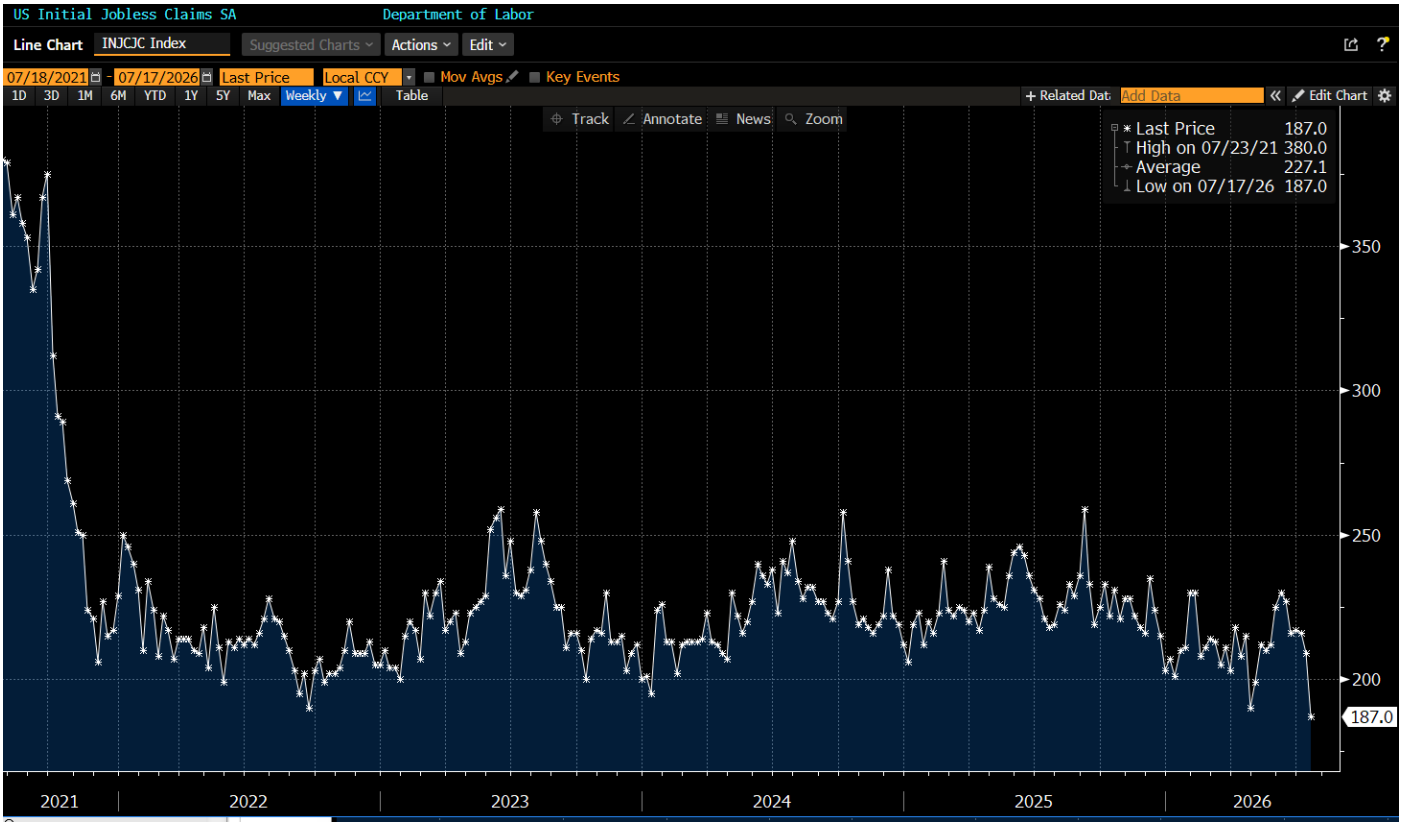
	Date Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	07/27 13:30				Durable Goods Orders	Jun P	1.8%	--	-4.5%	--
22)	07/27 13:30				Durables Ex Transportation	Jun P	0.8%	--	1.4%	--
23)	07/27 13:30				Cap Goods Orders Nondef Ex Air	Jun P	0.8%	--	1.4%	--
24)	07/27 13:30				Cap Goods Ship Nondef Ex Air	Jun P	0.5%	--	0.1%	--
25)	07/27 15:30				Dallas Fed Manf. Activity	Jul	1.1	--	0.0	--
26)	07/28 13:15				ADP Weekly Employment Change	Jul 11	--	--	16.500k	--
27)	07/28 13:30				Advance Goods Trade Balance	Jun	-$100.0b	--	-$105.8	-$105.9
28)	07/28 13:30				Advance Goods Imports MoM SA	Jun	--	--	3.6%	4.0%
29)	07/28 13:30				Advance Goods Exports MoM SA	Jun	--	--	-5.4%	-5.3%
30)	07/28 13:30				Retail Inventories MoM	Jun	0.4%	--	0.6%	--
31)	07/28 13:30				Wholesale Inventories MoM	Jun P	0.5%	--	0.1%	--
32)	07/28 14:00				FHFA House Price Index MoM	May	0.1%	--	-0.1%	--
33)	07/28 14:00				S&P Cotality CS 20-City MoM SA	May	0.00%	--	-0.04%	--
34)	07/28 14:00				S&P Cotality CS 20-City YoY NSA	May	1.30%	--	1.14%	--
35)	07/28 14:00				S&P Cotality CS US HPI YoY NSA	May	1.00%	--	0.85%	--
36)	07/28 15:00				Richmond Fed Manufact. Index	Jul	5	--	4	--
37)	07/28 15:00				Richmond Fed Business Conditions	Jul	--	--	-9	--
38)	07/28 15:00				Conf. Board Consumer Confidence	Jul	92.1	--	91.2	--
39)	07/28 15:00				Conf. Board Present Situation	Jul	117.5	--	116.4	--
40)	07/28 15:00				Conf. Board Expectations	Jul	74.1	--	74.4	--
41)	07/28 15:30				Dallas Fed Services Activity	Jul	--	--	2.9	--
42)	07/29 12:00				MBA Mortgage Applications	Jul 24	--	--	1.9%	--
43)	07/29 19:00				FOMC Rate Decision (Upper Bound)	Jul 29	3.75%	--	3.75%	--
44)	07/29 19:00				FOMC Rate Decision (Lower Bound)	Jul 29	3.50%	--	3.50%	--
45)	07/29 19:00				Fed Interest on Reserve Balances Rate	Jul 30	3.65%	--	3.65%	--
46)	07/29 19:00				Fed Reverse Repo Rate	Jul 30	3.50%	--	3.50%	--
47)	07/30 13:30				Personal Income	Jun	0.3%	--	0.7%	--
48)	07/30 13:30				Personal Spending	Jun	0.3%	--	0.7%	--
49)	07/30 13:30				Real Personal Spending	Jun	0.4%	--	0.3%	--
50)	07/30 13:30				PCE Price Index MoM	Jun	-0.1%	--	0.4%	--
51)	07/30 13:30				PCE Price Index YoY	Jun	3.7%	--	4.1%	--
52)	07/30 13:30				Core PCE Price Index MoM	Jun	0.2%	--	0.3%	--
53)	07/30 13:30				Core PCE Price Index YoY	Jun	3.3%	--	3.4%	--
54)	07/30 13:30				Initial Jobless Claims	Jul 25	200k	--	187k	--
55)	07/30 13:30				GDP Annualized QoQ	2Q A	2.1%	--	2.1%	--
56)	07/30 13:30				Initial Claims 4-Wk Moving Avg	Jul 25	--	--	207.50k	--
57)	07/30 13:30				Personal Consumption	2Q A	2.3%	--	0.5%	--
58)	07/30 13:30				Continuing Claims	Jul 18	1800k	--	1796k	--
59)	07/30 13:30				GDP Price Index	2Q A	3.7%	--	3.6%	--
60)	07/30 13:30				Core PCE Price Index QoQ	2Q A	3.5%	--	4.4%	--
61)	07/31 13:30				Employment Cost Index	2Q	0.8%	--	0.9%	--
62)	07/31 14:45				MNI Chicago PMI	Jul	56.0	--	56.7	--
63)	07/31 15:00				U. of Mich. Sentiment	Jul F	54.0	--	54.4	--

10-year yield up 5 bps, driving chance of a rate hike in July to 40%... $TLT, Bessent probably crying in the bathroom

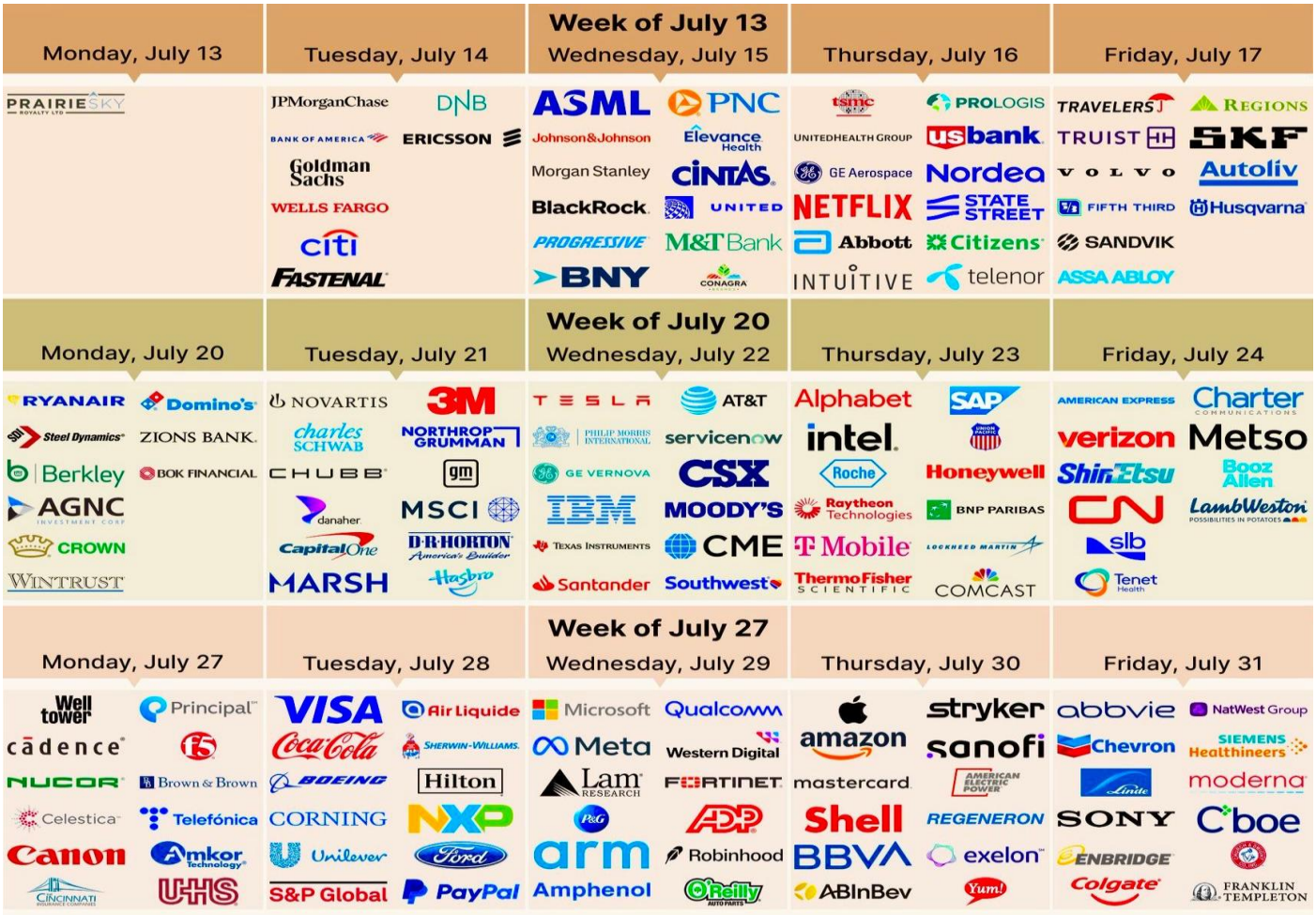
Real yields on U.S. 10-year Treasuries have reached the highest since 2023.



US initial jobless claims just came in at the lowest level since 1969.



Extended Earnings Calendar



Short Interest (Short Covering Soon)

Short interest in the S&P 500 has climbed to around 3.7% of free float, one of the highest levels since 2010. This indicates that hedge funds and other investors are increasingly betting on a decline in U.S. equities despite the market trading near record highs.

The TACO Index

Analysts at Signum Global Advisors led by Andrew Bishop have created a "TACO index" to attempt to discern when Pres Trump might de-escalate the Iran situation.

The index is comprised of Brent crude, the 10-year yield, the number of Hormuz crossings, and the SPX.

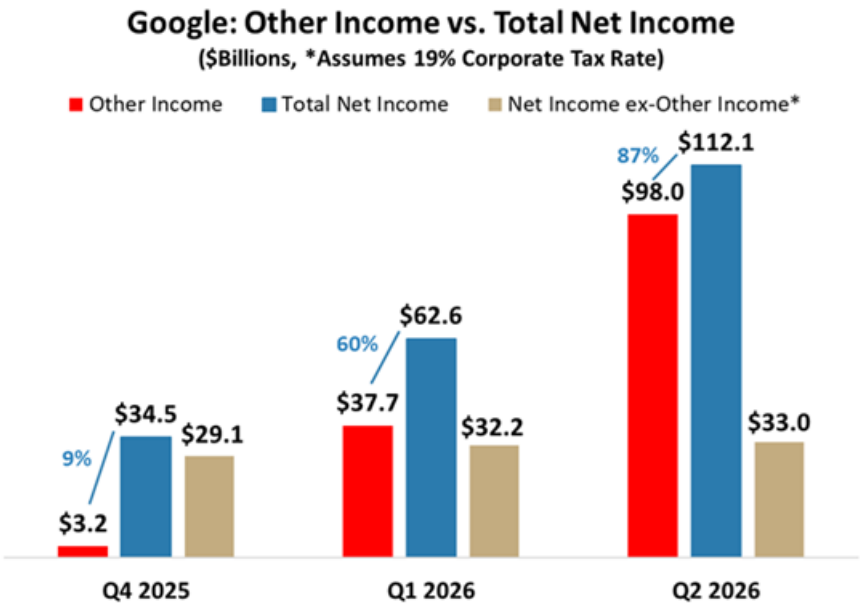
In backtesting they found that a 2.3 to 3.4 standard deviation move — or an average of 2.9 standard deviations -- has seen action from the President in the past.

Putting that in today's terms, the analysts find it's not yet time to TACO — but it's getting closer. "Extrapolating linearly would suggest that a TACO could happen as early as July 22 and 'should' happen no later than July 30 (unless conditions materially improve, which seems unlikely) – with history suggesting July 26 as most likely," they said.

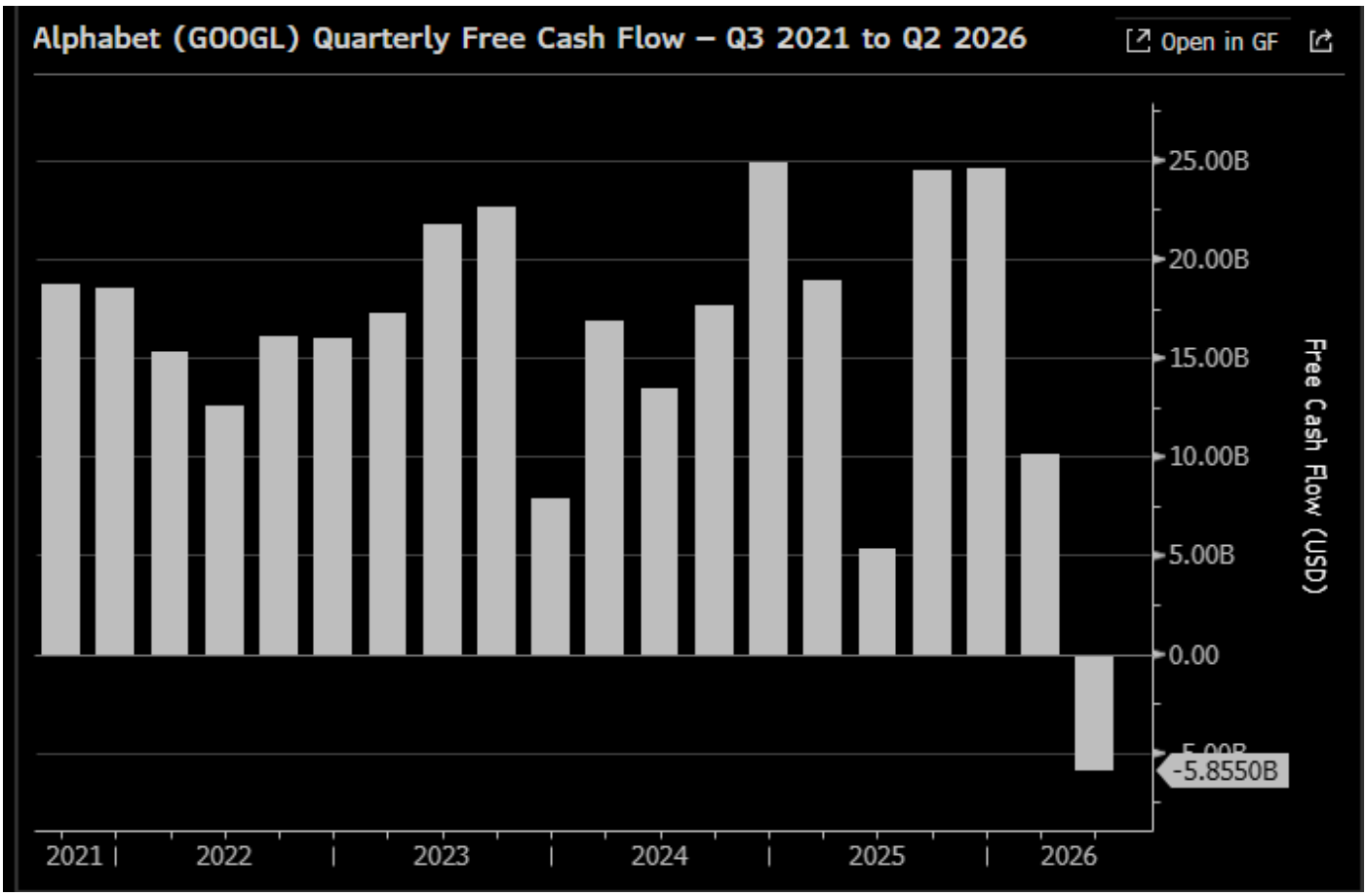
SIGNUM GLOBAL ADVISORS

Google Earnings Disappoint

87% of Google's record $112 billion net income in the 2nd quarter came from historic markups in its equity investments (SpaceX/Anthropic/etc). Without this "other income" Google's net income would have shown a modest 2% increase from Q1 to roughly $33 billion.



Alphabet highlights how much the hyperscaler landscape has changed. These companies used to be cash-producing machines. Now, Google's parent company just posted its first negative free cashflow quarter since at least 2016.



Alphabet Inc. raised its capital spending forecast to a range of $195 billion to $205 billion this year, up from a previous forecast of $190 billion.

The company's quarterly cash flow was negative for the first time since going public, with negative free cash flow of $5.9 billion in the period, and its cloud revenue totaled $24.77 billion, up 82% from a year earlier.

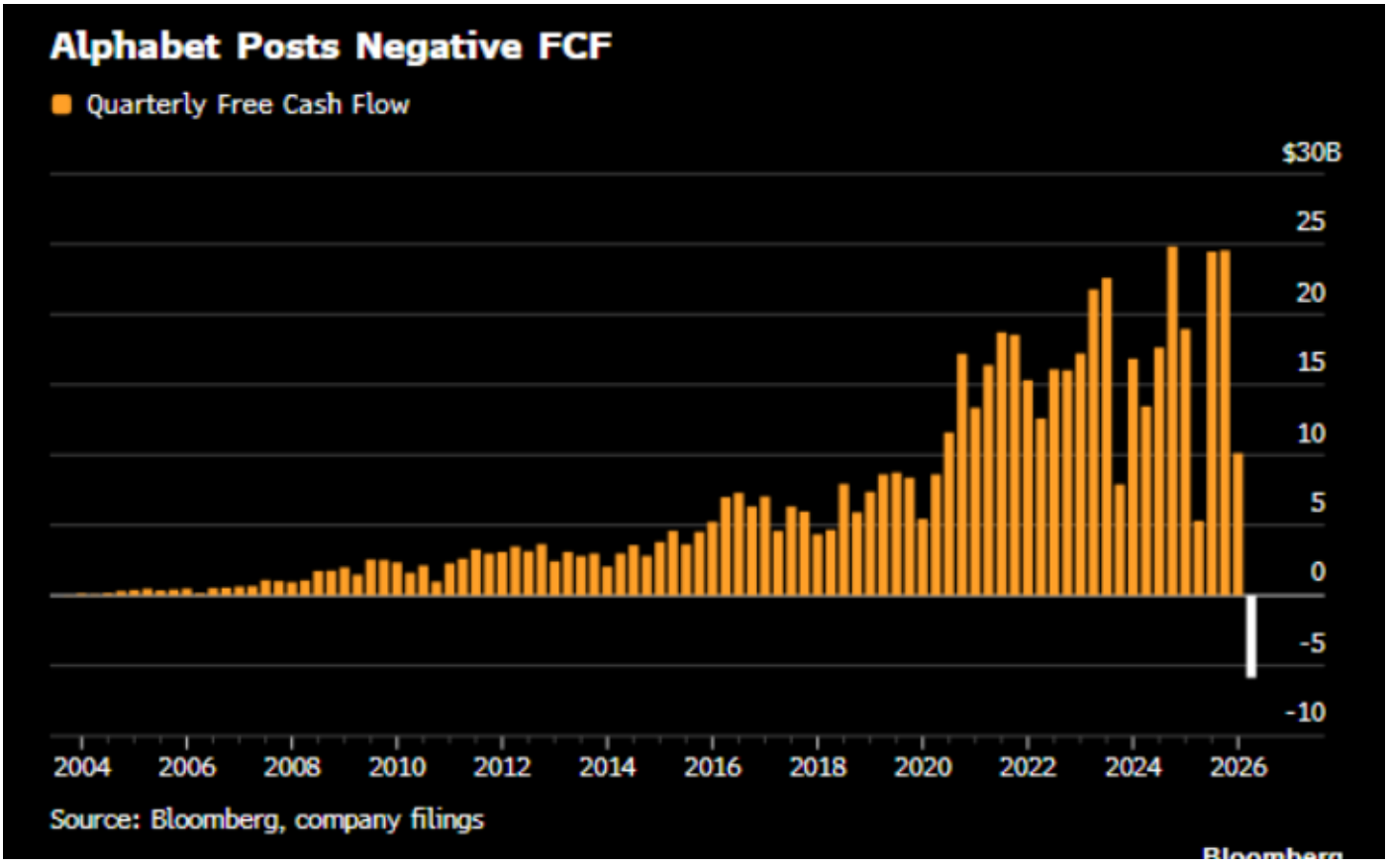
Alphabet's investment portfolio has become a source of upside for the company, with gains in the value of its investments totaling nearly $100 billion for the quarter, sending net income soaring.

Shares fell more than 6% on Thursday. It was a reminder that the full cost of Silicon Valley's AI rivalry is still largely unknown.

Alphabet was the first of the big tech companies to report quarterly results. Meta Platforms Inc., Microsoft Corp. and Amazon.com Inc. follow next week. Altogether, the four companies telegraphed in April that they'd be spending as much as $725 billion this year on their AI ambitions. If Alphabet is any indication, that sum will be larger by the end of next week. That's even while the returns on those investments remain unclear.

Alphabet's bigger spending plan "does not sit well," Investing.com senior analyst Thomas Monteiro said. "Add to that an increasing rates environment and a continuous supply-demand crunch in AI infrastructure, and the notion that the company would fund itself with cash flows forever might be starting to fade."

In another indication of the immensity of Alphabet's capital spending, the company's quarterly cash flow was negative for the first time since going public more than two decades ago, according to data compiled by Bloomberg. Negative free cash flow came in at $5.9 billion in the period.



The company said the higher guidance reflects its efforts to accelerate an expansion of AI computing capacity and book more revenue from cloud-computing clients.

It stands to intensify investor scrutiny of AI investments. Wall Street has been looking for more convincing evidence that Alphabet's massive bet on the technology, and those of its chief rivals, are generating new growth rather than weighing on profits.

Alphabet's second-quarter results demonstrated some progress in that respect. Cloud revenue totaled $24.77 billion for the period ended June 30, up 82% from a year earlier and above the $22.46 billion that analysts had expected. The company's cloud backlog, a measure of contracted work that hasn't yet been recorded as revenue, grew to $514 billion, up from roughly $460 billion a quarter earlier.

Cloud demand was "powered by strong demand for AI infrastructure and AI solutions," Chief Executive Officer Sundar Pichai said on the call with analysts

Google Cloud has emerged as one of the clearest tests of whether Alphabet's AI spending can deliver financial returns. Though it still trails behind Amazon Web Services and Microsoft Azure, the unit has become one of Alphabet's fastest-growing businesses, fueled by demand from AI startups and enterprise customers seeking the infrastructure needed to develop and deploy AI applications.

The cloud sales beat is at least a clear sign that the company's investments are "converting into fast-growing, profitable revenue, with contracted deals coming online the moment capacity is built," Monteiro said.

Google said the majority of its cloud backlog involves typical contracts with "a broad mix of customers" and that it expects to recognize more than half of it as revenue over the next 24 months.

Search advertising generated $63.27 billion in sales, falling slightly below estimates. The unit remains the backbone of Google's advertising business and has so far weathered competition from AI chatbots. The longer-term question for investors is whether its AI model Gemini can help Google defend its position in search as the way people interact with information changes.

Monthly active users of Google's Gemini AI system totaled 950 million, above estimates but below first-quarter totals. "Gemini is now within a whisker of becoming Google's third different one billion-user consumer AI product, alongside AI Overviews and AI Mode," Emarketer principal analyst Nate Elliott said.

Google has continued to expand the Gemini family, introducing new models such as Gemini 3.6 Flash designed to improve efficiency and support enterprise AI applications. Yet delays to Gemini 3.5 Pro have raised questions about how Google plans to position the model across consumer products and developer tools, including in AI coding, where rivals Anthropic and OpenAI have gained traction with developers.

At the same time, Pichai sought to shift attention to Gemini 4, saying on the call that he was encouraged by its progress and describing it as a much larger, next-generation frontier model that Google is prioritizing in training

With the launch of Gemini 4, Google will begin releasing models at a faster clip, issuing new ones "almost at a monthly cadence," Pichai said. That would bring Google into parity with rivals Anthropic and OpenAI, which both churn out regular updates.

The video platform YouTube reported $11.1 billion in revenue, beating analysts' estimates. The unit remains one of Alphabet's strongest businesses, as YouTube expands its reach across connected TVs, creator-led programming and new AI-powered tools for viewers and creators.

"YouTube is a little better than the past, breaking a multi-quarter losing streak, but it too feels like it should be doing better in this environment," said Brian Mulberry, chief market strategist at Zacks Investment Management.

Alphabet's investment portfolio has become a source of upside for the company, with stakes in companies including Anthropic PBC and SpaceX. Gains in the value of Alphabet's investments totaled nearly $100 billion for the quarter, sending net income soaring. The company said its equity holdings include $94 billion in SpaceX shares, $80 billion of which has short-term sale restrictions, and the rest long-term, according to its quarterly filing.

Alphabet's Other Bets division, which houses long-term ventures including life sciences company Verily and self-driving car unit Waymo, generated $382 million in revenue, falling below estimates. Alphabet has continued pouring resources into Waymo, while seeking to give some of its other experimental ventures more independence as standalone companies, Bloomberg has reported.

The company said Wednesday that capital expenditures were $44.92 billion in the second quarter, which also exceeded Wall Street's expectations of $44.15 billion. Total sales, excluding partner payouts, were $103.6 billion in the second quarter, surpassing the $101.07 billion average analyst estimate. Net income was $9.11 a share, well above Wall Street's forecasts.

GOOG Contracted Spending

Alphabet Inc.'s Google had $811 billion in contracted future spending commitments at the end of June, up nearly $500 billion from just three months earlier.

The obligations, disclosed separately from Alphabet's capital expenditure budget, represent purchases the company has already committed to making under supply agreements and open purchase orders. Roughly $200.7 billion of the total were short-term, Google disclosed in a quarterly filing.

The commitments cover everything from chips and data centers to electricity, inventory and content licenses. The sharp increase underscores how quickly Alphabet is locking in resources as it expands the infrastructure that powers its AI business.

Dan Niles on Mag7 Earnings Preview

Last Sunday, I previewed caution on capex spenders & more optimism on their customers. This past wk, Mag7 (spenders) -5.8%, while Semi Index (customers) +1.2% with S&P -0.6%. This wk, we get earnings from four of the Mag7 for a more complete picture.

Last week, WTI +8% and yields across the 2-30 yr curve increased by 9-15 bps, which was also a major issue for equity markets. De-escalation in Iran over the weekend should help both oil prices and yields during the start of this upcoming week. I continue to believe November 3rd mid-terms put a powerful impetus on the US administration to get oil prices down well before then.

This is my current framework for AI investing:

Positives:

1) The advent of Agentic AI on January 30th with the formalization of OpenClaw will drive 10-100x more token production.
2) Microprocessor vendors benefit in the move from 8 to 1 GPUs per CPU to ~unity in the move to Agentic AI.
3) The current philosophy of the hyperscalers that they cannot afford to lose the AI race keeps me more bullish on the recipients of that capex spend than the spenders.

Negatives:

1) AI native revenues will be determined in the near-term by the trade-off between the top 1% of companies focusing on controlling their AI spend vs the ramp of the other 99% given the move from token maximization in March to token minimization by June.
2) Part of that control of AI spend will come at the expense of non-security software companies, IT services and headcount.
3) The cost of money is also more expensive which is a headwind to equity multiples. 11 of the major central banks have gone from cutting rates from roughly 2.7% in July of 2025 to 2.4% by early February to raising them to 2.6% today. At the same time, 10 year treasury yields across the 11 associated countries stayed flattish at roughly 3.2% from July of 2025 through February and has now risen to 3.8%.

For megacap earnings this week, my belief is much like last week, ROIC (the interplay between capex and future EPS estimates) is likely to have an outsized impact on the near-term direction in stock prices.

$META

should have benefitted from increased engagement during the World Cup. But Meta revs grew 27% in Q3:25 vs 22% in Q2:25 creating tough comparisons for the Q3:26 guide. In addition, a potential launch of a public cloud and LLM API may embolden Meta to increase capex spend. Fortunately, valuation in the teens is low vs 22x CY26 PE for the S&P.

$MSFT

Azure has a high bar given Google GCP revs accelerated from +63% y/y in CQ1 to 82% in CQ2. But I wonder if the focus on AI cost control is an increasing tailwind for Co-Pilot. It operates natively within the Microsoft 365 ecosystem where enterprise work already happens. But Microsoft owns 27% of OpenAI which I remain negative on given they are caught between Google in consumer AI and Anthropic in enterprise.

$AMZN

AWS rev growth also has a high bar to clear due to GCP. In addition, higher oil prices are likely to be pressuring the logistics cost of their e-commerce business as well as consumer purchasing power. The shift of their 4 day Prime event to late June from early July should benefit Q2 but at the expense of Q3 guide.

$AAPL

is benefitting from the AI capex spend of others, especially their partner, Google. But I believe CQ3/CQ4 estimates are too high for both revenues and margins (due to rising semiconductor prices) and valuation at a 37x PE is expensive. From a longer-term perspective, I remain bullish on the potential upgrade cycle from a foldable phone with AI enabled Siri.

Further Insight on Google Pricing from Max Anderson

As someone who has personally spent $500k / mo+ on Google Ads for years, I can tell you with certainty:

- This revenue growth in Search is artificial & extremely unhealthy for Google's business long term
- Search volumes are declining as legacy search is being increasingly cannibalized by non-monetized LLM queries

Google's response?

- Manufacture revenue growth via short-sighted, highly extractive, customer-hostile tactics. I.e. charge advertisers more for lower quality clicks, including clicks they do not want and explicitly did not approve Google to charge them for

A few examples to illustrate:

- For all of its history until recently, Google operated on a 2nd price auction model
- I.e. if you bid $5 CPC and the next highest bidder bids $1 CPC, Google charged you $1.01 for the click (one penny more than the 2nd highest bidder) rather than the $5 you bid
- This was a genius move by Google early on as it incentivizes advertisers to input their true maximum willingness to pay rather than trying to play the game of bidding low and constantly adjusting to try to stay just ahead of the next highest bidder while still not paying too much
- However recently, Google silently deprecated the 2nd price auction and began charging advertisers as much as their bid and budget caps allow, regardless of what anyone else is bidding
- It's a short-sighted cash grab at the expense of the long term health of the advertiser ecosystem

Making thing worse, Google also recently nerfed keyword targeting precision

- Google previously had precise keyword targeting settings that allowed advertisers pick individual search phrases to bid on, defined down to the character w/ exact match or phrase match targeting
- This was one of the core features that made search advertising magic, enabling advertisers to run extremely precise campaigns based on exactly what their target customer typed

But now, even if you bid on a specific term or phrase using the strictest exact match targeting settings, Google will show your ad across 1000's of unrelated keywords, labeling them as as "exact match (close variant)"

- The definition of "close variant" means whatever they want it to and changes constantly. The result is advertisers get billed for clicks that are totally irrelevant to their business and that their targeting settings explicitly forbid Google from targeting. Google does it anyway and there's no ability to turn this off
- So now exact match is broad match, and broad match is just meaningless spam
- This is all very bad for advertisers, but for Google, it allows them to show your ad and bill you for clicks across 1000x more searches that were previously going unmonetized (mainly because they're garbage queries no one wants)
- This is how you grow revenue atop declining search volumes

Lastly, and perhaps most egregiously, Google quietly stopped respecting budget caps by a factor of 2x. For example campaigns we've been running for years with $1000 daily budget caps suddenly began spending $2000+ per day

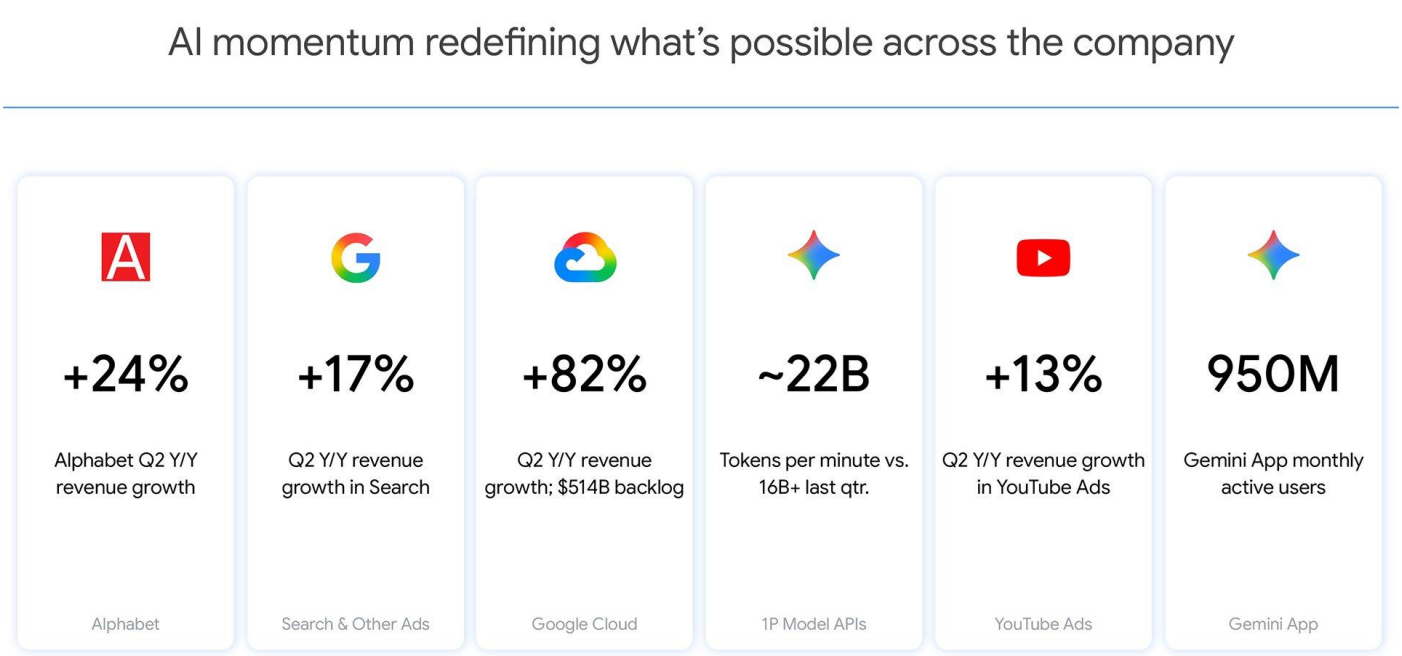
- And the extra spend is entirely on the garbage keywords Google arbitrarily throws in as "exact match (close variants)" which have no value to our business, but can't be turned off

Google offers no refunds nor any recourse for overspend or spend on keywords you explicitly did not target

These are not the actions of a healthy business. These are the actions of company whose core business is in decline but desperately needs to pump quarterly earnings so Wall Street will continue to fund insane capex while hopefully looking through their rapidly deteriorating negative free cash flow

Google operated a benevolent monopoly for the better part of 25 yrs

- Meaning the value Google captured from Search was but a small fraction of the value it created, and that spread produced a potential energy that justified expectations of high earnings growth far, far into the future
- This is now no longer the case
- At the alter of AI capex, Google is sacrificing the golden goose



Betterware (BWMX) Special Situations Update

Betterware de Mexico SAPI de CV sells household products. The Company offers furniture, sink, electronics, utensils, laundry equipment, cleaners, bath accessories, personal care, and other goods. Betterware de Mexico serves customers in Mexico.

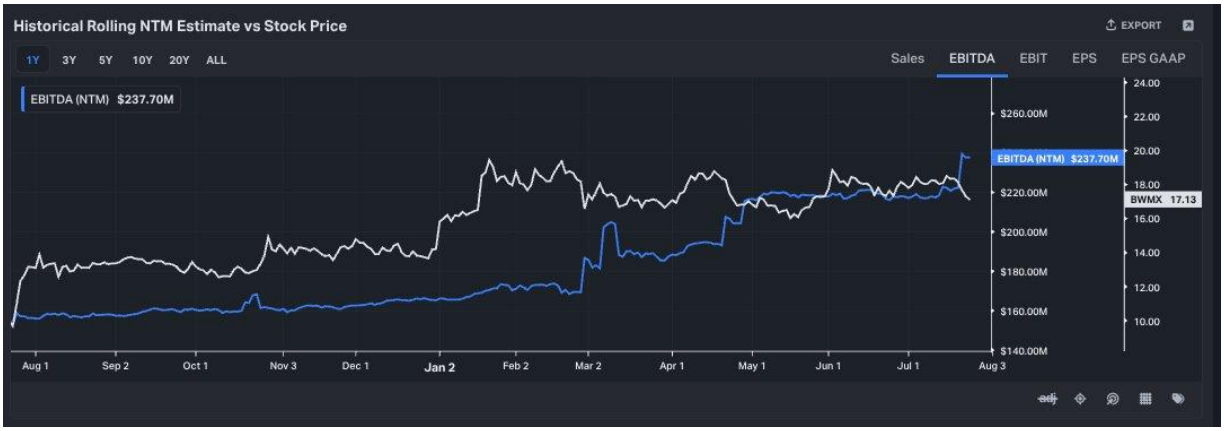
The core value thesis for Betterware de México (NASDAQ: BWMX) centers on a severe market disconnect: operational earnings power is surging, yet the market multiple is shrinking.

BWMX US $ ↓ 16.73 -0.58 N16.73 / 16.90N 900 x 100
On 24-Jul d Vol 142,806 O 17.32 H 17.6871 L 16.50 Val 2.428M

Betterware de Mexico SAPI de CV IFRS 16 Periodicity Annuals Cur FRC (MXN)

In Millions of MXN 12 Months Ending	2022 Y 12/31/2022	2023 Y 12/31/2023	2024 Y 12/31/2024	2025 Y 12/31/2025	Current/LTM 06/30/2026	2026 Y Est 12/31/2026	2027 Y Est 12/31/2027
Market Capitalization	4,670.8	8,809.7	8,703.9	9,553.9	10,883.7		
- Cash & Equivalents	815.6	549.7	296.6	311.9	521.1		
+ Preferred & Other	1.2	-1.6	-1.7	-1.8	-1.8		
+ Total Debt	6,440.6	5,520.1	5,169.5	4,464.4	7,771.5		
Enterprise Value	10,296.9	13,778.5	13,575.2	13,704.6	18,134.3		
Revenue, Adj	11,507.5	13,009.5	14,100.8	14,264.6	14,873.9	17,391.7	20,038.7
Growth %, YoY	14.3	13.1	8.4	1.2	5.0	21.9	15.2
Gross Profit, Adj	7,928.5	8,748.7	9,580.5	9,506.5	9,850.3	10,635.0	12,343.8
Margin %	68.9	67.2	67.9	66.6	66.2	61.2	61.6
EBITDA, Adj	2,338.0	2,720.9	2,078.4	2,662.7	2,839.0	3,439.7	4,340.0
Margin %	20.3	20.9	14.7	18.7	19.1	19.8	21.7
Net Income, Adj	903.0	1,016.5	821.5	1,112.9	1,234.0	1,708.7	2,092.7
Margin %	7.8	7.8	5.8	7.8	8.3	9.8	10.4
EPS, Adj	24.20	27.24	22.01	29.82	33.08	45.47	48.19
Growth %, YoY	-40.61	12.56	-19.19	35.48	115.89	52.46	5.98
Cash from Operations	935.5	1,759.5	1,243.2	1,860.7	2,325.5		
Capital Expenditures	-175.7	-131.1	-222.3	-114.4	-302.3	-293.5	-331.0
Free Cash Flow	759.9	1,628.5	1,020.9	1,746.4	2,023.2	2,013.9	2,709.0

$BWMX NTM EBITDA estimates up 50% in the last year, while EV/EBITDA has fallen 30%. Now trading at 3.8x 2027e EV/EBITDA.



High Free Cash Flow to Equity (FCFE) Yield: BWMX converts over 80% of its EBITDA into free cash flow (TTM FCF/EBITDA is 83.2%), driving an implied FCF yield of >20–23%.

Capital Return: Pays a sustainable growing dividend yield of ~8.6% (~$0.36 USD per share quarterly), marking 26 consecutive quarters of payouts.

Strategic M&A Catalyst (Tupperware LatAm)

- Immediate Accretion: In its first consolidated month alone, Tupperware LatAm contributed 10.8% of net revenue and ~16% of consolidated EBITDA.
- Earnings Boost: Management estimates pro forma trailing 12-month EPS is ~36% higher with Tupperware integrated than on an organic-only basis.
- Manageable Leverage: Pro forma net debt to EBITDA sits at 1.6x, down from a brief 2.6x peak right at transaction closing.

Why the Mispricing Exists

- Direct-Selling Discount: Wall Street habitually applies low valuation multiples (3x–6x EV/EBITDA) to direct-to-consumer / direct-selling networks due to perceived distributor churn risks.
- Emerging Market / FX Headwinds: Exposure to Mexican Peso and Brazilian Real fluctuations causes macro-driven investor hesitation.
- M&A Digestion: Short-term noise around acquisition integration costs and temporary promotional expenses initially masked organic margin expansion.

Betterware de México (operating as BeFra, $BWMX) reported strong Q2 2026 results, highlighted by the initial consolidation of the Tupperware Latin America acquisition.

Headline Figures (Q2 2026)

Metric	Reported Figure (MXN)	USD Equivalent (Approx.)	YoY Change
Net Revenue	Ps. 4.16B	~$237.8M	**+16.8%**
EBITDA	Ps. 780.4M	~$44.6M	**+25.4%**
EBITDA Margin	18.8%	—	**+140 bps**
Net Income	Ps. 394.6M	~$22.6M	**+20.6%**
Diluted EPS	Ps. 10.00	~$0.57 USD	**+14.2%**

Key Quarter Takeaways

- The Tupperware Accretion Begins: Despite including only one month of Tupperware LatAm consolidation in Q2, the brand immediately contributed 10.8% of consolidated revenue and ~16% of total EBITDA. Management noted that on a pro forma trailing 12-month basis, earnings are 36% higher with Tupperware integrated than on an organic basis.
- Organic Performance: Core segments showed steady momentum: Betterware revenue grew +3.6% to Ps. 1.51B, while Jafra revenue rose +4.5%.
- Free Cash Flow & Leverage: Cash generation remained robust, with Q2 Free Cash Flow hitting Ps. 578M (74.1% EBITDA conversion). This supported ongoing deleveraging, bringing pro forma net debt-to-EBITDA down to 1.6x.
- Upgraded FY2026 Guidance: On the back of the deal, management significantly raised full-year 2026 revenue growth guidance from 4–8% to 18%–22%, while maintaining an EBITDA margin target of >19%.
- Sustained Dividend: The board authorized a quarterly dividend of Ps. 250M (~$0.361 USD per share pre-tax), marking their 26th consecutive quarterly payout.

Momentum Selloff Ending?

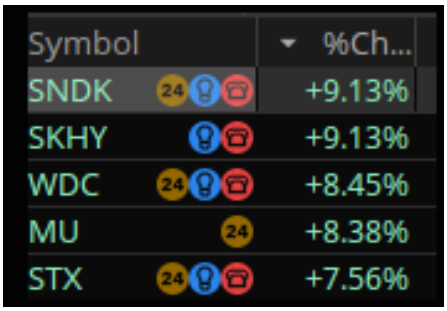
The sharp selloff in momentum stocks may be nearing its end, creating an opportunity for investors to start rebuilding positions in AI and semiconductor shares, according to UBS' trading desk.

Part of the reason the sector may be finding a floor is that much of the speculative positioning has already been unwound. Hedge funds have cut long positions in momentum and semiconductor stocks by about 5% of gross market value, one of the largest reductions on record, according to UBS' prime brokerage data.

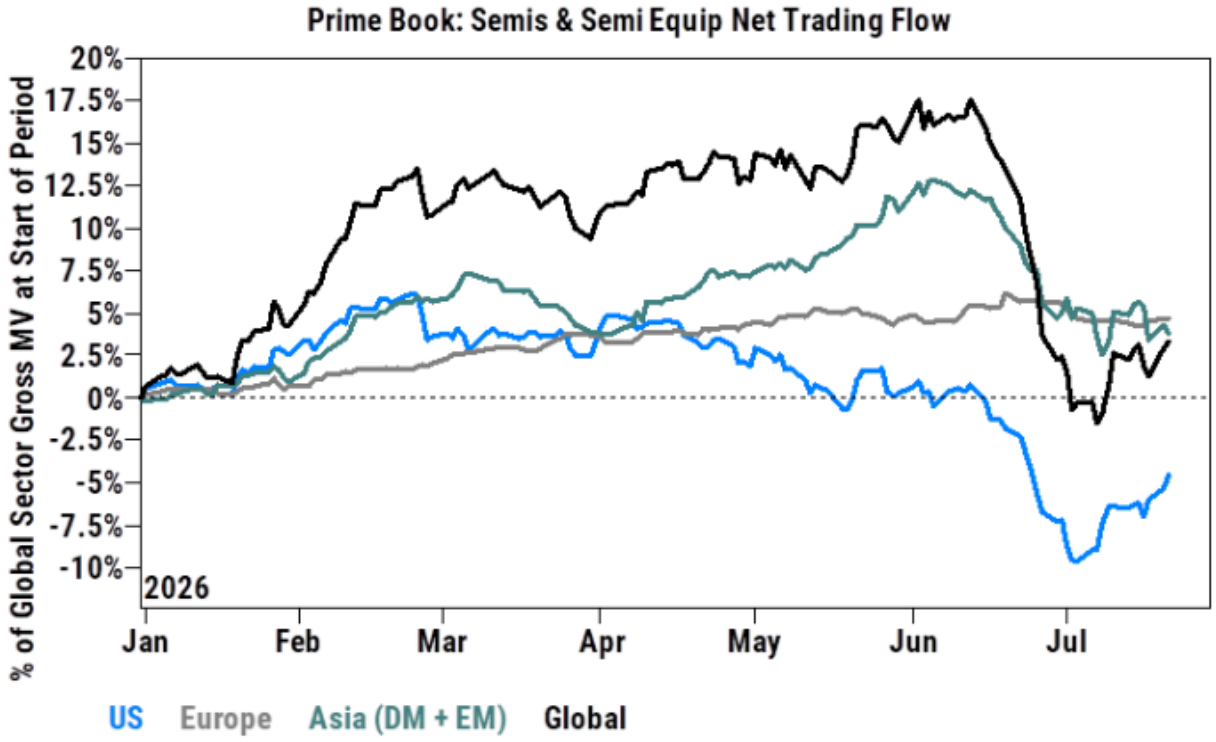
Still, pressure is building for companies to justify their AI spending. With skepticism mounting about the hundreds of billions of dollars being poured into data-center development, earnings reports over the next two weeks will be scoured for evidence that the investments are generating bigger returns. Tesla Inc. and Alphabet Inc. kick off big tech's reporting season on Wednesday.

- Morgan Stanley predicts 25% memory price rise on AI demand
- Micron's HBM production sold out through 2027 supports outlook

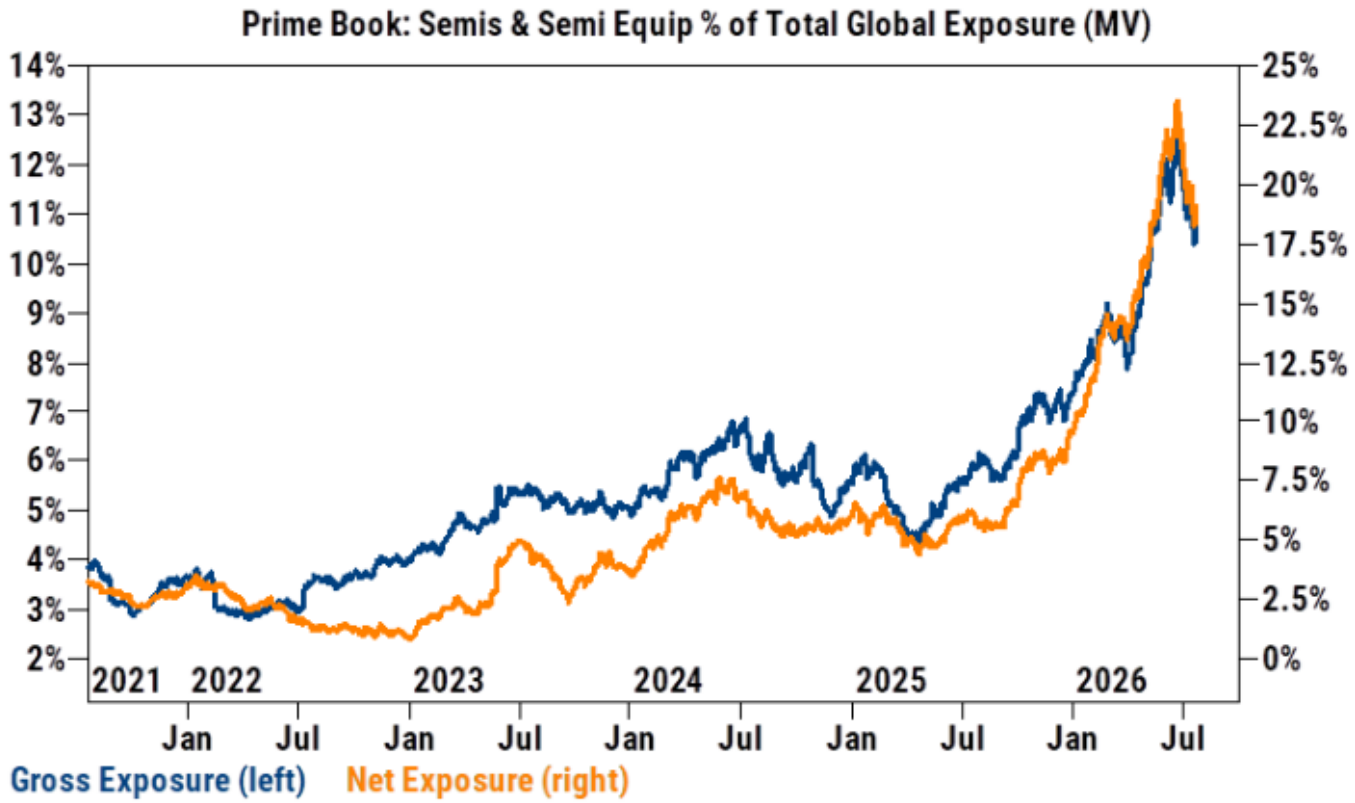
7/21/26



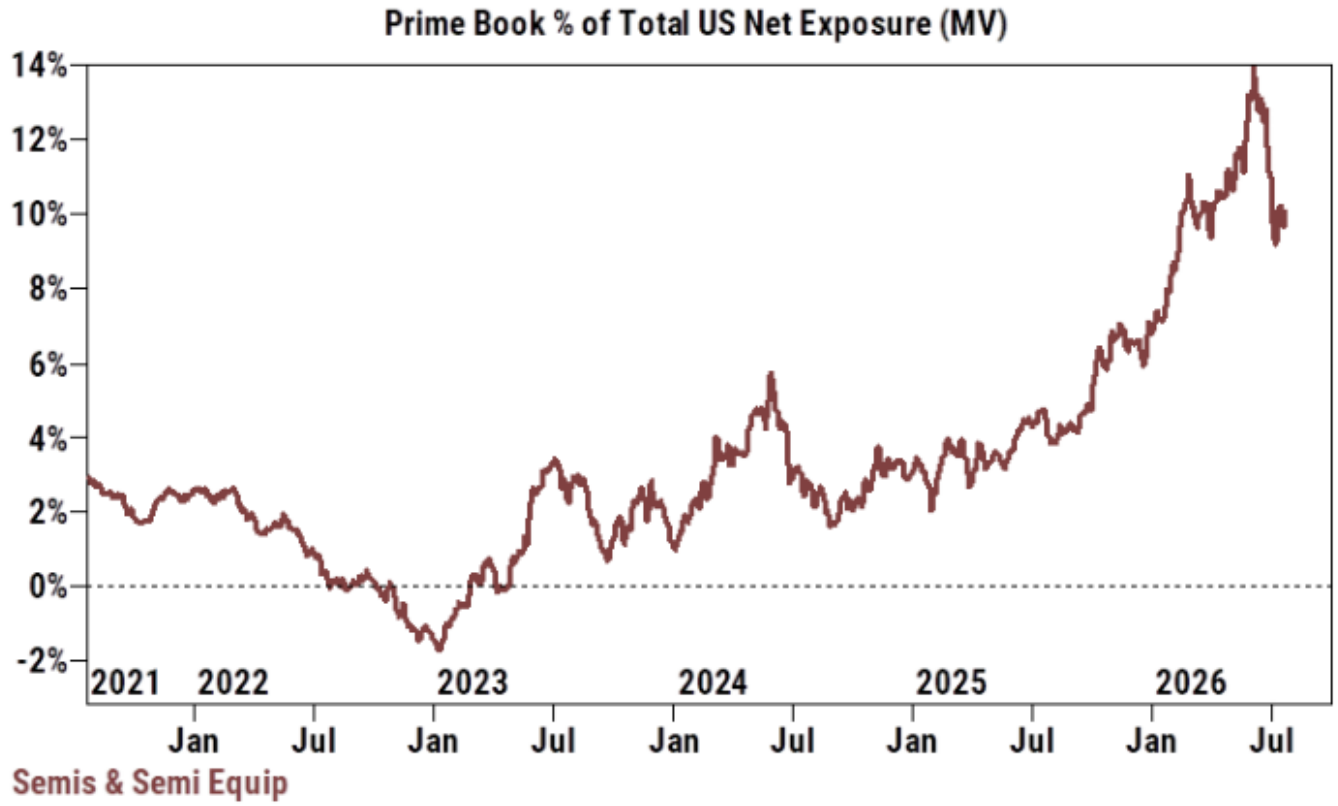
Since the middle of June, HFs have reversed ~80% of the cumulative net buying in global Semis & Semi Equip names YTD (but started buying again last week



Net allocation in global Semis & Semi Equip stocks (as % of total global Prime book) started this year at ~10%, more than doubled to ~24% in June (record high), and is now at ~19% (84th percentile 1-year, 97th percentile 5-year)...



Net allocation in US Semis & Semi Equip stocks (as % of total US Prime book) started this year at ~7%, roughly doubled to ~14% in June (record high), and is now at ~11% (79th percentile 1-year, 96th percentile 5-year)...



Trump to add new 10% tariffs for several countries as current tariffs expire:

The Trump administration announced a new wave of tariffs ranging from **10% to 12.5%** on 60+ trading partners.

The Background: Why the Shift Occurred

1. **Supreme Court Defeat:** In February 2026, the Supreme Court struck down President Trump's sweeping "Liberation Day" emergency tariffs.
2. **Stopgap Measure:** The White House immediately instituted a temporary 10% global tariff using Section 122 of the Trade Act of 1974. By law, this stopgap measure was limited to 150 days and **expired on July 24, 2026**.
3. **The New Authority:** To replace the expiring duties, the Office of the U.S. Trade Representative (USTR) turned to **Section 301 of the Trade Act of 1974**.

Key Details of the New Tariffs

1. Legal Justification
The administration cites **forced labor prohibitions**, asserting that targeted trading partners have failed to adequately ban or restrict goods produced using forced labor in their global supply chains.

2. Tiered Rate Structure

- **10% Rate:** Applied to around 20 partners that the U.S. views as having made commitments or taken legal steps to adopt forced labor import bans (e.g., the **UK, European Union, Canada, Mexico, and India**).
- **12.5% Rate:** Applied to nations deemed non-compliant or lacking adequate prohibitions (e.g., **China, Japan, South Korea, Australia, and Brazil**).

3. Key Exemptions & Carve-Outs

- **Commodities:** Oil, natural gas, fertilizers, and certain goods not produced domestically in the U.S.
- **Existing Sectoral Tariffs:** Goods already subject to specific national security tariffs (e.g., steel, aluminum, and auto products) will not receive double-stacked duties.

Context Behind the Tariff Shift

1. **Expiration of Section 122 Stopgap Levies:** Following the U.S. Supreme Court decision invalidating initial broad reciprocal tariffs, the administration enacted temporary 10% global duties under Section 122 of the Trade Act of 1974. Because Section 122 limits emergency tariffs to a maximum of 150 days without congressional approval, those stopgap duties expired.
2. **New Section 301 Basis:** To replace the expiring blanket levy, the Office of the U.S. Trade Representative (USTR) initiated Section 301 investigations into trade partners' enforcement against goods made with forced labor.
3. **Tiered System:** The new regime applies tailored rates depending on foreign commitments to enforce bans on forced labor imports

Tariff Tier Breakdown

Tier Rate	Qualifications & Scope	Key Nations / Regions Included
10.0%	Nations that made specific commitments or took legal steps to ban forced labor imports.	United Kingdom, Canada, Mexico, India, Argentina, Bangladesh, Cambodia, Indonesia, Malaysia, Pakistan, Sri Lanka.
10.0% to 12.5%	Specific product categories adjusted by existing Most-Favored-Nation (MFN) trade terms.	European Union, Japan, South Korea, Taiwan, Switzerland.
12.5%	Full rate applied to nations without qualifying enforcement commitments.	China, Brazil, Australia, Singapore, Saudi Arabia, Vietnam, Philippines, South Africa, Thailand, UAE.

Key Exemptions & Exclusions

- **Key Commodities:** Critical categories—including agricultural food products, fertilizers, and specific energy imports—are exempt from these Section 301 duties.
- **Overlapping Sector Tariffs:** Items already subject to independent national-security trade measures (such as Section 232 tariffs on steel, aluminum, and automobiles) will not be double-taxed under this specific rule.
- **Additive Rates:** Unlike US partners receiving carve-outs or exemptions for existing rates, additional duties apply on top of previously established China-specific trade measures.

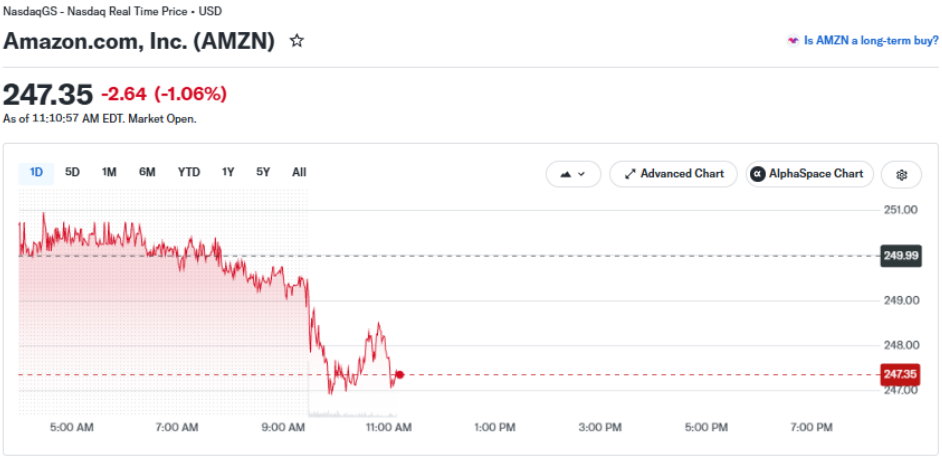
Utz Brands shares soar as much as 88% after the potato chip producer agreed to be taken private by Intersnack for $14.25 per share in cash.

- Utz shares closed at $7.45 on Monday; traded as high as $14.04 in premarket trading Tuesday
- Deal seen closing in 4Q
- Rice & Lisette Family, Intersnack Group to each own 50% of Utz
- Utz Deal to be financed by $920 million in cash, borrowings, rollover
- Special committee evaluated transaction and determined transaction was best alternative, leading to a unanimous recommendation

Iran War Update

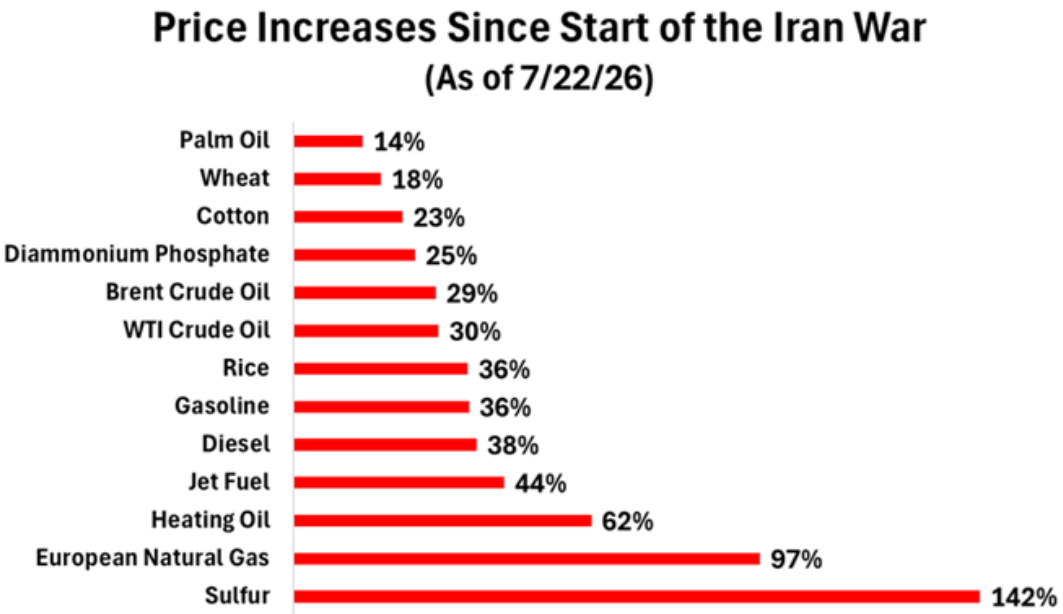
Iran's IRGC said this week it has destroyed the entire Amazon's central data center facility in Bahrain with several cruise missiles overnight, and warns it will now strike more tech facilities, per Tasnim. **By Sunday night, Iran said it halted retaliatory strikes against the US after President Trump called off US strikes for a second consecutive night.**

Basically, Bessent saw the 10Y yield and freaked out.



Price increases since start of the Iran war...

- Sulfur: +142%
- European Natural Gas: +97%
- Heating Oil: +62%
- Jet Fuel: +44%
- Diesel: +38%
- Gasoline: +36%
- Rice: +36%
- WTI Crude Oil: +30%
- Brent Crude Oil: +29%
- Diammonium Phosphate: +25%
- Cotton: +23%
- Wheat: +18%
- Palm Oil: +14%



The White House @WhiteHouse · 20h
"From this point forward, any time the Islamic Republic of **Iran** shoots at a ship in the Strait of Hormuz, whether it be by Missile, Rocket, Drone, or any other device or weapon, the United States will bomb and destroy ONE BRIDGE OR POWER PLANT..." - President Donald J. Trump

Donald J. Trump
@realDonaldTrump

From this point forward, any time the Islamic Republic of Iran shoots at a ship in the Strait of Hormuz, whether it be by Missile, Rocket, Drone, or any other device or weapon, the United States will bomb and destroy ONE BRIDGE OR POWER PLANT, including those located next to, or in, the Capital City of Tehran. Thank you for your attention to this matter! President DONALD J. TRUMP

Iran's IRGC announces that 3 oil tankers attempted to transit the mined southern route of the Strait of Hormuz relying on US guidance, with 1 severely exploded and set on fire, and based on that the 2 other immediately retreated, per Fars.

The IRGC reaffirms that "the Strait of Hormuz will remain completely closed" and that "no oil tankers will enter or leave."

U.S. Central Command @CENTCOM · 12h
At 5:30 p.m. ET today, U.S. forces began launching more strikes against Iranian military targets at the Commander in Chief's direction. The mission will continue to further degrade **Iran**'s ability to threaten civilian mariners and commercial vessels transiting regional waters.

705 1.9K 9.6K 700K

House Republicans have just passed a $95,000,000,000 budget plan to fund the war in Iran and merge US military technology with Israel.

On Friday, Trump says Russia/China told him they wouldn't sell weapons to Iran

Donald J. Trump
@realDonaldTrump

President Xi, at our recent meeting in Beijing, China, told me that he would not, under any circumstances, give or sell Weapons to the Islamic Republic of Iran — And that statement included Chinese Companies. Considering our relationship, I take him at his word and, besides, I am doing him very big favors, also. Likewise, President Putin, despite the horrible War going on in Ukraine (The relationship remains, as it does with President Zelenskyy), told me that he would not sell Weapons to Iran. He understands that I do not sell Weapons to Ukraine, but to NATO Countries. They pay full price, and how those Weapons are distributed, I have no idea. Therefore, two major Countries that people speak of often in terms of Iran are, in my opinion, not participating. If they did, it would be very bad for them — Certainly not in their best interests. Thank you for your attention to this matter! President DONALD J. TRUMP

BCA research says that cash on the sidelines (as a % of US equity market cap) is actually at a record low.

Goldman Sachs Research

Commodities Research
22 July 2026 | 11:01PM EDT

OIL ANALYST

New Upside Price Risks Amid Red Sea Tensions

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- We keep our 2026Q4 Brent forecast unchanged at $80, assuming de-escalation by Q4, while highlighting new upside price risks.
- **New upside price risks.** Houthis claiming strikes on 2 tankers transiting through the Red Sea and another decline in Kazakhstan exports (Exhibit 4) amid Russia-Ukraine escalation further tilt risks to our near-term price forecast to the upside. Oil flows through the Bab-al-Mandab (BaM) Strait have averaged nearly 9mb/d over the past month, including nearly 4mb/d of BaM flows that might be difficult to re-route if Hormuz, BaM and Suez shipping frictions emerged together (Exhibit 1). Oil loadings at Saudi Arabia's Yanbu Red Sea port have remained stable over the past 7 days at around a high 5mb/d level (Exhibit 3).
- **Keeping our $80 Brent forecast for 2026Q4.** Our unchanged baseline reflects price support from lower Mideast output in H2 (Exhibit 5), balanced by downside price pressure from stronger-than-expected Mideast output in June and weaker demand in China, South Korea, and the Mideast (Exhibit 6). We expect WTI to average $76 in 2026Q4.
- **Summer tightening.** We expect prices to hold most of their recent gains through July and August as global (Exhibit 7) and OECD commercial stocks draw further for three reasons. First, Mideast production is likely to fall in July.[1] Second, demand should find support from summer travel (Exhibit 8). Third, OECD SPR net releases are slowing sharply after large Q2 draws, as South Korea and Japan are now replenishing (Exhibit 9).
- **Prices moderate in 2027 on surplus, assuming Hormuz is open.** We still expect 2027 Brent/WTI to average $75/70 if Hormuz is open in 2027. We also maintain our 3.2mb/d 2027 average surplus assuming Hormuz is open (Exhibit 10), with production forecasts revised up for the UAE and down for Russia. Despite the large projected 2027 surplus, we don't expect Brent to fall below the high-$60s because of 1.2mb/d of global strategic stockpiling in 2027 (Exhibit 11), and the price sensitivity of US shale (Exhibit 12) and of supply disruptions.
- **Net upside risks.** We see risks to our price forecast as tilted to the upside on net, especially in the near-term.

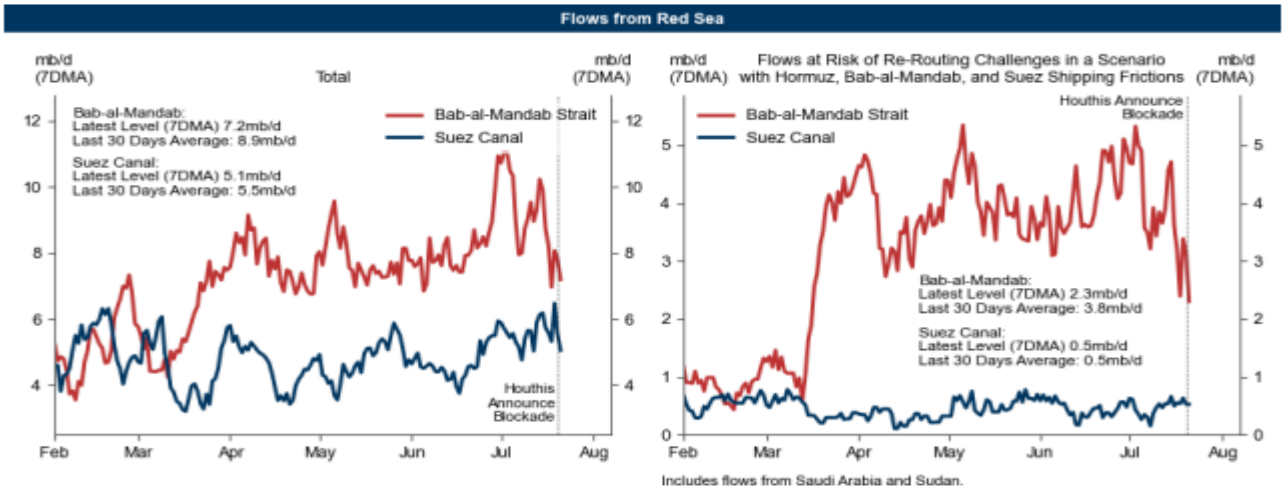
[1] Assuming de-escalation in Q4, we assume Mideast production returns to its pre-war level around year-end, though continued tanker attacks could delay the rebound.

- **Price upside scenario**: Brent might exceed $120/bbl in 2026Q4 and average $100 in 2027 if Hormuz remains disrupted through 2027 (Exhibit 13), with further upside if BaM and Suez were also persistently disrupted.[2] Our price upside scenario assumes Gulf output only fully recovers by Dec27, supported by pipeline extensions.
- **Price downside scenario**: Brent might decline to the low $60s by end-2027 if supply exceeds our expectations and demand losses prove more persistent.

- **Hedging escalation with diesel length.** We still recommend that investors and consumers seeking to hedge persistent geopolitical shocks in the Mideast and Russia go long the Dec26-March27 European diesel ("gasoil") timespread.

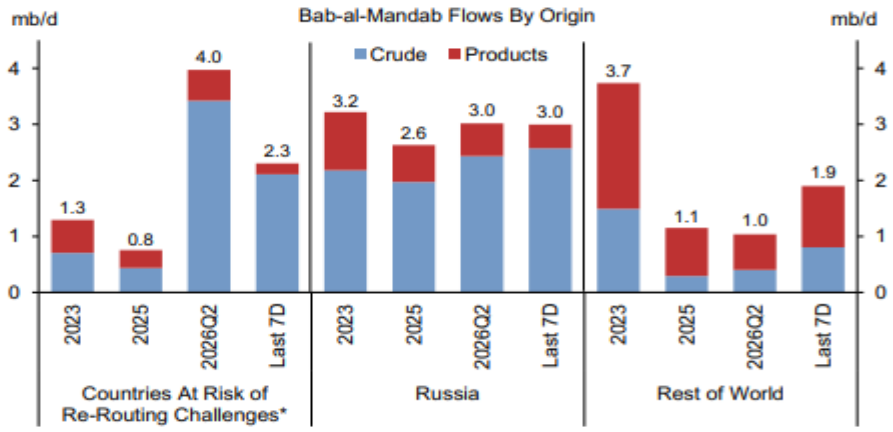
Risks to Red Sea Exports

Exhibit 1: Oil Exports via the Bab-al-Mandab Strait (BaM) Have Averaged Nearly 9mb/d Over the Past 30 Days, With a Nearly 4mb/d Contribution From BaM Flows That Might Face Re-Routing Challenges in a Scenario with Hormuz, BaM and Suez Shipping Frictions



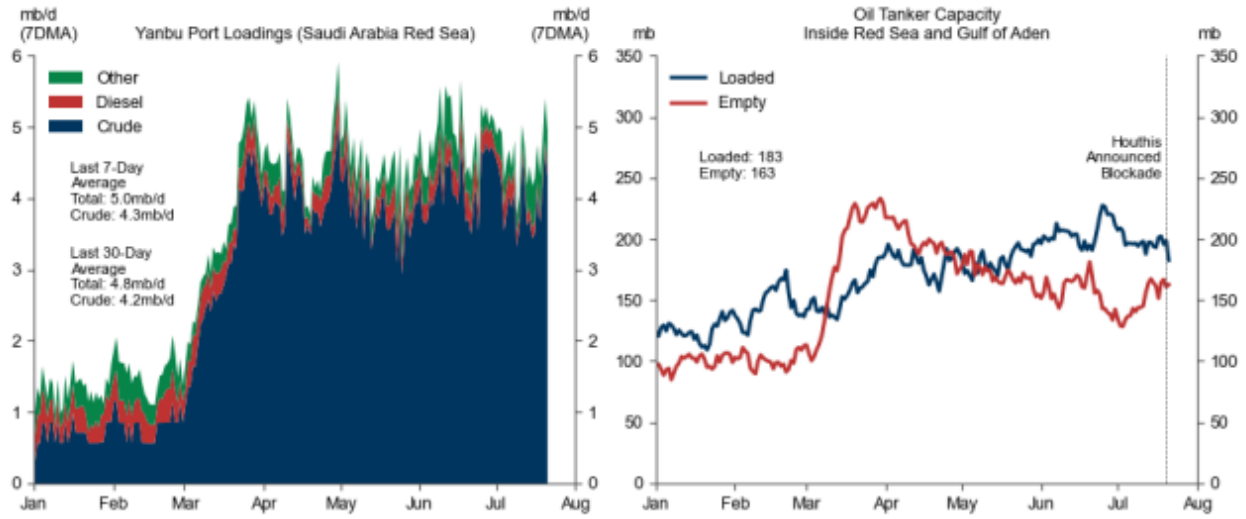
Source: Kpler, Goldman Sachs Global Investment Research

Exhibit 2: Combined Oil Flows From Saudi Arabia and Sudan via Bab-al-Mandab Rose to 4mb/d in 2026Q2 (Amid Redirection Mostly via the East-West Pipeline and the Yanbu Port)



*In a scenario with Hormuz, Bab-al-Mandab, and Suez shipping frictions; includes Saudi Arabia and Sudan.

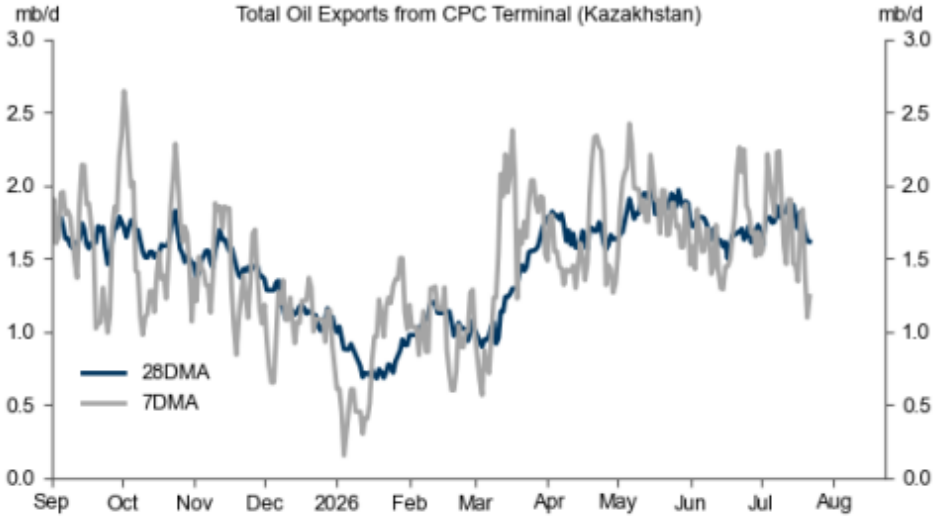
Exhibit 3: Despite Headlines Regarding Frictions, Oil Loadings at the Saudi Yanbu Port Have Remained Stable Over the Past 7 Days Around 5mb/d; Tanker Capacity Inside the Red Sea Has Not Changed Sharply Recently



Source: Kpler, Goldman Sachs Global Investment Research

Risks to Kazakhstan Exports

Exhibit 4: CPC Oil Exports Appear to Decline Following Strikes Amid Russia-Ukraine Escalation



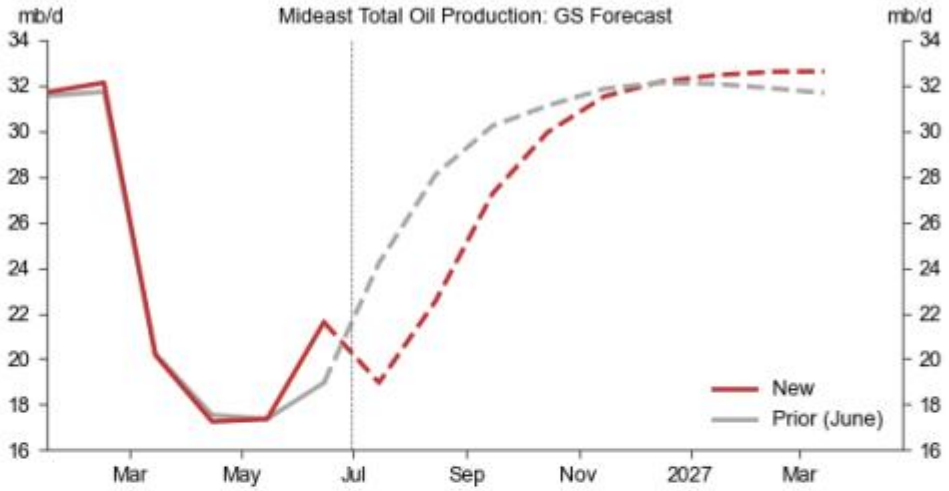
The Caspian Pipeline Consortium (CPC) transports Kazakh and Russian oil to Russia's Novorossiysk port, from where it is exported to the rest of the world. The CPC Terminal is the loading point at the port for this oil.

Source: Kpler, Goldman Sachs Global Investment Research

Keeping Our $80 Brent Forecast for 2026Q4 (Assuming Q4

De-Escalation)

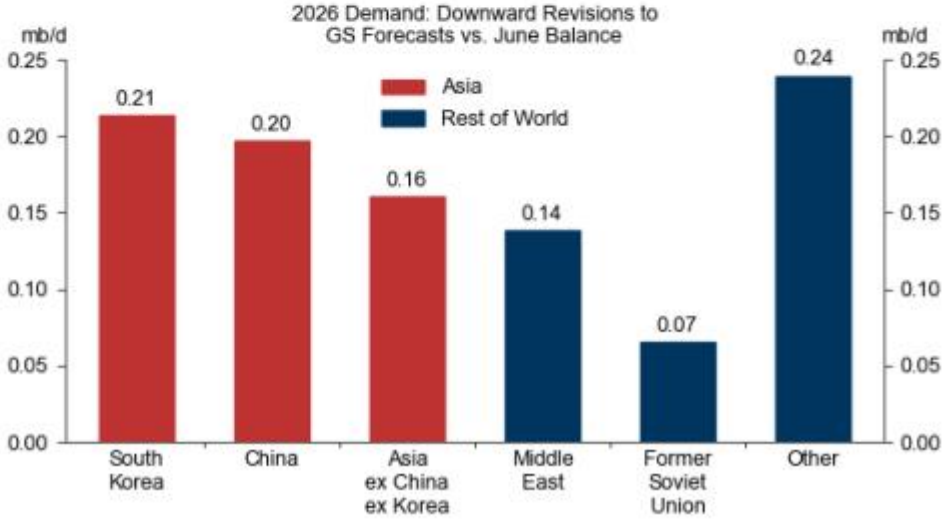
Exhibit 5: While Mideast Output Exceeded Our Expectations in June, Renewed Escalation Delays the Recovery in 2026H2



Includes Iran, Iraq, Kuwait, and Saudi Arabia crude; UAE and Qatar crude and NGLs; and total OPEC NGLs.

Source: Goldman Sachs Global Investment Research

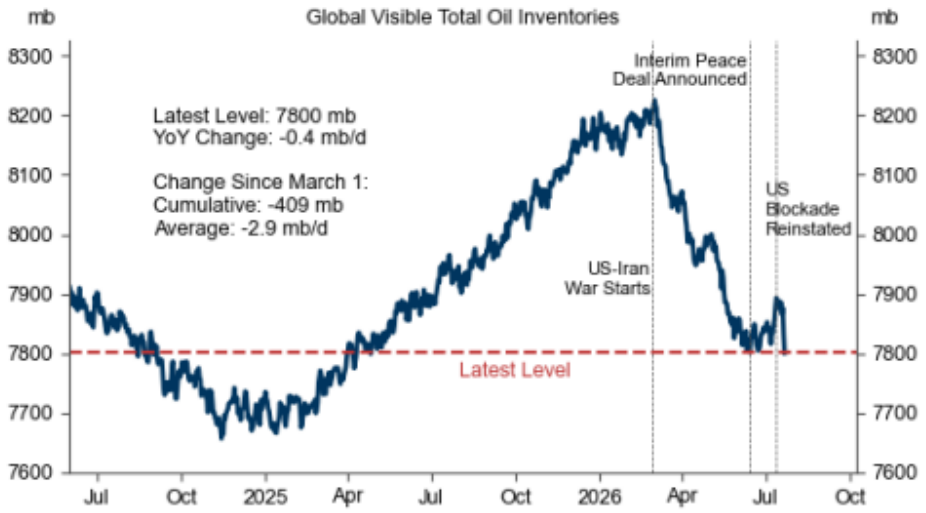
Exhibit 6: We Downgrade 2026 Demand in China, South Korea, and the Mideast, Mostly Reflecting Weak Realized Data



Source: Goldman Sachs Global Investment Research

Summer Tightening

Exhibit 7: Global Visible Oil Stocks Have Reached a Year-To-Date Low

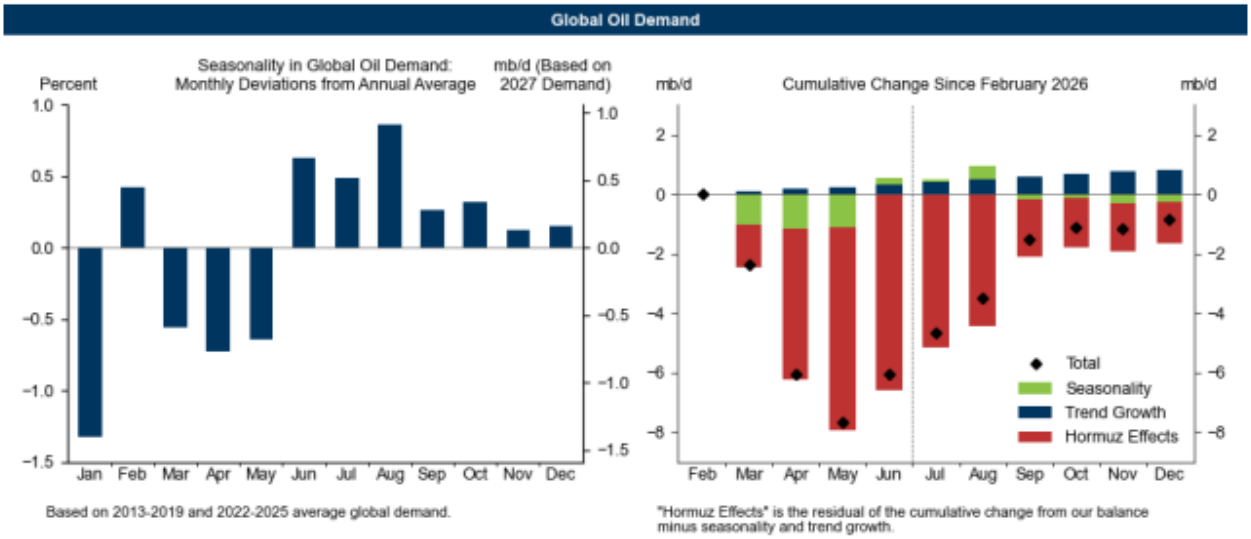


Source: IEA, Kpler, DOE, Euroilstocks, ARA PJK, PAJ, Haver, Goldman Sachs Global Investment Research

Tightening Factor 1: Mideast Supply Declines in July

Tightening Factor 2: Demand Rebounds

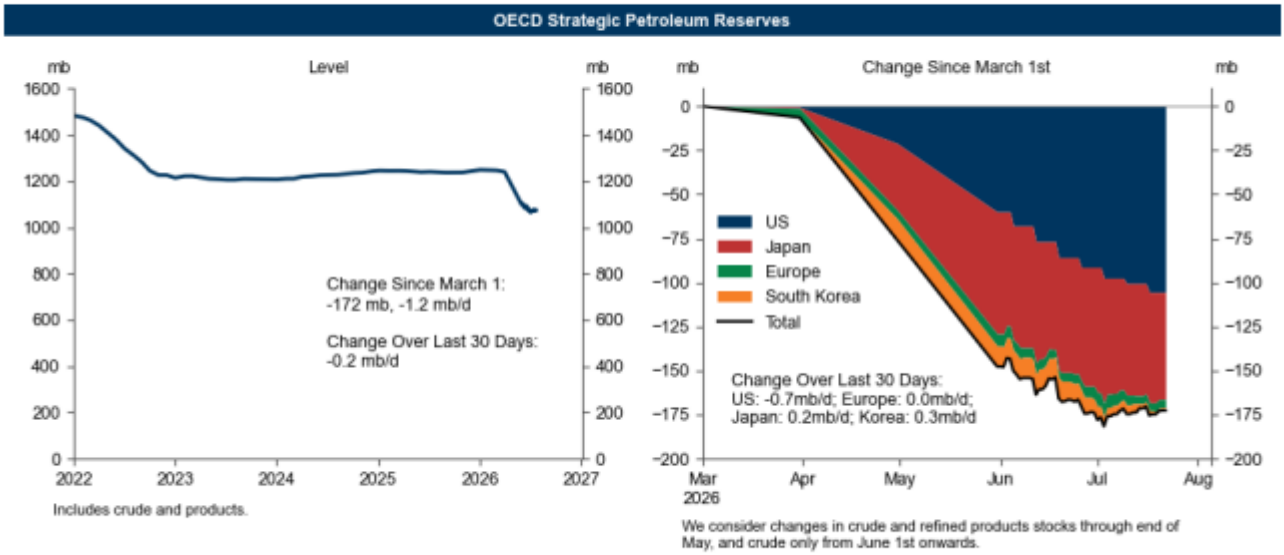
Exhibit 8: Summer Seasonality Should Boost Global Oil Demand by 0.8mb/d in Q3 vs Q2



Source: IEA, Goldman Sachs Global Investment Research

Tightening Factor 3: SPR Releases Have Slowed Sharply

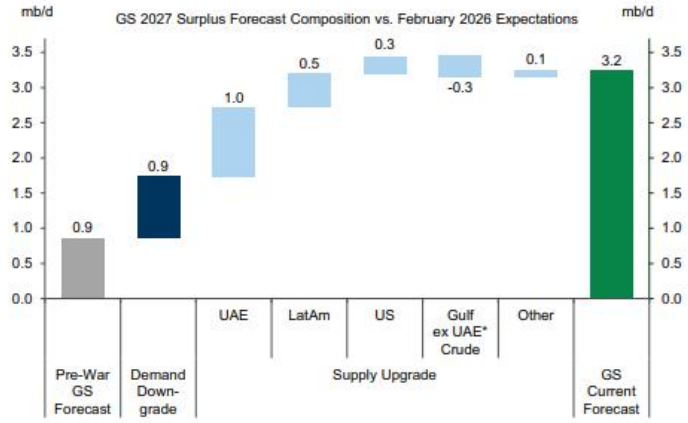
Exhibit 9: OECD SPR Net Releases Have Slowed Sharply Over the Past 30 Days After Large Q2 Draws as South Korea and Japan Are Now Replenishing



Source: Kpler, Goldman Sachs Global Investment Research

Prices Moderate in 2027 on Surplus

Exhibit 10: Assuming Hormuz Is Open in 2027, We Project a Larger 2027 Surplus of 3.2mb/d vs. Our Pre-War Expectations on Lower Global Demand, Higher UAE Output, and Strong Delivery in Latin America

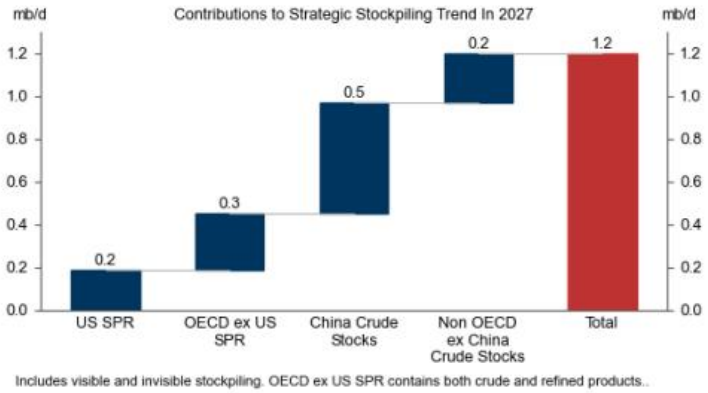


*Defined as Saudi Arabia, Iran, Iraq, Kuwait.

Source: Goldman Sachs Global Investment Research

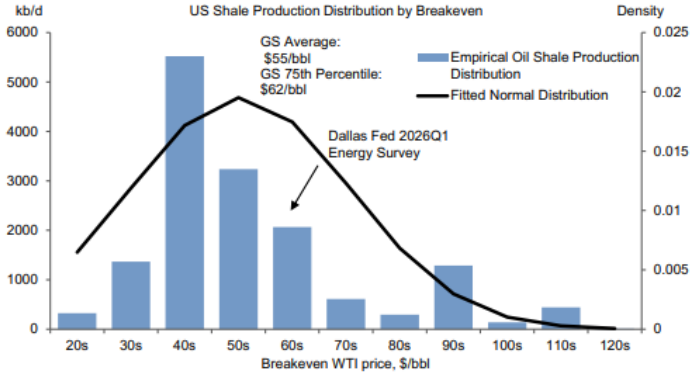
New Floors

Exhibit 11: We See Global Strategic Stockpiling at 1.2mb/d in 2027



Includes visible and invisible stockpiling. OECD ex US SPR contains both crude and refined products..

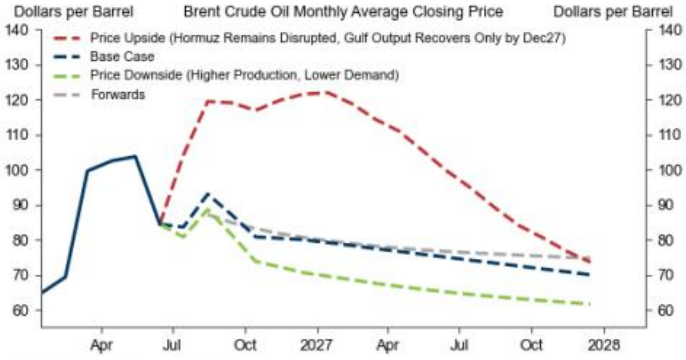
Exhibit 12: US Shale Production Will Likely Slow Materially if Crude Prices Were to Fall Persistently Below $60/bbl



Source: Goldman Sachs Global Investment Research

Net Upside Risks to Prices, Especially in the Near-Term

Exhibit 13: Brent Might Exceed $120/bbl in 2026Q4 and Average $100 in 2027 If Hormuz Remains Disrupted Through 2027



Note: Futures pricing as of Jul 22 close.

Appendix

Exhibit 14: We Expect a Large 2.1mb/d Global Deficit in 2026Q3

GS 2025-2027 Oil Supply and Demand Outlook (mb/d)	2025		2026		2027		Quarterly Levels 2026				2027			
	Level	YoY	Level	YoY	Level	YoY	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
World Supply	**105.9**	**3.2**	**102.1**	**-3.8**	**109.0**	**6.9**	**103.5**	**95.8**	**100.4**	**108.7**	**109.1**	**109.2**	**109.0**	**108.7**
Non-OPEC ex. Russia Supply	65.8	2.0	66.7	0.8	68.4	1.8	65.3	65.1	67.3	69.0	68.3	68.6	68.5	68.4
Total US	22.3	0.8	23.1	0.7	23.3	0.2	22.5	23.2	23.3	23.3	23.0	23.6	23.4	23.3
Canada	6.4	0.3	6.5	0.1	6.5	0.0	6.5	6.3	6.5	6.6	6.6	6.3	6.5	6.6
Non-OPEC LatAm	7.0	0.6	7.9	0.8	8.1	0.3	7.6	7.9	8.0	8.0	8.0	8.0	8.2	8.3
UAE Liquids	4.3	0.2	4.5	0.2	5.6	1.1	4.0	3.5	5.0	5.4	5.5	5.6	5.7	5.7
Russia	10.4	-0.2	10.3	-0.1	9.7	-0.6	10.4	10.4	10.4	10.1	10.0	9.8	9.7	9.5
OPEC Supply	29.6	1.3	25.1	-4.5	30.8	5.7	27.8	20.3	22.7	29.6	30.8	30.8	30.9	30.8
Saudi Crude	9.4	0.5	8.5	-1.0	10.5	2.0	9.3	6.7	7.7	10.1	10.5	10.5	10.5	10.5
OPEC Liquids ex. Saudi Crude	20.2	0.9	16.6	-3.6	20.4	3.7	18.4	13.6	15.0	19.4	20.3	20.4	20.4	20.4
World Demand	**104.5**	**0.8**	**102.6**	**-1.8**	**105.8**	**3.1**	**104.3**	**99.1**	**102.5**	**104.7**	**104.8**	**105.0**	**106.6**	**106.7**
OECD Demand	45.9	0.0	45.4	-0.4	45.8	0.4	45.8	44.0	45.9	46.1	45.8	45.1	46.4	46.0
US	20.7	0.2	21.0	0.2	21.0	0.0	20.8	20.9	21.1	21.0	20.9	20.9	21.2	21.1
OECD Europe	13.4	0.0	13.2	-0.2	13.2	0.0	12.9	12.9	13.8	13.4	13.0	13.1	13.7	13.1
Non-OECD Demand	58.6	0.8	57.2	-1.4	60.0	2.8	58.6	55.1	56.5	58.5	59.0	59.9	60.2	60.7
China	16.9	0.2	16.1	-0.8	16.4	0.3	17.1	15.2	15.7	16.3	16.5	16.5	16.4	16.4
India	5.9	0.1	5.8	-0.1	6.5	0.6	6.1	5.7	5.4	6.1	6.5	6.6	6.2	6.6
Other Non-OECD Asia	9.4	0.2	9.4	0.0	10.0	0.6	9.6	9.1	9.3	9.7	9.9	10.0	10.0	10.1
Imbalance (=Supply-Demand)	**1.4**	**2.4**	**-0.6**	**-2.0**	**3.2**	**3.8**	**-0.9**	**-3.3**	**-2.1**	**4.0**	**4.2**	**4.2**	**2.4**	**2.1**
Change in OECD Comm. Stocks	**0.2**	**-**	**-0.2**	**-**	**0.6**	**-**	**-0.3**	**-0.9**	**-0.3**	**0.6**	**0.6**	**0.9**	**0.4**	**0.3**

The "delta" column corresponds to revisions to the levels vs. our prior June balance.

Source: Goldman Sachs Global Investment Research

BofA: Is open-source AI bearish for memory? --> NO

- Closed models amortize global demand across shared HBM pools concentrated in a handful of data centers, whereas open models create a new memory footprint with every deployment. If 10,000 companies self-host the same open model, the model weights must be replicated across 10,000 separate HBM pools, with each deployment also requiring its own KV cache. As 128K–1M token contexts become commonplace in 2026, the KV cache alone can exceed 40GB per active session.
- Low-cost Chinese APIs drive greater inference demand, broader enterprise self-hosting, and more memory sockets worldwide. In short, closed models concentrate memory demand, while open models multiply it.

$AMD and Anthropic signed a deal for 10s of billions worth of AI servers.

- Anthropic to purchase 2GW of AMD chips, and AMD to invest up to %5B in Anthropic as certain deployment milestones are met. AMD also in talks to provide a financial backstop for Anthropic data-center leases per WSJ

$JPM CIO on how AI is impacting their tech stack:

- Core part of every business unit and product strategy: fraud/payments/lending
- Still rely on critical software platforms, $NOW etc, we have been consolidating around. But there's also a greater pressure on value delivered vs price
- More ability to replace point solutions, bc it's easier to build software, but the challenge is still to scale and secure it
- Opensource is extremely risky bc all the code is out there in the public for attackers to think of ways to work around
- We have >1 exabyte of data, that can be a competitive advantage in how we serve customers
- Focus early on is on models. They're important ofc, but there will be foundation models, small models, Opensource… your ability to deliver AI safely and securely at scale while maintaining a business of trust is the most important to us.
- Lots of expense mgmt things: token optimization, selecting right models, etc. those will work themselves out but maintaining our standard and trusted brand is the most important thing

From a joint Micron/Meta white paper:

- "38x slowdown once shuffle data exceeds available DRAM and spills to SSD."
- The DRAM bottleneck almost certainly lasts the longest.

MICRON WHITE PAPER

Capacity Sensitivity: LPDDR's Larger Capacity Advantage

To evaluate capacity sensitivity, we ran the SparkBench from the DCPerf suite under two configurations—standard query load (spark_standalone_remote) and a 3x heavier variant (spark_standalone_remote_3x)—on both platforms. The systems are otherwise identical in CPU architecture, core count, cache hierarchy, and Spark worker memory allocation (276GB), isolating **memory capacity as the primary performance variable**.

Figure 7 clearly illustrates the root cause of SKU2's performance gap. Under the standard workload, the shuffle-heavy stage becomes the dominant bottleneck, showing a 38x slowdown once shuffle data exceeds available DRAM and spills to SSD. Under the 3x workload, the bottleneck shifts to a scan stage dominated by re-reads where SKU2 experiences a 5.96x slowdown because its smaller OS page cache cannot retain the dataset, forcing repeated SSD re-reads on each scan.

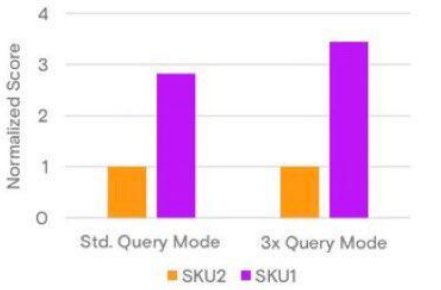


Figure 6: Spark Standard and 3x Load Performance Gain

By contrast, SKU1's larger memory capacity serves a dual function: It retains the entire shuffle working set in DRAM, eliminating disk spills, while also sustaining an OS page cache large enough to keep frequently accessed data resident across stages. Together, these effects demonstrate that memory capacity is the decisive performance factor for Spark, and that provisioning sufficient DRAM to hold both shuffle partitions and page cache is essential to avoiding order-of-magnitude slowdowns caused by disk I/O.

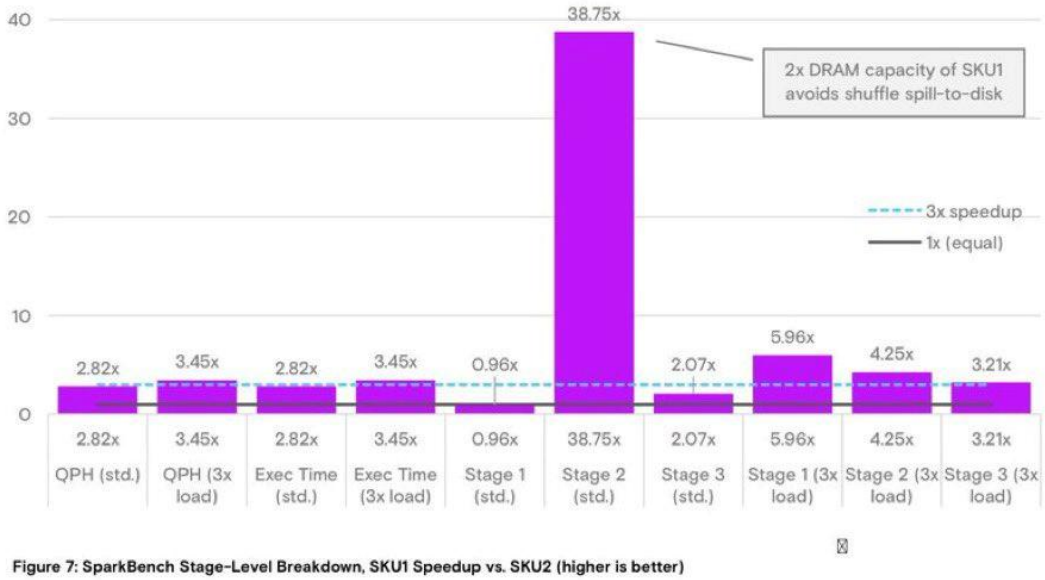


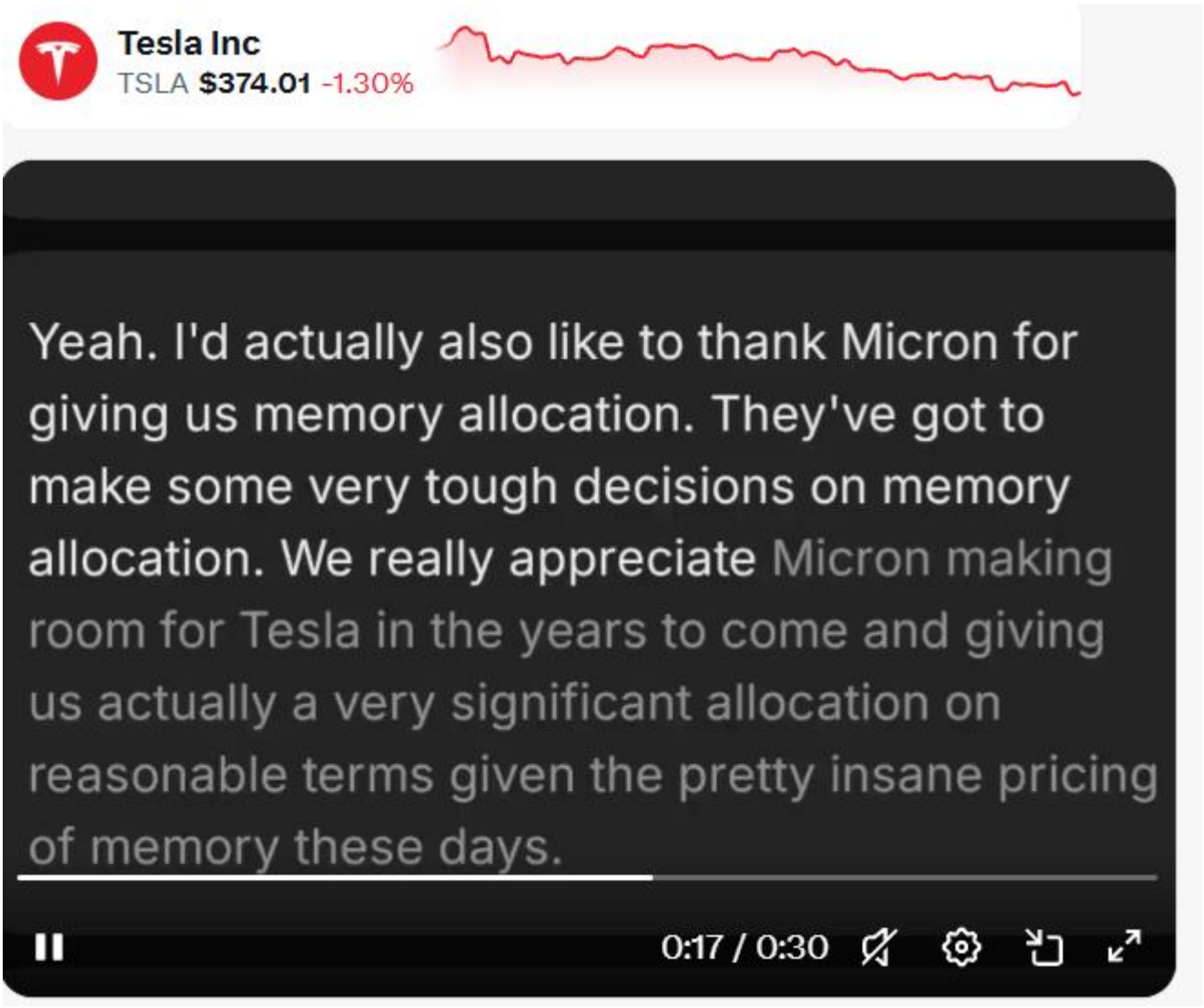
Figure 7: SparkBench Stage-Level Breakdown, SKU1 Speedup vs. SKU2 (higher is better)

micron | 6

Elon Musk just stopped his own earnings call to thank Micron for reasonable terms (prices)

"Yeah. I'd actually also like to thank Micron for giving us memory allocation. They've got to make some very tough decisions on memory allocation.

We really appreciate Micron making room for Tesla in the years to come and giving us actually a very significant allocation on reasonable terms given the pretty insane pricing of memory these days."



$RDDT was down on 7/22 because there are rumors/reports they might walk away from the $60M per year that Google/Gemini is paying them.

1) This might be a negotiating tactic as they approach the end of their original licensing deal, I'm guessing $RDDT wants $150-200M per year as the 6th largest website on the planet.

2) Reddit might believe that Gemini is benefiting way more from their data than Reddit is receiving in return as a cited source which could be negatively impacting their user growth and monetization efforts

3) Based on alt data sources, Q2 revenues are projected to be up 55-60% YoY vs 46% for consensus

4) Based on alt data sources, Q3 revenues are tracking above 70% YoY which means we're probably seeing revenue acceleration... likely from better user growth, better monetization (ARPU), bigger ad budgets being allocated to Reddit, improved ad products & placements

If you include the $2.8B of cash on the balance sheet (and $0 debt)... using current sell side estimates (which are probably too low)... $RDDT is currently trading at 17x NTM EPS with EPS expected to grow at a 42% CAGR for the next 2 years

ST Micro Miss

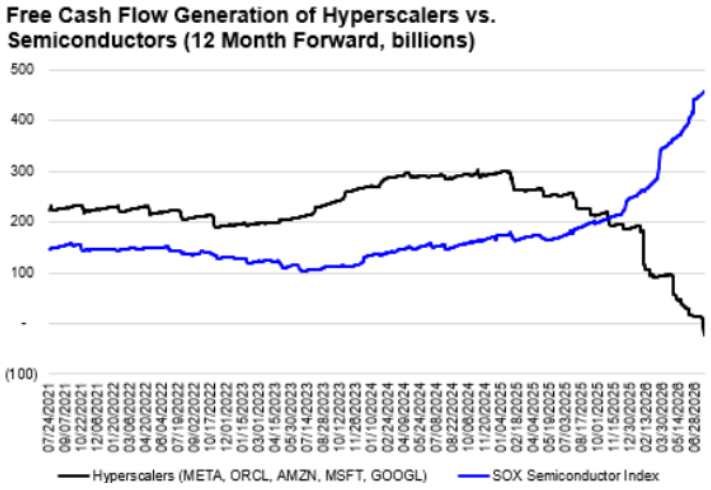
$STM STMicroelectronics NV forecast third-quarter sales that missed analysts' expectations, with third-quarter revenue set to rise about 16% from a year earlier to $3.7 billion at the midpoint of guidance.

The company's shares fell as much as 17%, the biggest intraday decline since July 2025, despite being up 121% in 2026, buoyed by the company's growing data center business.

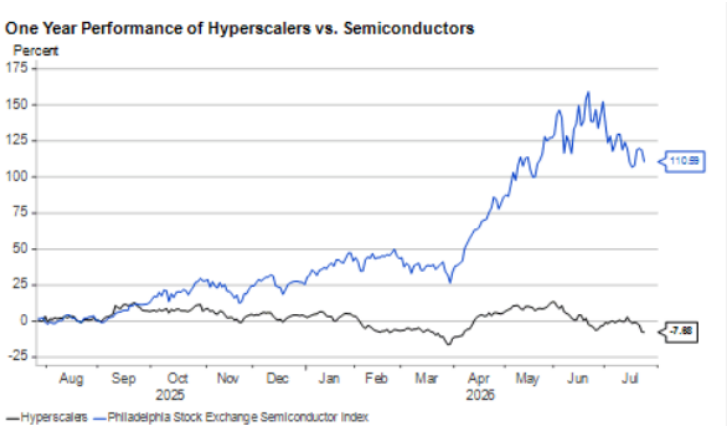
STMicro said that sales growth will accelerate in the final quarter of the year as more orders come in for its chips serving satellites and data centers, with revenue expected to be above $4 billion in the fourth quarter.

Free Cash Flow Generation of Hyperscalers Getting Incinerated

The sheer incineration of free cash flow generation at the hyperscalers has been one of the most important market stories of the past year. The chart below shows the epic "wealth transfer" from hyperscalers spending on AI capex to semiconductor companies who have been receiving many of these capex dollars.

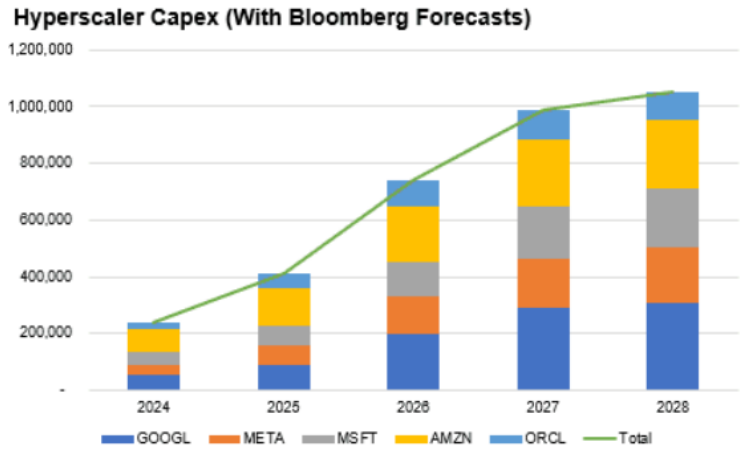


This story has been well captured by stock prices, as seen in the stark divergence in performance over the last year of the companies spending capex dollars (hyperscalers) and those receiving the capex dollars (semiconductors).

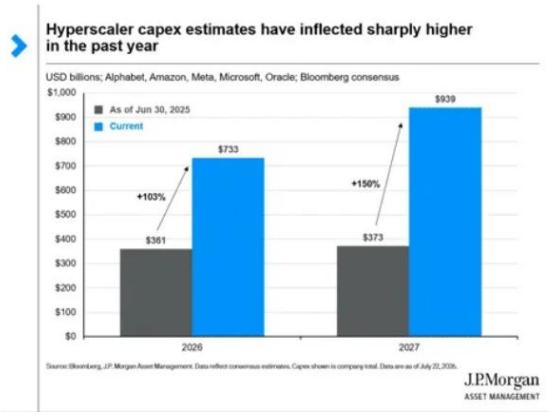


And based on Alphabet/Google's 2Q26 earnings release this week, there appears to be no near-term end in sight to this aggressive capex and thus weak free cash flow generation. Note, free cash flow is calculated by subtracting capex from Cash Flow from Operations, a measure that removes the "non-cash" adjustments to Earnings Per Share (such as the $98B paper gain that Google recognized on its SpaceX and Anthropic positions in 2Q26). The company raised its full-year guidance for capex in 2026 and said capex would "increase significantly" in 2027.

And it is not just GOOGL that is expected to deliver a significant increase in spending; all the hyperscalers are expected to "kick it up a notch, with total hyperscaler capex expected to jump further in 2027.

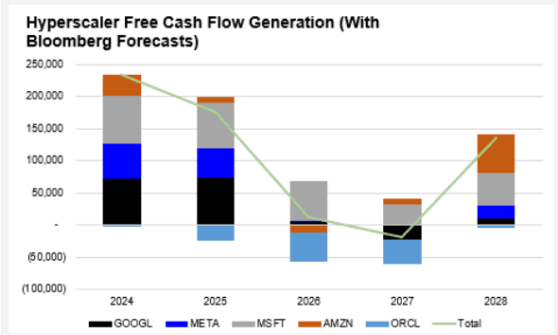


Many analysts such as at Goldman, Morgan Stanley, and JP Morgan have been flagging that capex forecasts have been too low in the last year (see the JP Morgan chart below that flags that hyperscaler capex forecasts for 2026 are +100% vs. this time last year), so they see further upside to 2027 capex estimates (Morgan Stanley recently called for capex to reach $1.2T in 2027 and $1.4T in 2028).



Taking it back to this week, Google's stock reacted poorly to this higher capex commentary, as shown by Bloomberg's John Authers chart below, which brings back a key question that we highlighted: how long can hyperscalers continue to spend aggressively on AI capex if both equity and credit markets (see the Apollo chart below) are souring in their perception of and willingness to fund this spending, all the while their own ability to self-fund through cash generation is depleted?

Based on current consensus forecasts, the Street expects overall hyperscaler free cash flow generation to go negative in 2027 (meaning the Street is expecting hyperscalers to spend more on capex than they are earning in operating cash in the year). This means that hyperscalers will have to spend more cash off their balance sheets and/or raise incremental debt and equity to fund the $1T+ of 2027 capex. But we repeat, with the cost of the debt and equity going up (spreads widening and stock prices falling), the "price to pay for glory" could become an increasing challenge to these capex plans.



Importantly, the chart above shows how the Street is sanguine on free cash flow improving in 2028, even as capex continues to rise, as analysts expect the payoff of all this capex to start outpacing the growth in capex. **This forecast for improving FCF relies on the assumption AI-related revenues will grow faster than the cost to serve that revenue, a point that AI bears like Ed Zitron have been heartily refuting.**

There is clearly profit and growth being generated by some of this AI capex, but we think it is also clear that the capital-light, low marginal cost legacy business models of the hyperscalers have changed in this highly competitive, capital-intensive AI world**. Said another way, the hyperscalers used to be able to make a lot of money without having to spend a lot of money (thanks to their near-monopoly dominance in their legacy business), but now they are having to spend a lot of money in order to drive incremental growth.** Higher spending to drive growth suggests lower margins (Google guided to this in 2Q26 within their Cloud business) and lower Return on Invested Capital (ROIC). We have been arguing for the past year that AI would gradually make these hyperscalers lower ROIC companies as we "watch them change" from capital-light monopolies to capital-intensive competitive businesses.

So what does this all mean for broader markets?

First, the five hyperscalers represent a 16% weight in the S&P 500, while it is these companies' willingness and ability to spend that drives the fate of the AI infrastructure cohort, with semiconductors representing a 19% weight in the S&P 500.

If hyperscalers were to **lower expected capex plans, we could see the stocks rally on renewed capital discipline (we say could because if the perception is that lowering capex means lowering growth prospects, then the stocks could come under pressure), while semiconductors would likely sell off on fears that earnings are at or near a peak as hyperscaler capex slows.**

Further, we must note that the deterioration in cash generation is likely a big reason why we have seen valuations for the Mag 7 (which contains the hyperscalers except for ORCL) fall. The chart below shows how valuations for the Mag 7 have fallen to 22x from a peak of 32x back in October of 2025. Mag 7 earnings have continued to soar higher (thanks to one-time gains and accounting assumptions that let these companies spread out the cost of all this capex), but analysts have ascribed a lower valuation to these earnings thanks to the poor cash generation. **Falling Mag 7 valuations is one reason why the broader S&P 500 has seen its valuation fall from 23x at its October 2025 peak to 19.5x today.**

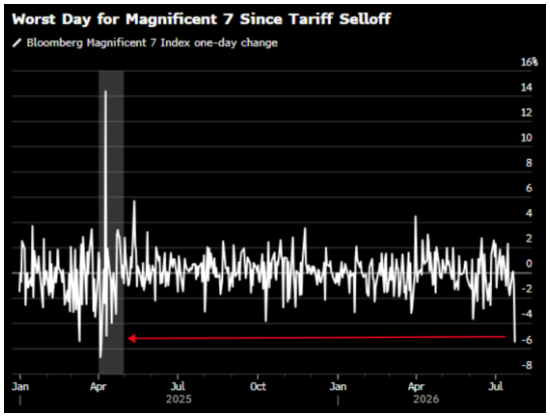
There is no doubt that AI is an exciting technology that is early in its adoption curve and has the potential to significantly alter the way we work in the future. But in the present, we can see this causes a significant cash flow burn at hyperscalers and likely a long-term shift in the profitability of their now capital-intensive business models.

Mag7 all could be penalized for higher capX spend…market is not happy with it

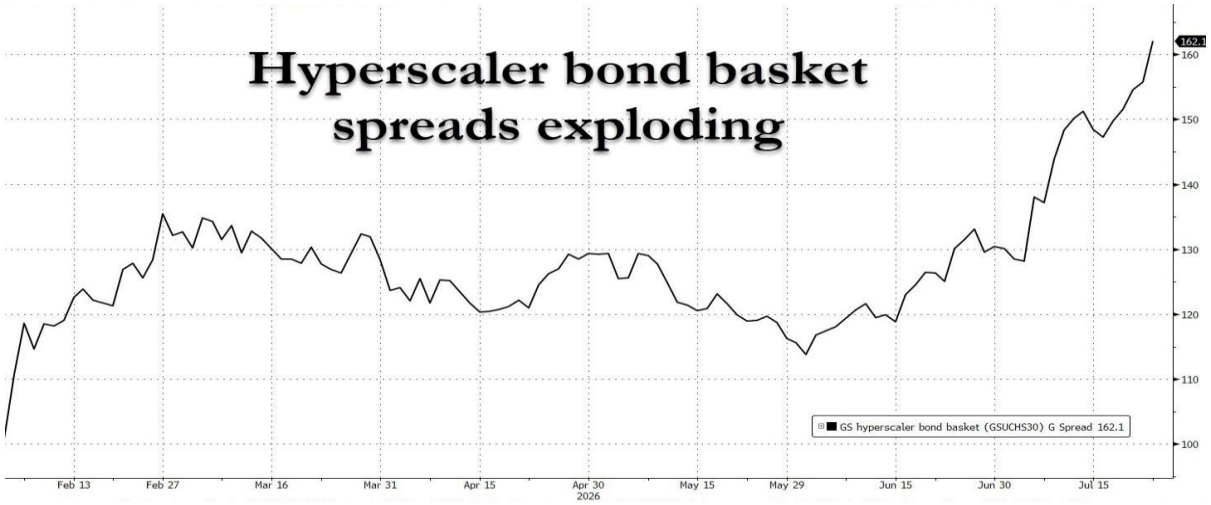
The Magnificent Seven group of megacap technology stocks is on track for its biggest one-day drop since the tariff tantrum in April 2025 due to results from Alphabet Inc. and Tesla Inc.

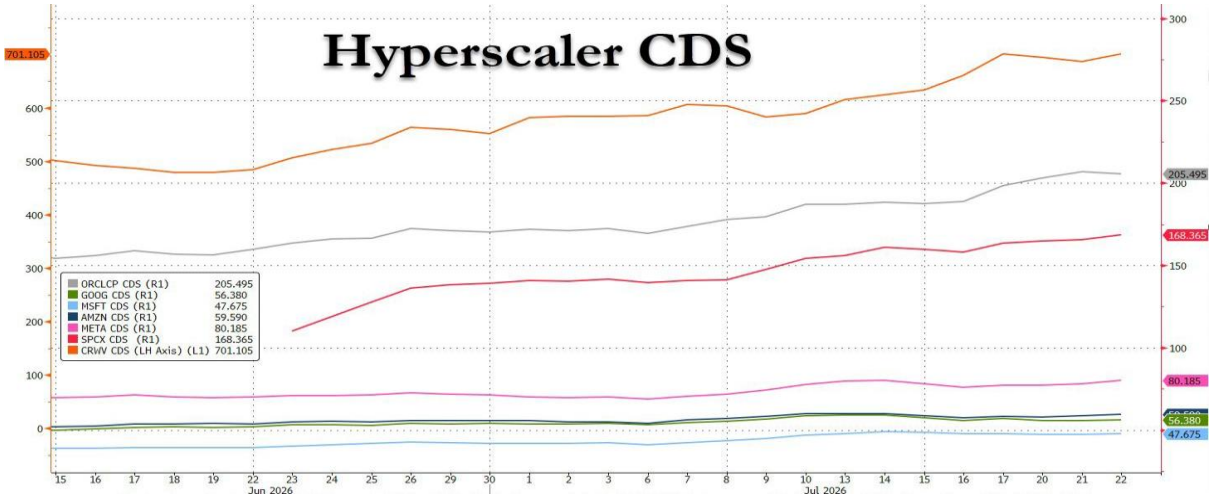
The Bloomberg Magnificent 7 Index was down 4.8% midway through Thursday's session, wiping out roughly $767 billion in market valuation, with declines led by Tesla and Alphabet.

Investors are growing cautious about the massive sums that Big Tech firms are spending to build out their AI infrastructure, with the index now down 11% from a record hit in late May, erasing $2 trillion in market value.



“Our Mag7 basket finished -4.80%, the biggest one-day selloff in the last 5 years” - Goldman





$TSLA now down 14% on accelerated AI capex spend & profit miss

Tesla Inc. shares tumbled after disappointing quarterly results raised questions about Elon Musk's plan to refocus the electric vehicle maker on artificial intelligence and robots.

Profit fell short of Wall Street's estimates for the period as spending on ambitious initiatives surged to $5.8 billion, resulting in Tesla's first cash burn in two years.

The company still expects capital expenditures in excess of $25 billion this year, and executives are now predicting even larger outlays going forward to support expansion of factory operations and AI development.

"This is a massive capex year," Musk said late Wednesday on a conference call to discuss second-quarter results. "We should be spending on capex as fast as we can — spend as fast as we can without it being too wasteful."

The planned investments will support a significant expansion of factory operations, including production of Optimus humanoid robots, as well as AI development, the autonomous Cybercab and expansion of its robotaxi fleet.

Yet all that spending is raising questions about when investors can expect a payoff, an increasingly urgent matter as Tesla deemphasizes its traditional auto business.

By traditional metrics, the quarter was a disjointed one for the EV maker. Adjusted earnings fell to 33 cents a share in the period, short of the 51-cent average of analyst estimates compiled by Bloomberg. It also reported negative free cash flow of $1.09 billion.

Revenue, meanwhile, was $28.2 billion, beating market estimates. The results came several weeks after Tesla reported selling more than 480,000 vehicles in the quarter, well above expectations. Cars remain by far Tesla's largest source of revenue, while robotaxis and other projects still aren't generating meaningful sales.

Profit was pressured by lower average vehicle selling prices as the company offered incentives to entice buyers. Tesla also phased out the S and X models — two of its highest-price cars. Operating costs surged 47% to $4.35 billion.

The company reported a decline in revenue from regulatory credits, which are payments it receives from other automakers that exceed emissions standards. That stream has dwindled as President Donald Trump backs away from clean-energy goals laid out under his predecessor.

"Tesla delivered its best-ever second quarter and first genuine revenue growth in over a year, yet the market keyed on a sharp profit miss," Ivan Feinseth, chief investment officer at Tigress Financial Partners, said in a note. While auto sales surged during the period, "that volume was bought with steep discounts, so profitability compressed."

Subscriptions for Full Self-Driving software rose to nearly 1.5 million, an increase of 56% from a year earlier and a continuation of an upward trend.

The EV maker didn't disclose new targets for its nascent robotaxi ride-hailing business, which recently expanded to Miami, Orlando and Tampa after launching in Texas cities. It reiterated plans to expand to Phoenix and Las Vegas. Tesla also offers rideshare service under the same app in the San Francisco Bay Area, but the service is more akin to Uber and Lyft.

Executives continued to take a cautious tone on scaling the service. Musk stressed safety, and the desire to avoid bad headlines.

Without disclosing the total number of driverless vehicles, Tesla's head of AI, Ashok Elluswamy, said the fleet has driven more than than 380,000 unsupervised miles across six cities. He said future city launches will continue to accelerate. But those details are unlikely to allay investors' near-term concerns about the sluggish growth of the service and its ability to compete with market leader Waymo, which drives millions of miles per week.

The company also noted it's working to collect more mileage data for its Cybercab before it can launch a large number of them on the road. The purpose-built vehicle, which went into production earlier this year, still requires an exemption under current regulations but the National Highway Traffic Safety Administration has proposed updates that could ease the pathway. Lars Moravy, vice president of vehicle engineering, said Tesla has a good relationship with NHTSA and does not expect to be hindered by federal regulations.

US EIA #NatGas Storage Change (BCF) 17-Jul: +32 (est +34; prev +41)

- Salt Dome Cavern NatGas Stocks (BCF): -7 (prev -5)

Weekly Natural Gas Storage Report

for week ending July 17, 2026 | **Released:** July 23, 2026 at 10:30 a.m. | **Next Release:** July 30, 2026

Working gas in underground storage, Lower 48 states

Summary text CSV JSN

	Stocks billion cubic feet (Bcf)				Historical Comparisons: Year ago (07/17/25)		5-year average (2021-25)	
Region	**07/17/26**	**07/10/26**	**net change**	**implied flow**	**Bcf**	**% change**	**Bcf**	**% change**
East	631	614	17	17	633	-0.3	616	2.4
Midwest	766	749	17	17	744	3.0	723	5.9
Mountain	240	240	0	0	238	0.8	201	19.4
Pacific	314	319	-5	-5	297	5.7	264	18.9
South Central	1,105	1,103	2	2	1,160	-4.7	1,069	3.4
Salt	317	324	-7	-7	326	-2.8	288	10.1
Nonsalt	788	779	9	9	833	-5.4	782	0.8
Total	**3,056**	**3,024**	**32**	**32**	**3,072**	**-0.5**	**2,873**	**6.4**

Totals may not equal sum of components because of independent rounding.

Roper shares jump as much as 9.6%, the most intraday since April 2020, after the industrial IT company boosted full-year EPS guidance and slightly beat analysts estimates for organic revenue.

ANALYST COMMENTARY

TD Cowen (buy)

- "Lack of an issue is a positive in itself right now. Network was slightly below model, but outlook consistent," writes analyst Joe Giordano
- Sees AI commercialization as key focus
- "Small beat on organic with raise there is big as EPS beats alone wouldn't have mattered much"

Citi (buy)

- "We expect a positive reaction to the beat-and-raise quarter, particularly in light of initial comments indicating GovCon stability at Deltek, signs of freight market improvement at DAT, and better-than-feared Neptune performance," writes analyst George Kurosawa
- Notes that bears might not see the revenue beat as a positive sign because it was driven by growth in the technology enabled products unit, while growth in application software and network software was relatively softer

THIRD QUARTER FORECAST

- Sees adjusted EPS $5.75 to $5.80, estimate $5.66 (Bloomberg Consensus)

YEAR FORECAST

- Sees adjusted EPS $22.15 to $22.30, saw $21.80 to $22.05, estimate $21.92

SECOND QUARTER RESULTS

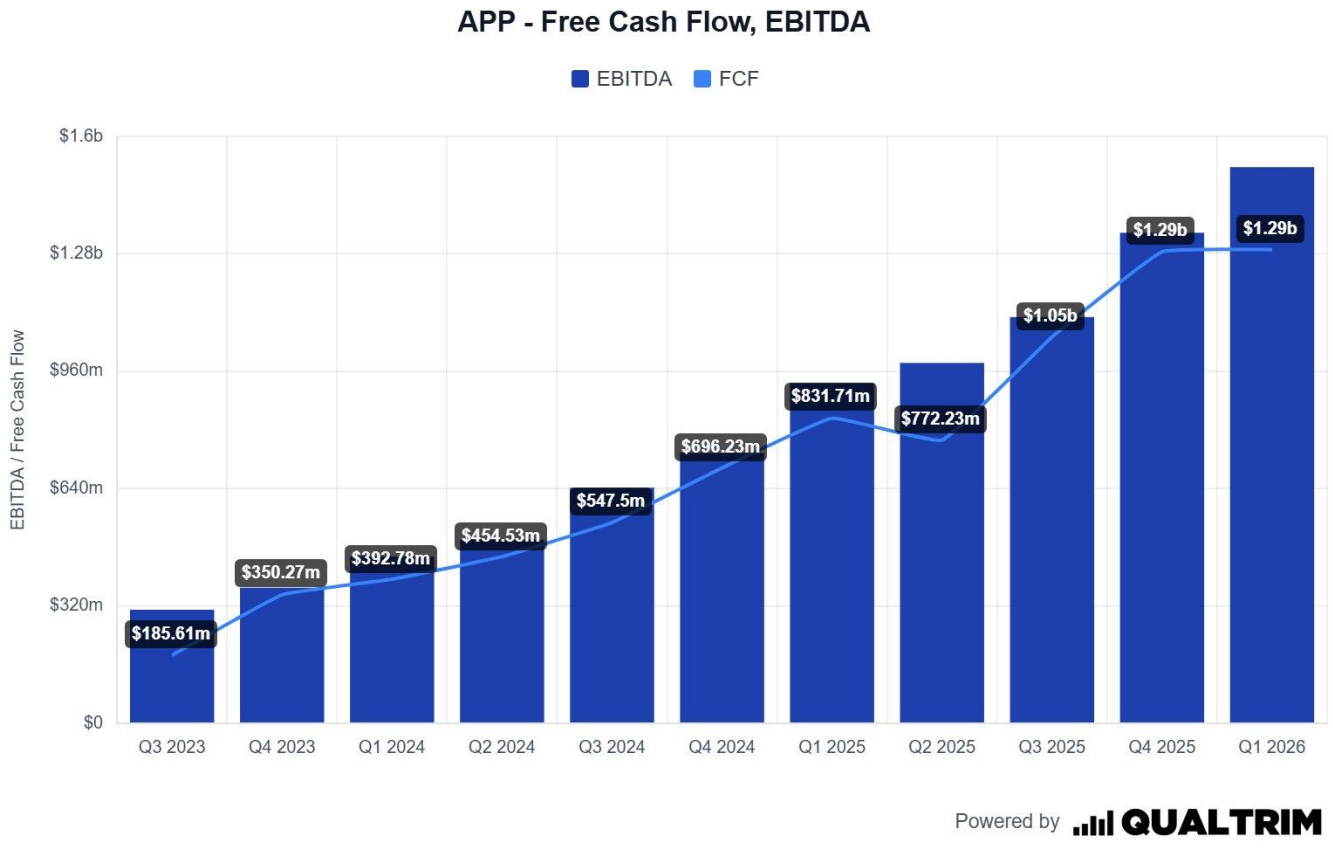
- Adjusted EPS $5.38, estimate $5.29
- Revenue $2.11 billion, estimate $2.1 billion
- Application Software Net Revenue $1.18 billion, estimate $1.18 billion
- Network Software Net Rev. $430.9 million, estimate $434.5 million
- Gross margin 69.7%, estimate 69.5%
- Organic revenue +5%, estimate +4.5%
- Adjusted Ebitda $815 million, estimate $808.8 million

COMMENTARY AND CONTEXT

"Given the combination of our strong first half performance, share repurchases to date, and durable customer demand for our mission-critical solutions, we are raising our full year outlook."

Adding to growth position in Applovin - APP:

We added 15 bps to $APP at 399 as 70% of e-commerce businesses testing ad campaigns on the platform



COMPANY	FCF CAGR	FCF TOTAL	EBITDA CAGR	EBITDA TOTAL
AppLovin Corporation APP	+116.9%	+595.8%	+88.5%	+389.7%

Ticker	APP
Stock Price	$ 392.00
Diluted Shares (mm)	339
Market Cap (mm)	$ 132,782
Net Debt (Cash)	$ 755
Enterprise Value (mm)	$ 133,537

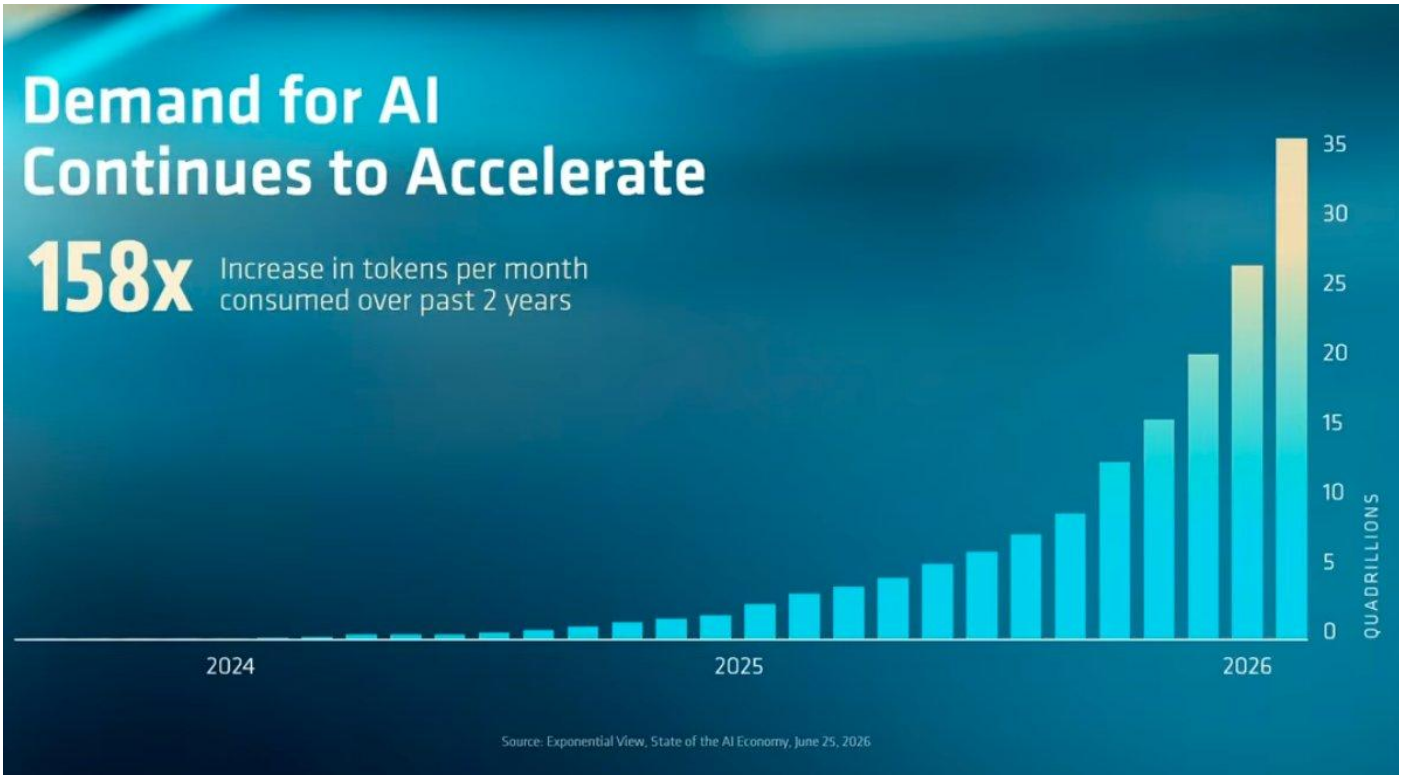
	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Sales	$ 2,817	$ 3,283	$ 4,709	$ 5,806	$ 8,046	$ 10,169	$ 12,405	$ 14,850	$ 17,307
YoY Growth	*0.9%*	*16.5%*	*43.4%*	*23.3%*	*38.6%*	*26.4%*	*22.0%*	*19.7%*	*16.5%*
EV/Sales	**47.4x**	**40.7x**	**28.4x**	**23.0x**	**16.6x**	**13.1x**	**10.8x**	**9.0x**	**7.7x**
EV/Sales to Growth	**n/a**	**n/a**	**0.65x**	**0.99x**	**0.43x**	**0.50x**	**0.49x**	**0.46x**	**0.47x**
GAAP EBITDA	$ 627	$ 1,137	$ 2,322	$ 4,170	$ 6,500	$ 8,317	$ 10,217	$ 12,294	$ 14,371
GAAP EBITDA Margin	*22.3%*	*34.6%*	*49.3%*	*71.8%*	*80.8%*	*81.8%*	*82.4%*	*82.8%*	*83.0%*
YoY Growth	*7.9%*	*81.3%*	*104.2%*	*79.6%*	*55.9%*	*28.0%*	*22.8%*	*20.3%*	*16.9%*
EV/GAAP EBITDA	**212.9x**	**117.4x**	**57.5x**	**32.0x**	**20.5x**	**16.1x**	**13.1x**	**10.9x**	**9.3x**
EV/GAAP EBITDA to Growth	**n/a**	**1.44x**	**0.55x**	**0.40x**	**0.37x**	**0.57x**	**0.57x**	**0.53x**	**0.55x**
Adj EBITDA	$ 1,063	$ 1,503	$ 2,720	$ 4,580	$ 6,804	$ 8,651	$ 10,585	$ 12,699	$ 14,816
Adj EBITDA Margin	*37.7%*	*45.8%*	*57.8%*	*78.9%*	*84.6%*	*85.1%*	*85.3%*	*85.5%*	*85.6%*
YoY Growth	*46.3%*	*41.3%*	*81.0%*	*68.4%*	*48.6%*	*27.2%*	*22.4%*	*20.0%*	*16.7%*
EV/Adj GAAP EBITDA	**125.6x**	**88.9x**	**49.1x**	**29.2x**	**19.6x**	**15.4x**	**12.6x**	**10.5x**	**9.0x**
EV/Adj EBITDA to Growth	**2.71x**	**2.15x**	**0.61x**	**0.43x**	**0.40x**	**0.57x**	**0.56x**	**0.53x**	**0.54x**
GAAP Net Income	$ (193)	$ 357	$ 1,580	$ 3,286	$ 5,358	$ 7,031	$ 8,912	$ 11,004	$ 13,165
GAAP Net Income Margin	*-6.8%*	*10.8%*	*33.5%*	*57.4%*	*66.6%*	*69.1%*	*71.8%*	*74.1%*	*76.1%*
GAAP EPS	$ (0.52)	$ 0.98	$ 4.54	$ 9.75	$ 15.94	$ 21.08	$ 26.67	$ 32.87	$ 39.25
YoY Growth	*-622.2%*	*-288.7%*	*363.2%*	*114.8%*	*63.5%*	*32.3%*	*26.5%*	*23.2%*	*19.4%*
P/E (GAAP)	**-755.22x**	**400.14x**	**86.38x**	**40.21x**	**24.59x**	**18.59x**	**14.70x**	**11.92x**	**9.99x**
PEG (GAAP)	**1.21x**	**n/a**	**0.24x**	**0.35x**	**0.39x**	**0.58x**	**0.55x**	**0.51x**	**0.51x**
FCF minus SBC	$ 195	$ 672	$ 1,703	$ 3,742	$ 4,927	$ 6,788	$ 8,607	$ 10,646	$ 12,787
(FCF-SBC) Margin %	*6.9%*	*20.5%*	*36.2%*	*64.5%*	*61.2%*	*66.8%*	*69.4%*	*71.7%*	*73.9%*
YoY Growth	*-13.6%*	*244.2%*	*153.2%*	*119.8%*	*31.7%*	*37.8%*	*26.8%*	*23.7%*	*20.1%*
EV/(FCF-SBC)	**683.6x**	**198.6x**	**78.4x**	**35.7x**	**27.1x**	**19.7x**	**15.5x**	**12.5x**	**10.4x**
EV/(FCF-SBC) to Growth	**n/a**	**0.81x**	**0.51x**	**0.30x**	**0.86x**	**0.52x**	**0.58x**	**0.53x**	**0.52x**
FCF	$ 387	$ 1,036	$ 2,072	$ 3,952	$ 5,231	$ 7,123	$ 8,975	$ 11,051	$ 13,232
FCF Margin %	*13.7%*	*31.5%*	*44.0%*	*68.1%*	*65.0%*	*70.0%*	*72.4%*	*74.4%*	*76.5%*
YoY Growth	*7.7%*	*167.6%*	*100.1%*	*90.8%*	*32.3%*	*36.2%*	*26.0%*	*23.1%*	*19.7%*
EV/FCF	**345.1x**	**128.9x**	**64.5x**	**33.8x**	**25.5x**	**18.7x**	**14.9x**	**12.1x**	**10.1x**
EV/FCF to Growth	**n/a**	**0.77x**	**0.64x**	**0.37x**	**0.79x**	**0.52x**	**0.57x**	**0.52x**	**0.51x**
SBC	$ 192	$ 363	$ 376	$ 208	$ 304	$ 335	$ 368	$ 405	$ 445
YoY Growth	*44.7%*	*89.5%*	*3.7%*	*-44.8%*	*46.2%*	*10.0%*	*10.0%*	*10.0%*	*10.0%*

Scenario Analysis	Downside	Base	Upside
Valuation	$ 325	$ 585	$ 775
% upside/downside	-17%	49%	98%
GAAP EBITDA (NTM)	$ 5,836	$ 6,914	$ 7,696
EBITDA Margin %	*76.0%*	*81.0%*	*82.0%*
GAAP EBITDA (NTM + 1 year)	$ 7,425	$ 8,750	$ 9,809
EBITDA Margin %	*79.0%*	*81.9%*	*82.0%*
EV / GAAP EBITDA	14.0x	22.0x	28.0x
EBITDA CAGR	23%	34%	41%
EV / GAAP EBITDA to Growth	0.61x	0.65x	0.67x
Enterprise Value	$ 103,956	$ 192,501	$ 274,664
FCF-SBC (NTM + 4 years)	$ 11,616	$ 13,438	$ 13,582
FCF % of Sales	*65.0%*	*75.2%*	*76.0%*
EV / FCF-SBC	14.0x	20.0x	23.0x
FCF-SBC CAGR	17%	23%	23%
EV / FCF-SBC-to-Growth	0.84x	0.89x	1.00x
Discount Rate	15%	12%	10%
Discount Period (Years)	3	3	3
Enterprise Value (NTM + 3 years)	$ 162,631	$ 268,763	$ 312,394
Discounted Enterprise Value	$ 106,933	$ 191,300	$ 234,707
Weightings			
EV derived from GAAP EBITDA	50%	50%	50%
EV derived from FCF-SBC	50%	50%	50%
Enterprise Value	$ 105,444	$ 191,901	$ 254,685
Capital Structure Adjustments			
Net Debt - NTM Ending	$ (2,852)	$ (2,852)	$ (2,852)
Shares Outstanding - NTM Ending	333.4	333.4	333.4

$NBIS Nebius, an AI cloud provider backed by NVIDIA, deployed its first full Vera Rubin NVL72 rack at its Finnish facility, featuring 72 Rubin GPUs and 36 Vera CPUs in a liquid-cooled setup that delivers up to 3.6 exaflops of performance. This early milestone follows close collaboration with NVIDIA and builds on Nebius' history of hosting Europe's first GB300 deployment. While CoreWeave validated a rack in June, Nebius' quick integration highlights its $2 billion push to scale AI factories, with software optimization and customer access coming next.

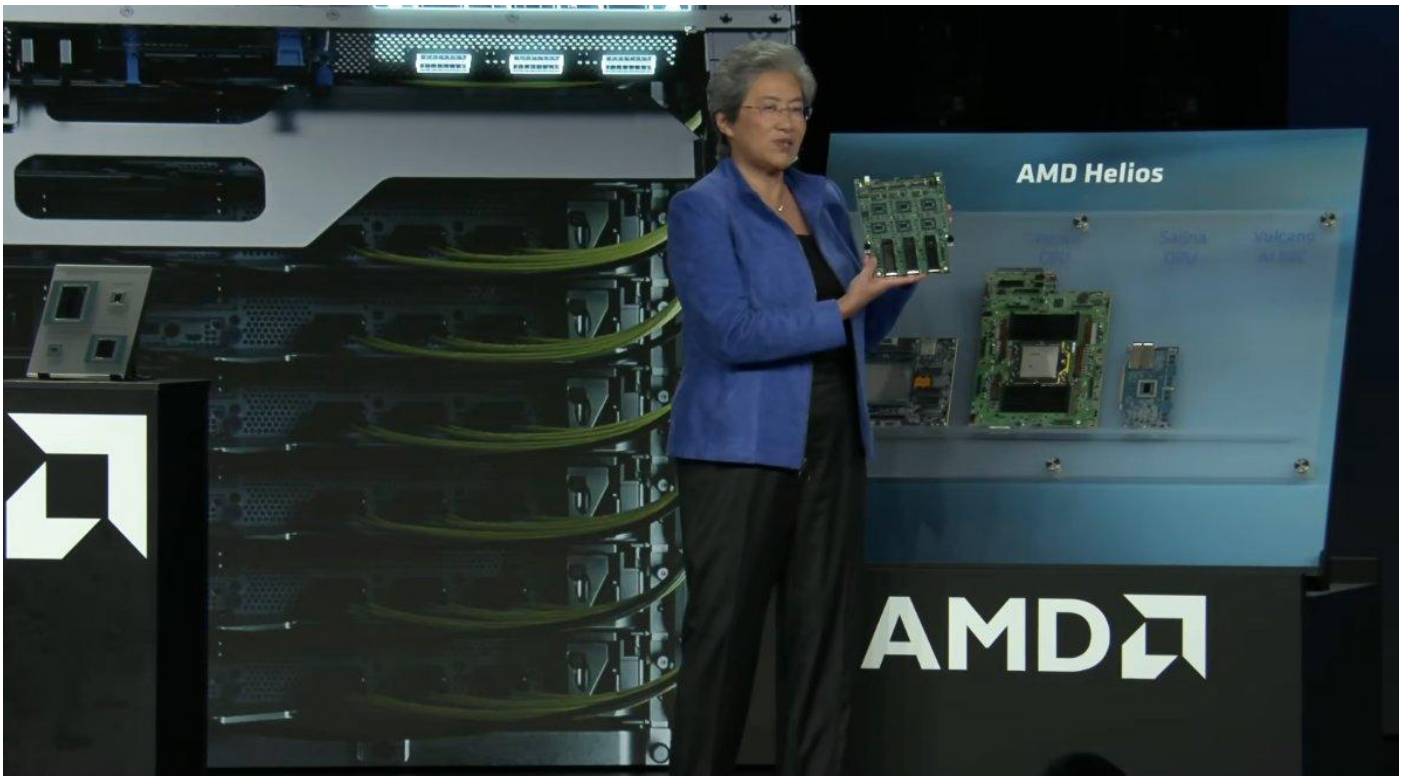
$AMD CEO Lisa Su expects the AI accelerator market to reach $1.4 trillion by 2030, within an overall compute market projected to reach $2 trillion.

Monthly AI token consumption has already increased 158x over the past two years.

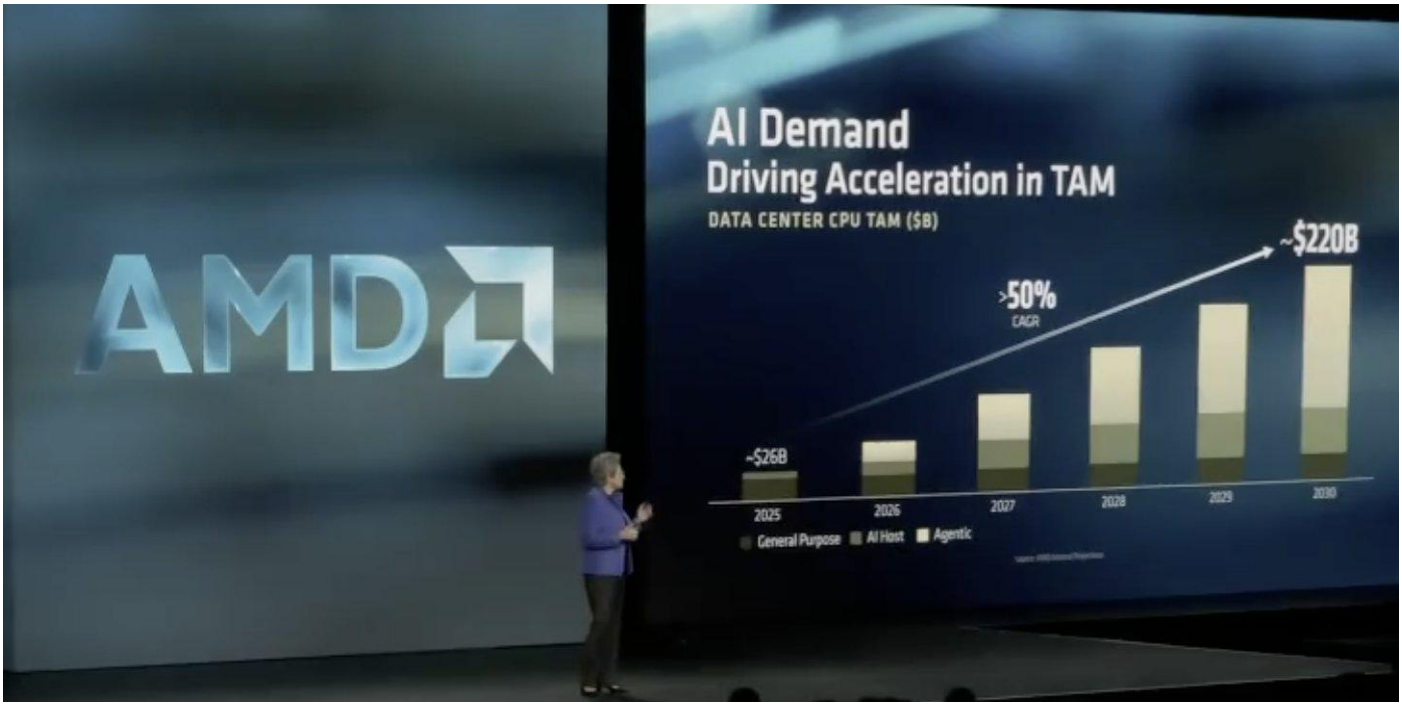


$AMD unveiled Helios, its new rack-scale AI system powered by the MI450 accelerator. CEO Lisa Su called the MI450 the fastest AI accelerator in the industry.

Helios is now in full production, with shipments set to begin at the end of Q3 and ramp through Q4.



$AMD SEES DATA CENTER CPU MARKET HIT $220B BY 2030



NOW Earnings

I'm ready to give my opinion on $NOW earnings. Let's just admit that it was a pretty good quarter all around and nothing happed (or didn't happen), it was business as usual (as it should be). They are growing fast, executing properly, and doing almost exactly what management told you they would do 90 days ago.

So, what actually happened over the last 90 days? To be honest, a whole lot of nothing. We got narratives, emotions, distractions, SaaS apocalypse talk, arguments about who is disrupting who, and endless opinions pretending to be analysis. And also the stock bounced around a bit as

$NOW became "amazing at $120" and "crap at $90". When in reality nothing changed.

Businesses do not change really fast, narratives do. The truth is that a lot of people got seduced and influenced by hype, fear, greed and noise. It has only been 90 days since the "big drop", and almost nothing fundamental has changed.

One of the greatest advantages you can have as an investor is simply operating on a longer time horizon than everyone else. While the crowd is trying to predict the next quarter, you're trying to understand the next decade. Those are two completely different games that require two completely different mindsets, and quite frankly completely different EVERYTHING!

Yes, they just completed a huge acquisition and now they are integrating it. Purchased intangible amortization increased materially, stock based compensation increased, and margins came under some pressure. That does not mean the underlying business suddenly broke.

The market has an incredible ability to convince you that the last 90 days matter more than the previous 10 years. It doesn't because long term wealth is usually created by correctly understanding long term economics, not by perfectly interpreting every quarterly headline.

Everyone is so zoomed in on this microscopic point in time that is largely irrelevant to the long-term outcome. Have we learned nothing from Nick Sleep? What happened to destination analysis and thinking about where the business is actually going?

Narratives are seductive because they make us feel informed. They give us the comforting illusion that every price movement has a profound explanation. Most of the time they're simply stories invented after the fact to justify emotions that already existed.

The market produces an endless stream of information but very little insight. Most of what crosses your screen every single day will have almost no bearing on what a business earns 5 or 10 years from now. Learning what to ignore is every bit as valuable as learning what to study.

If your conviction changes every 90 days, it probably wasn't conviction to begin with. It was optimism disguised as conviction. Real conviction survives volatility because it is built on understanding, not on price action.

Investors are constantly ready to pounce like a hungry tiger seeing a piece of meat. Every headline becomes an emergency, every quarter becomes a referendum, and every small change becomes a new grand narrative. That is not analysis. It is emotional overreaction pretending to be intelligence.

The stock market doesn't primarily transfer wealth from the uninformed to the informed. It transfers wealth from the emotionally reactive to the emotionally disciplined. The greatest investors are rarely the ones with the highest IQ. More often than not, they're simply the ones with the longest attention span and the strongest temperament. That's why investing is more stomach than brain.

Compounding doesn't just require time. It requires uninterrupted time. Every unnecessary reaction, every emotional trade, and every time you abandon a great business because of temporary noise resets the clock. Patience is not passive. It is one of the highest return activities an investor can practice.

Imagine if $AMZN shareholders judged the business every 90 days for twenty years. Imagine if $COST owners questioned the thesis every quarter because margins moved 30 basis points. Great businesses always look much smoother from 10 thousand feet than they do under a microscope.

The way to win and produce incredible results in this game is through deep disconnection. You have to separate yourself from the crowd, the noise, the urgency, and the endless need to react. The business compounds quietly while everyone else exhausts themselves debating what changed over the last 90 days.

That is the paradox of investing. The less emotionally connected you become to the daily noise, the more connected you become to what actually creates wealth.

South Korea is tightening rules for leveraged single-stock ETFs and ETNs starting July 31.

- Retail investors will need roughly $20,300 in cash to open or add to a position, up from about $6,800.
- Stocks, bonds and other securities will no longer count toward the deposit requirement.

CHINESE MEMORY IS NO LONGER THE CHEAP ALTERNATIVE

China's largest DRAM maker, CXMT, is reportedly charging more than Samsung's roughly $1,240 price for comparable 64GB DDR5 server memory modules.

CXMT spent years competing as a cheaper, state-backed alternative. Now, AI data-center demand has tightened conventional memory supply, while Beijing has steered state-owned buyers toward domestic suppliers.

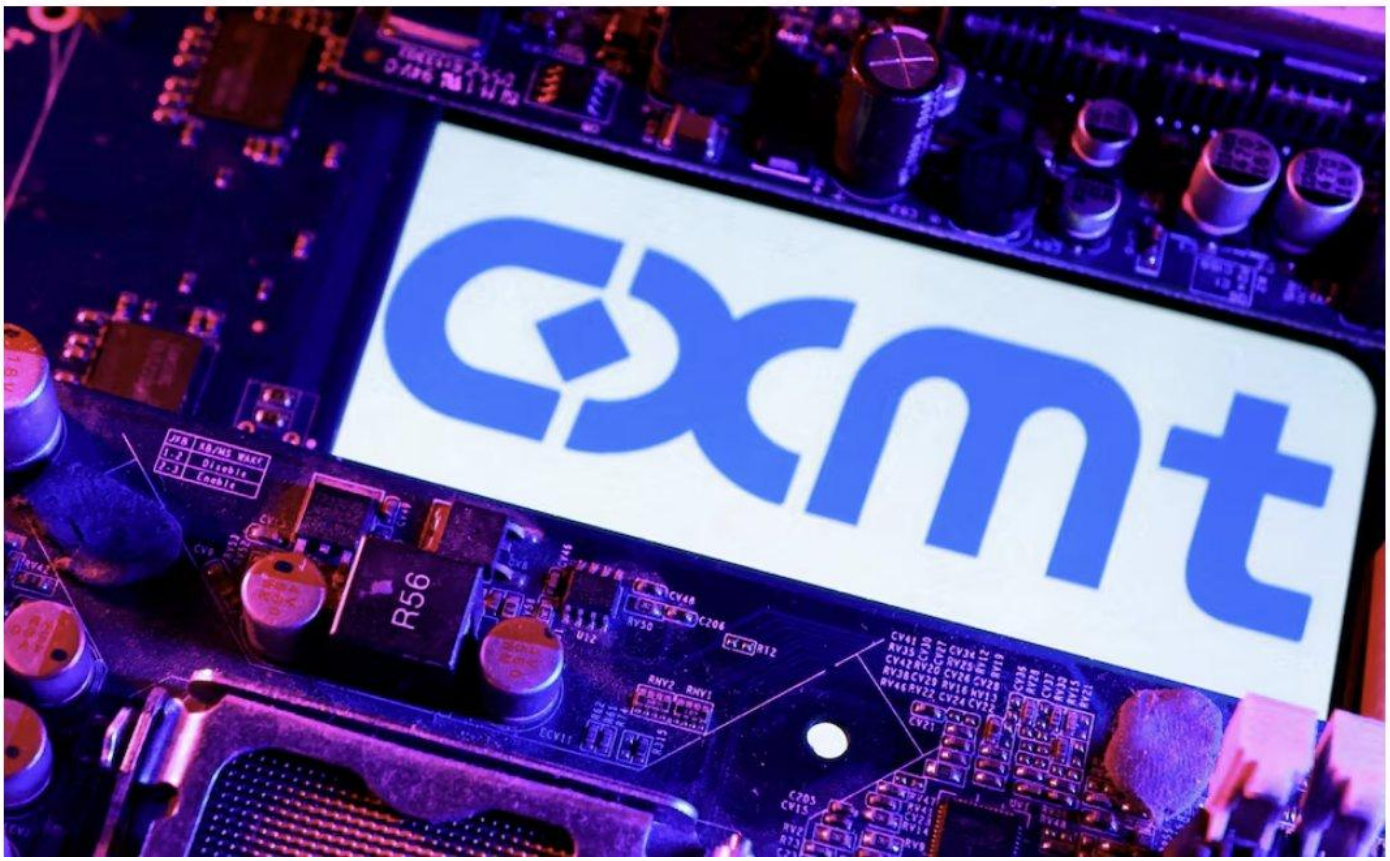
Reuters reports CXMT has secured a five-year agreement worth more than $7 billion with ByteDance and another worth over $3 billion with Tencent.

The company generated $7.5 billion in Q1 revenue, up 719% year over year, and is preparing to debut in Shanghai following an $8.6 billion IPO. New factories could more than double production capacity to over 600,000 wafers per month.

China's memory chip makers ride AI boom to new power — and U.S. scrutiny

By **Reuters**

July 24, 2026 1:04 AM EDT · Updated 5 mins ago



PRICE PRESSURE

Chinese memory chips were long seen by foreign executives as cheaper alternatives to Western and South Korean products. But that is no longer the case, six people told Reuters. In recent weeks, CXMT has charged more than Samsung's roughly $1,240-per-unit price for comparable 64-gigabyte DDR5 server memory modules, two of these people said. They wouldn't disclose the precise CXMT price.

Samsung didn't respond to questions. SK Hynix also declined to comment.

Several Chinese electronics and tech firms complained to China's Ministry of Industry and Information Technology this year about price increases by CXMT and YMTC, blaming the hikes for delaying product launches, according to two people. The sources declined to identify the companies that lodged the complaints.

The ministry, which didn't respond to questions for this story, said in April that it would crack down on memory-chip hoarding aimed at driving up prices.

The government has also steered demand to domestic chip suppliers. Chinese state-owned firms are restricted from buying from foreign memory makers, according to two sources.

The supply deal between CXMT and ByteDance followed an agreement between the chipmaker and Tencent in June worth over $3 billion. Tencent didn't respond to a request for comment.

At YMTC, Chairman Chen Nanxiang had forecast this moment. He told Chinese state media in 2024 that "while the industry had not yet reached explosive growth, that day would come within three to five years."

By early this year, as the company began picking and choosing clients for the first time, Chen and his leadership team were celebrating, according to two sources. The boom he predicted had arrived.

Intel Corp.'s long-awaited turnaround is in progress, now that the artificial intelligence data center boom is fueling demand for its chips.

The company's revenue forecast shattered Wall Street's expectations. Intel's sales will be $15.8 billion to $16.8 billion in the third quarter, the company said Thursday. Even the low end of that range would easily clear the $15.1 billion average analyst estimate.

Chief Executive Officer Lip-Bu Tan, who took the reins last year, is working to position Intel as a key beneficiary of AI spending, even though it doesn't lead in AI-specific chips. Though Nvidia Corp. remains the dominant provider of accelerator chips, which help develop and run artificial intelligence models, the industry's broader buildout has fueled demand for a range of semiconductors. That includes Intel's central processing units, or CPUs.

In data centers, "the CPU is taking off," Tan said in an interview. "Demand is outpacing our increasing supply, and so those are good problems to have."

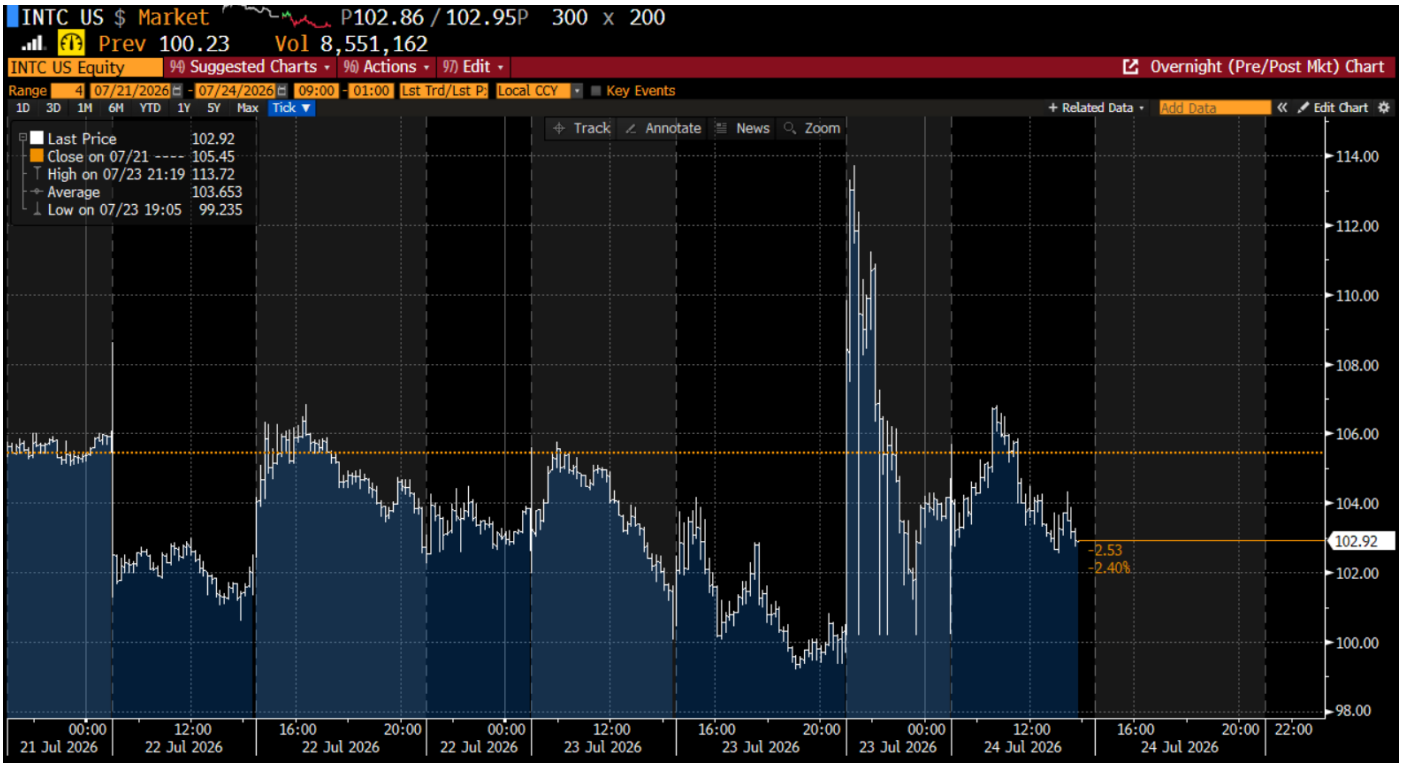
Sales in the data center segment soared 59% last quarter, more than double the pace of Intel's overall revenue.

Intel shares were up more than 3% in premarket trading in New York on Friday. The stock had already more than doubled this year before the report, lifted by growing confidence in Intel's comeback plan.

Intel will still need to deliver over the longer run, but the latest results are a good sign, said Jay Goldberg, an analyst at Seaport Group.

Intel will still need to deliver over the longer run, but the latest results are a good sign, said Jay Goldberg, an analyst at Seaport Group.

"You have the near-term momentum to carry you into the longer-term fundamentals," Goldberg said in an interview on Bloomberg Television.



Intel is making progress in improving its production, Tan said. That's helping it fill more orders and increasing the chances that other companies will choose to use Intel for outsourced production. Tan declined to discuss specific customer deals, beyond saying there are "multiple engagements," and said the company should begin to show progress on that front by early next year.

The Santa Clara, California-based company is boosting its spending on equipment to ensure it can meet demand, both for its own chips and products that it manufactures for others.

Chief Financial Officer Dave Zinsner said the company, which had earlier planned to reduce capital spending from a year earlier, is now committed to raising its budget — something it will likely do next year as well. Spending will amount to about $20 billion this year, he said.

In the second quarter, revenue rose 25% to $16.1 billion. Profit was 42 cents a share, excluding some items. Analysts had estimated sales of $14.4 billion and earnings of 21 cents on average, according to data compiled by Bloomberg.

Tan has spent much of the last year improving Intel's financial health. That's included luring investments from the federal government, Nvidia and SoftBank Group Corp. Under an unconventional deal brokered by the White House in August, the US is now one of the chipmaker's biggest backers.

The company is seen as pivotal to bringing chip manufacturing back to American soil, following decades of it shifting to Asia. Intel has plans for a massive manufacturing facility in Ohio, though the project has been repeatedly delayed.

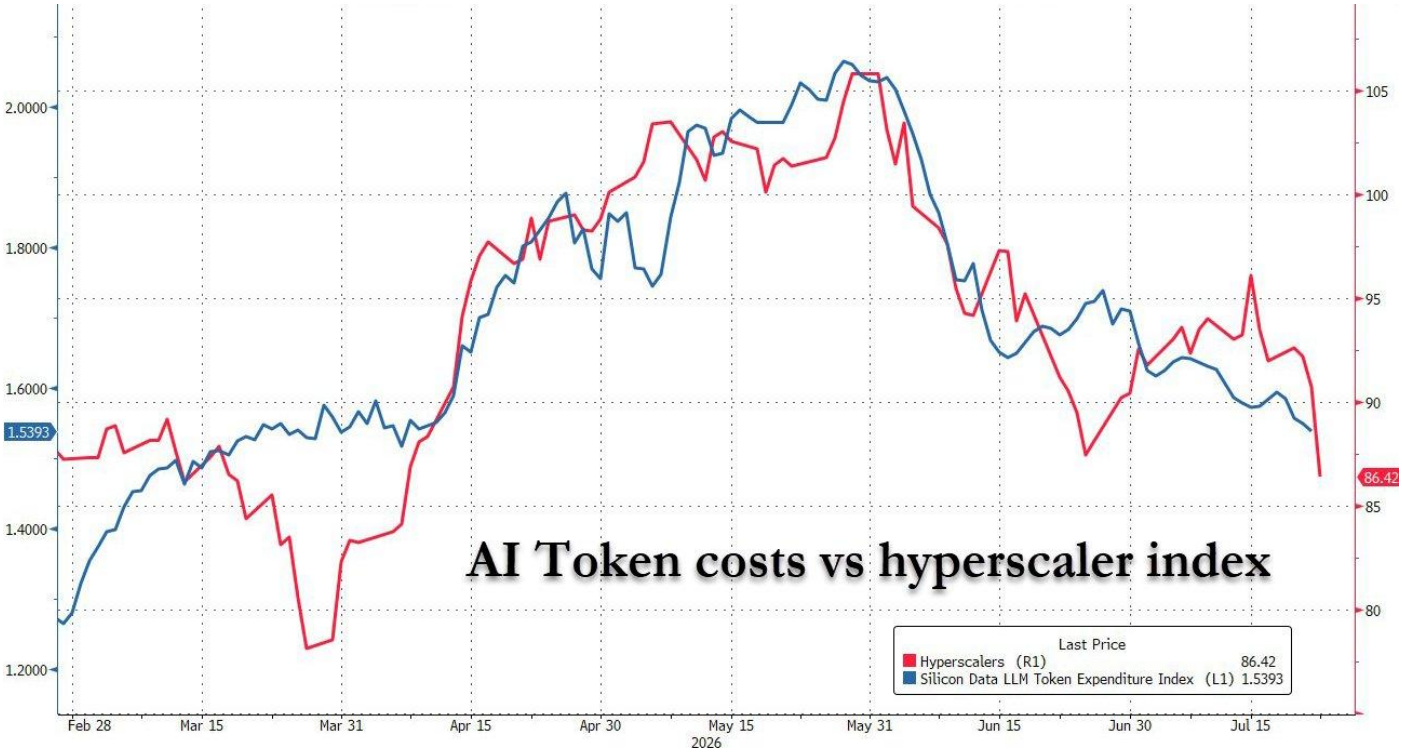
Under Tan's predecessors, Intel lost its manufacturing technology leadership and failed to capitalize on the AI frenzy. Heavy spending and declining market share led to billions of dollars in red ink.

Since then, a shift in the AI industry's priorities has been a boon to Intel. Companies are less focused on training AI models and concentrating more on running the systems. That means the general-purpose microprocessor — Intel's mainstay — is finding favor again.

Intel's gross margin, the percentage of revenue remaining after deducting the cost of production, widened to 40.4% last quarter on an adjusted basis. That was up nearly 13 percentage points from a year earlier, but profitability remains well below the level when Intel was at the height of its powers. In those years, the chipmaker regularly reported margins north of 60%.

The Intel Foundry Services division — the company's factory unit — had sales of $5.8 billion, up 31%. That unit currently relies almost exclusively on Intel product divisions for orders, though it is seeking outside customers. The PC chip division had revenue of $8.9 billion, and the data center unit posted sales of $6.3 billion.

Token costs have erased the entire agentic bounce and are at 3.5 month lows (as is the Hyperscaler index)



Nvidia $NVDA is in talks to provide a roughly $250 billion backstop for OpenAI as part of a massive data center project, one of the most ambitious financial transactions yet in America's artificial-intelligence boom. Source: WSJ

Nvidia in Talks With OpenAI to Guarantee $250 Billion Financing for Data Center -- WSJ

Summary by Bloomberg AI

- Nvidia is in talks to provide a roughly $250 billion backstop for OpenAI as part of a massive data center project.
- The guarantees from Nvidia would help the ChatGPT maker lease a 10-gigawatt project that SoftBank is developing in southern Ohio.
- Nvidia's backing would allow the data center developer to raise debt at more favorable terms since OpenAI has no investment-grade credit rating as an unprofitable private company.

By Anissa Gardizy, Amrith Ramkumar and Corrie Driebusch

07/26/2026 18:19:05 [WSJ]

Jensen's first X post on open source AI models $NVDA

https://x.com/JensenHuang/status/2080643682408321103?s=20

Open Weights and American AI Leadership

July 24, 2026

In the 1980s, early open-source software pioneers challenged the prevailing belief that software would advance only if companies kept tight control over their code. This movement pushed for a transparent ecosystem where developers around the world could study, modify, and improve software. Software developed by the open-source community now supports most of the internet and underlies systems used by the world's largest technology companies, as well as the U.S. military and federal agencies conducting scientific research, cybersecurity, and other critical missions. Open source did more than lower the cost of software; it created a shared foundation of knowledge on which generations of American engineers and entrepreneurs built their institutional sovereignty.

The United States now faces a similar choice with artificial intelligence. Our AI leadership will be judged not by one frontier AI model, but by whether the United States builds a strong, open ecosystem that diffuses into every sector. This is essential for creating opportunities for innovation and prosperity across the country. It requires expanding access to AI, encouraging competition, robust application layers, and giving Americans greater control over the technology they rely on. Open-weight models—AI models that anyone can download, inspect, modify, and run on their own infrastructure—are an important part of that foundation because they make advanced AI more accessible, adaptable, and widely available.

Open weights expand access to the AI economy. Startups, established businesses, universities, and public institutions can build on advanced models without training one from scratch or paying frontier-model prices for every task. Open weights let every organization match the right model to the right job at the right cost, reserving frontier-scale capability for genuine frontier problems and running efficient, specialized models everywhere else. That discipline is what will make AI economically sustainable as its use scales into the billions of everyday tasks. America wins the AI era by diffusing it into the workflows of factories, hospitals, farms, classrooms, and main street businesses.

Open weights also strengthen competition and competition is what keeps the gains of AI broadly shared rather than concentrated in a few hands. By allowing many organizations to build, adapt, and deploy advanced models, open weights create rivalry not only among model developers but across cloud chips,

applications, and services. That competition spurs innovation, drives down costs, and distributes the benefits of AI broadly across our economy.

Open weights also give customers greater control. As organizations invest in AI, they want to know that they will not become locked into a single provider or lose the knowledge and capabilities they build over time. Open weight models help provide that assurance by allowing organizations to control their own data, evaluate and adapt models to their own needs, and deploy them wherever their business requirements demand. And as organizations create value with AI, open weights allow them to own that value through self-improving models, specialized capabilities, and accumulated knowledge that drive American sovereignty and prosperity.

To be sure, open weights carry real and distinct risks. Once released, the weights are beyond the original developer's control, and modified versions are difficult to trace or reverse. But the right response to this risk is not to prohibit open weights. In a world where cybersecurity attackers use advanced AI, defenders need access to models with comparable capabilities so they can detect, simulate, and respond to emerging threats. Open models broaden defensive capability, increase transparency, and allow vulnerabilities to be discovered and remediated across many teams.

In fact, openness may be one of the most important paths to AI safety and security. Relying solely on closed models is not inherently safe: they can be breached, misused, or fail in ways that outsiders cannot detect. And concentrating advanced AI capabilities behind a small number of closed models compounds that risk. It results in a small number of single points of failure, weakens competition, and leaves critical technology in the hands of a few providers. Open weight models, on the other hand, allow a broad community of researchers and developers to examine their behavior, identify vulnerabilities, develop safeguards, and improve them over time. Just as open-source software demonstrated that transparency can be more secure than obscurity, AI safety may depend on giving more people the ability to test and strengthen the models on which society relies. It allows for rigorous benchmarking and evaluation, red teaming, and protections tied to real and demonstrated harms rather than assuming that closed systems are safer by default.

A strong AI ecosystem is not a foregone conclusion. Policymakers have an important opportunity to act. This includes expanding access to compute for startups and researchers, investing in shared training assets (datasets, tools, evaluation frameworks), and keeping the frontier plural by avoiding premature restrictions on open models that stifle competition or drive innovation overseas. These measures must also look at how strong application layers can expand sovereign use of AI across the economy.

In shaping this ecosystem, policymakers should be careful not to conflate legitimate model-development techniques with misappropriation. Distillation, or the practice of using one model's outputs to help train or improve another, is a widely used technique for model improvement, evaluation, and validation. It reflects a long tradition of learning from, building upon, and improving existing technologies, a tradition that has helped drive innovation since the rise of the open-source software movement. By contrast, unlawful efforts to extract value from closed models raise legitimate concerns. Those concerns should be addressed through targeted legal and commercial frameworks rather than sweeping restrictions on techniques that play an important role in AI innovation.

The age of AI can be one of prosperity. With the right choices, open weight AI can expand opportunity, strengthen competition, extend American technological leadership, mitigate risk, and ensure that the benefits of this extraordinary technology are shared broadly across our economy. That future is worth building, and the United States should lead in building it.

American Innovators Network • Andreessen Horowitz • Arcee AI • Arena • Black Forest Labs • Box • CrowdStrike • Dell Technologies • Emergence Capital • Hugging Face • IBM • The Linux Foundation • Mariana Minerals • Meta • Microsoft • Mistral • Mozilla • NVIDIA • Palantir • Perplexity • Reflection • Replit • ServiceNow • Telnyx • Y Combinator

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Macroeconomic outlook

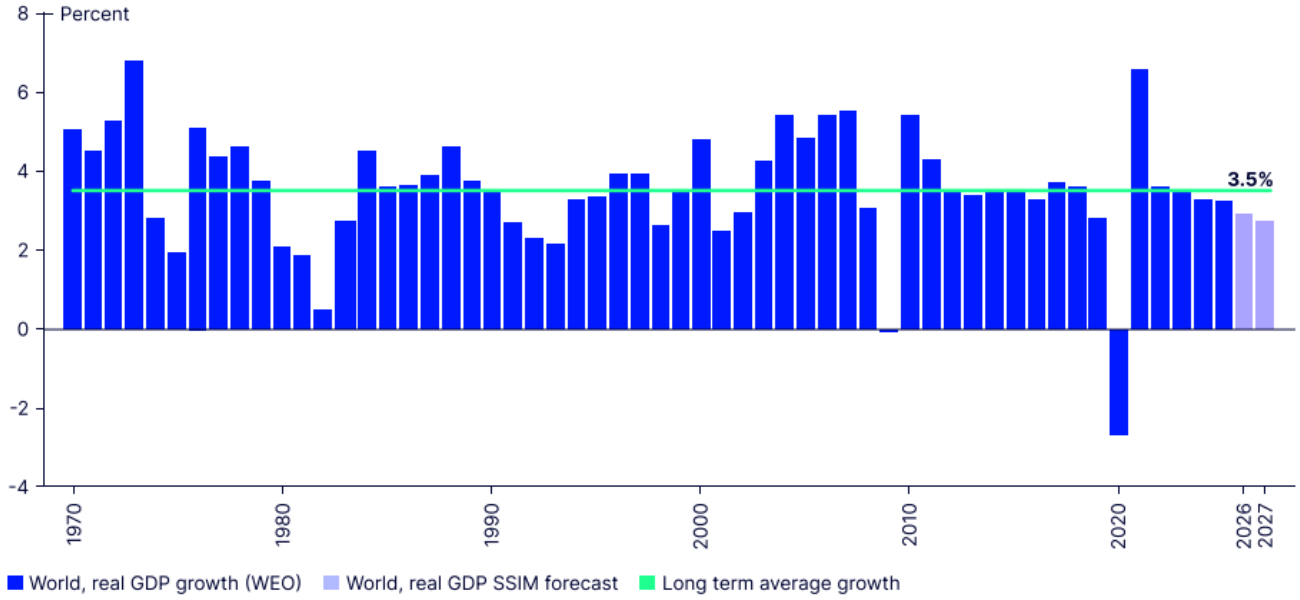
Growth resilient but uneven

The global macro backdrop remains resilient, although growth is increasingly uneven across regions and sectors. The US-Iran Memorandum of Understanding agreed in June brought about a ceasefire that reduced risks tied to energy supply and sent crude oil prices sharply lower. However, by mid-July, ongoing skirmishes escalated into large scale attacks that have effectively collapsed the agreement. Talks are reportedly continuing but the renewed threat to Strait of Hormuz transit has unsettled markets once again and oil prices have rebounded. How this scenario develops could dampen hopes for near-term headline inflation relief.

However, there is more to inflation than events in the Middle East, with more structural forces also a key influence. Most notably, the acceleration in AI-related investment continues to support demand while simultaneously fuelling price pressures in parts of the global supply chain. The result is a more complex policy environment, where inflation risks persist even as growth moderates—the June hike by the European Central Bank is a nod to the energy price shock, while a more hawkish Federal Reserve is monitoring the updrift in inflation. The quarterly edition of our weekly economic perspectives provides more insight into global economic activity and policy moves.

The boom in AI-related activity for technology and investment-linked sectors masks vulnerabilities elsewhere. A "K-shaped" dynamic is broadening across economies, complicating policymaking as rate hikes threaten struggling sectors like housing but are unlikely to dampen the AI boom.

Figure 1: Global growth forecasts little changed despite Iran war



Source: Macrobond, State Street Investment Management, International Monetary Fund as of June 26, 2026. The above forecast is an estimate based on certain assumptions and analysis made by the State Street Investment Management Economics Team. There is no guarantee that the estimates will be achieved.

Europe

Subdued growth, lags peers

	Forecast (%)	Change since Q2
2026 GDP growth	+0.8	↓
2026 inflation	+2.8	↑
End-2026 ECB deposit rate	2.50	↑

Source: State Street Investment Management as of June 26, 2026. The above forecast is an estimate based on certain assumptions and analysis made by the State Street Investment Management Economics Team. There is no guarantee that the estimates will be achieved.

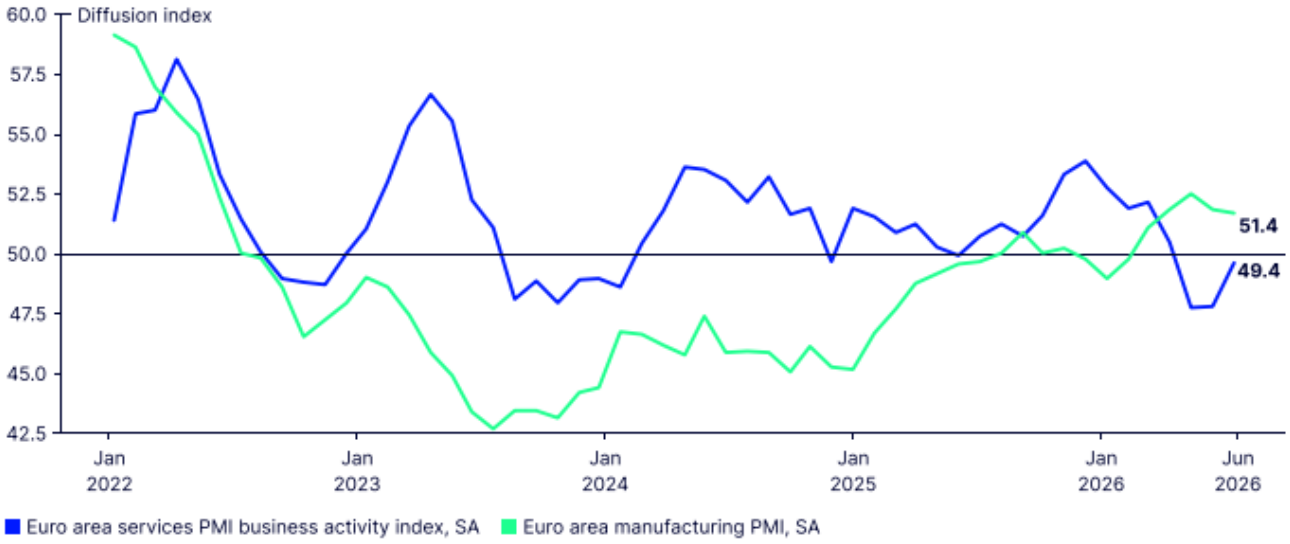
Unlike the US, our eurozone growth expectations have been revised lower to reflect softer economic activity, a less supportive investment environment and the drag from what we consider to be ill-advised policy tightening by the ECB. Our real GDP growth forecasts have been trimmed from 1.1% to 0.8% in 2026 and from 1.5% to 1.2% for 2027. Consumer spending remains subdued despite relatively strong labor markets, indicating continued caution among households. For the UK, our growth outlook is unchanged at a modest 0.7% for 2026 amid weak growth, restrictive monetary policy, and rising political uncertainty.

Investment in the euro area has disappointed, with a recent contraction interrupting the prior uptrend. A sustained easing in energy costs would be supportive (in question now due to renewed US-Iran hostilities), though the overall investment outlook remains fragile—the tangible benefits of last year's German debt brake deal have yet to materialize convincingly in the macro data.

According to purchasing managers' indexes, manufacturing activity remains in modest expansion, while services are weakening—tourism levels appear impacted by the Iran war and World Cup. With uneven domestic demand not fully compensating, this divergence highlights the limited resilience of the broader European economy. However, any slowdown in growth should help limit inflation pressures.

That said, the ECB tightened in June in response to inflation pressures—a move we believe could have been delayed. Despite slowing growth, the rhetoric from the bank prompts us to pencil in another rate hike before year-end. The Bank of England kept its benchmark rate at 3.75% in June and while softer inflation data reduces the urgency to tighten, we don't envisage a pivot to easing until the full effects of the energy shock are clearer.

Figure 3: ECB hikes likely to exacerbate economic weakness



Source: Macrobond, State Street Investment Management, S&P Global as of June 2026.

Asia-Pacific

Japan stands out, China in flux

	Forecast (%)	Change since Q2
2026 GDP growth	+0.8	^
2026 inflation	+2.0	^
End-2026 Bank of Japan rate	1.25	^

Source: State Street Investment Management as of June 26, 2026. The above forecast is an estimate based on certain assumptions and analysis made by the State Street Investment Management Economics Team. There is no guarantee that the estimates will be achieved.

Asia presents a differentiated macro picture, with outcomes varying across economies. Among major economies, Japan stands out as a relative bright spot, supported by strong participation in the global AI investment cycle and improving domestic conditions. The Iran conflict weighed on trade activity during Q2, with both exports and imports likely softening. Nevertheless, Japan's export sector remains underpinned by robust semiconductor and technology-related shipments, which could reaccelerate in the remainder of the year.

We see scope for a recovery in both exports and corporate spending. In the meantime, household consumption remained supportive, rising 1.1% y/y in Q1, the fifth consecutive quarter of growth above 1%. While inflation in Japan remains contained at the headline level it is strengthening beneath the surface—producer price increases have broadened across metals, plastics, and other intermediate goods, suggesting that pipeline inflation is becoming more pervasive. Against this backdrop, the Bank of Japan's rate hike in June to 1.0% marks a continued shift toward policy normalization.

In contrast to Japan, China's economy is increasingly characterized by a widening disconnect between robust production and weak domestic demand. Industrial production has accelerated, high-tech manufacturing is expanding rapidly, and exports delivered strong growth. However, conditions at home remain far less encouraging.

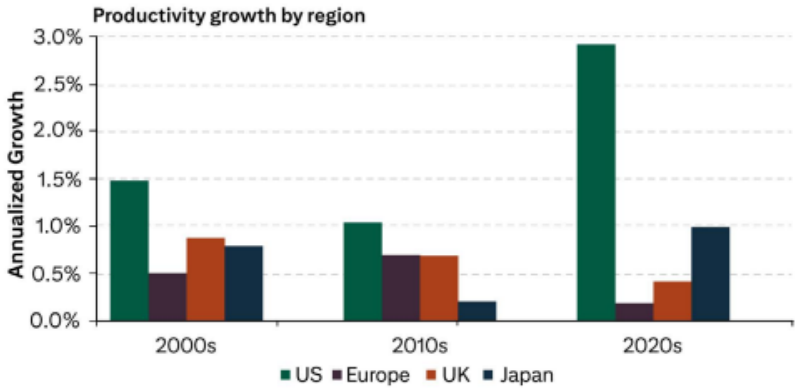
Retail sales and fixed-asset investment remain weak, underscoring fragile confidence and subdued private activity. Manufacturing is barely expanding, services have improved only modestly, and property remains the main drag as investment, housing starts, financing, and home prices continue to fall. Inflation is similarly soft: weak household demand is keeping consumer prices contained, while producer-price gains reflect energy and technology inputs rather than broad demand.

In Europe, corporate cash flow trends are less robust than in the U.S., and Eurozone companies depend more on bank loans than capital markets for external funding. The latest ECB Bank Lending Survey points to a headwind. Even before the ECB's June rate hike, Eurozone banks reported tightening credit standards to firms. The ECB survey noted, "The tightening was larger than expected, standing above the historical average, and the most pronounced since the third quarter of 2023," driven by, "Perceived risks to the economic outlook and a lower risk tolerance of banks."[1]

Over a longer horizon, productivity trends underscore our expectations for U.S. growth outperformance. **U.S. productivity growth is materially stronger than that of other major economies and is accelerating (Figure 4).**

FIGURE 4

U.S. productivity trends far outpace other major economies

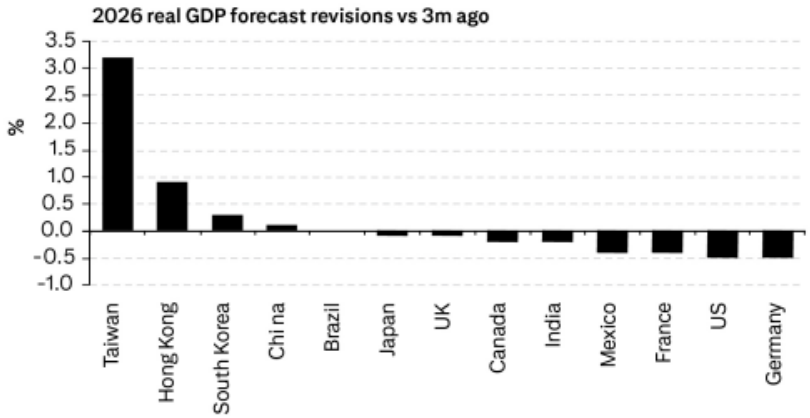


Source: Haver Analytics as of July 7, 2026.

In emerging markets (EMs), large-scale investments focused on the AI supply chain remain a dominant growth driver. Real GDP growth for South Korea and Taiwan accelerated sharply in early 2026, driven by soaring exports of AI-related equipment. Looking forward, consensus growth forecast revisions indicate materially stronger outlooks for Taiwan, Hong Kong, and South Korea **(Figure 5)**.

FIGURE 5

Global consensus growth forecast revisions driven by AI investment



Source: Haver Analytics as of July 7, 2026. All forecasts are expressions of opinion and are subject to change without notice and are not intended to be a guarantee of future events.

[1] European Central Bank, "The euro area bank lending survey - First quarter of 2026." April 28, 2026.

Two shifts, three implications

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A more flexible approach can help investors access a broader opportunity set and enhance income while maintaining the high-quality characteristics of core fixed income.

As we move into the second half of the year, we see two important shifts shaping fixed income markets. First, inflation and growth are likely to moderate from their first-half pace. Second, we expect greater dispersion across sectors, issuers and regions as evolving economic conditions and the uneven impact of AI innovation reshape industries, capital needs and issuer fundamentals.

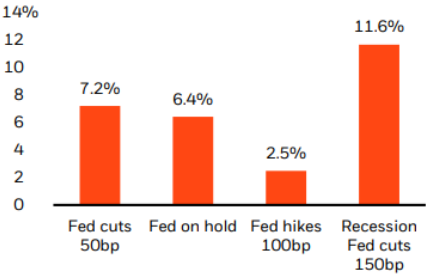
Together, those shifts have important implications for investors and create a richer opportunity set in fixed income. The challenge is capturing it with greater precision.

Higher real yields may offer a better starting valuation in U.S. rates

Much of the "3-highs" narrative of high growth, high inflation and high deficits is now reflected in Treasury yields. Markets are pricing a more hawkish path for Fed policy than we expect. With U.S. real yields above 2% across most tenors and 30-year real yields near their highest level since 2003, valuation has become increasingly compelling to lock in these yields.

Our forward-looking return scenarios point to a favorable asymmetry in U.S. Treasuries, with positive expected returns across a wide range of plausible macro scenarios (see chart at right). Current yield levels provide a substantial cushion against further rate selloff. In fact, 10-year Treasury yields would need to rise roughly 70 basis points from current levels before generating negative total returns over a one-year horizon. While income remains the primary driver of fixed income returns, investors are beginning to get better compensated for taking some duration risk as well. In our view, the risk-reward in rates has improved.

Improved return asymmetry in U.S. rates across macro scenarios
U.S. Treasury AGG: Estimated return scenarios over the next 1 year



Sources: Bloomberg, BlackRock, as of July 6, 2026.

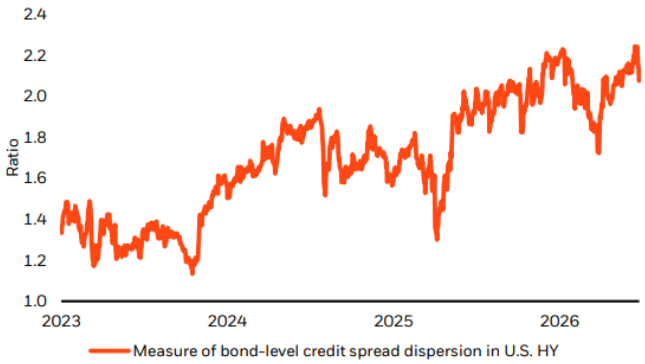
Still a carry-friendly backdrop, but precision matters

The backdrop remains supportive for carry. Strong nominal growth, a sixth consecutive quarter of double-digit corporate earnings growth, attractive all-in yields, and elevated cash in the system to be invested continue to support markets. However, spread valuations across many areas of credit remain relatively tight, limiting the scope for broad-based spread compression.

Two shifts, three implications

As a result, future returns are likely to depend less on spread tightening and more on earning and compounding income over time as well as capturing alpha from rising dispersion. In our view, investors are likely to be rewarded for careful underwriting, disciplined security selection and identifying resilient sources of income rather than simply chasing broad market exposure.

Rising dispersion in credit
Dispersion in U.S. high yield corporate spreads



Sources: Barclays, Bloomberg, as of June 29, 2026.

We continue to see attractive opportunities in securitized assets, where valuations remain compelling on a quality-adjusted basis and where security selection, structural analysis and origination alpha can create meaningful differentiation. In addition to attractive income potential, these sectors can provide valuable diversification benefits.

Regime calls for modernizing core fixed income allocations

Today's market calls for a fresh look at traditional core allocations. The Bloomberg U.S. Aggregate Bond Index remains an important foundation for core fixed income portfolios, but it represents only about half of today's investable fixed income universe and provides limited exposure to many attractive sources of income and alpha.

Greater dispersion across sectors, issuers and regions is creating a stronger backdrop for active sector allocation and security selection. A more flexible, multisector approach can help investors access a broader opportunity set and enhance income while maintaining the high-quality characteristics investors expect from core fixed income.

The opportunity set has evolved. The implementation of core fixed income should evolve with it.