

Asia Equity Strategy

Rajiv Batra ^{AC}

+65 6882 8151

rajiv.j.batra@jpmorgan.com

J.P. Morgan Securities Singapore Private Limited

Khoi Vu

+65 6882 8170

Khoi.t.vu@jpmorgan.com

J.P. Morgan Securities Singapore Private Limited

Joy Wang

+852 2800 2322

joy.y.wang@jpmorgan.com

J.P. Morgan Securities (Asia Pacific) Limited/

J.P. Morgan Broking (Hong Kong) Limited

Mixo Das

+852 2800 0511

mixo.das@jpmorgan.com

J.P. Morgan Securities (Asia Pacific) Limited/

J.P. Morgan Broking (Hong Kong) Limited

Rushit Mehta

+9122 6157 3711

rushit.mehta@jpmorgan.com

J.P. Morgan India Private Limited, J.P. Morgan

Tower, Santacruz(E), Mumbai - 400098, SEBI

Registration: INH000001873, (91-22) 6157-3000.

Overweight

Korea / Taiwan / China+HK

Neutral

India

Underweight

ASEAN

See the end pages of this presentation for analyst certification and important disclosures, including non-US analyst disclosures.

J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

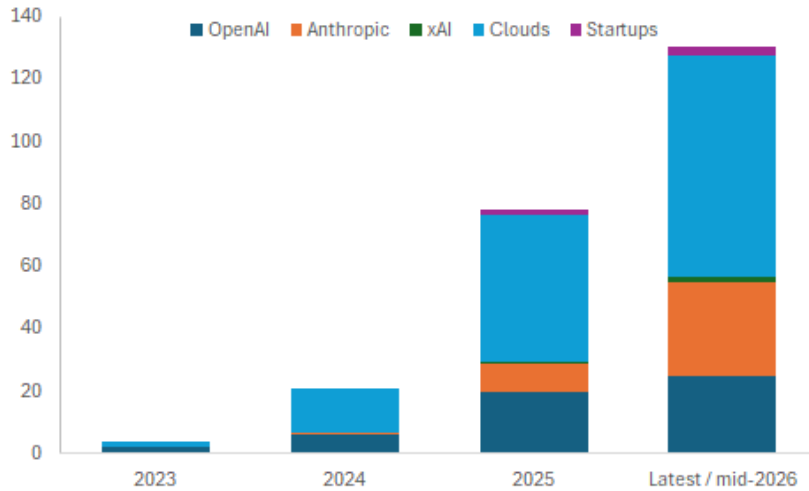
Key Market Views

	Korea	China/HK	India	Taiwan	ASEAN
Key market developments	Governance reforms driving re-rating + Memory price hikes	Energy resilience; Strong start in 1Q; Green shoot in property; Soft domestic demand	Macro headwinds due to elevated crude oil prices, INR weakness, slowing Capital Market activity	TSMC monopoly supplier for AI compute + Pricing increases across AI supply chain	Fiscal supports, oil price and inflationary pressure, degree of demand destruction on EPS growth
Themes in play	Ex-China industry leadership (nuclear, defense, robotics, shipbuilding, elec. equipment), K-content	Energy security; Anti-involution; Affordable experience, AI/Robotics	Energy security, Rural recovery, Savers to investors, Premiumization, Defense, Power, Hospitals	AI chips, GPU and ASIC supply chain, Yield ETF inflows slowed	Energy beneficiaries/resilient stocks, Value Unlock initiatives in Singapore, market reform in Thailand & Malaysia, public infrastructure in Vietnam
Sector recommendations	OW Memory, Financials, Holdcos, Industrial Themes	OW Materials, Industrials, Healthcare, IT, Energy	OW Financials, Materials, Discretionary	OW Tech	OW Financials, Comm, Healthcare
Preferred Style exposure	Value, Momentum	Growth and HK listed high yielding Value	Domestic over exporters; Quality and Earnings Momentum	Quality, Margin Revisions	Value, Defensive, Dividend
Key catalysts ahead	Reform implementation, Capital repatriation	Government policy; Trump-Xi meeting; Domestic demand recovery; Property stabilization	Middle-East conflict developments, India-US BTA, Monsoon outcome, Fiscal relief, key State Elections	More sovereign AI, Component Price hikes, Retail trading	Geopolitical risk easing, Foreign flows reversal, Rate cuts

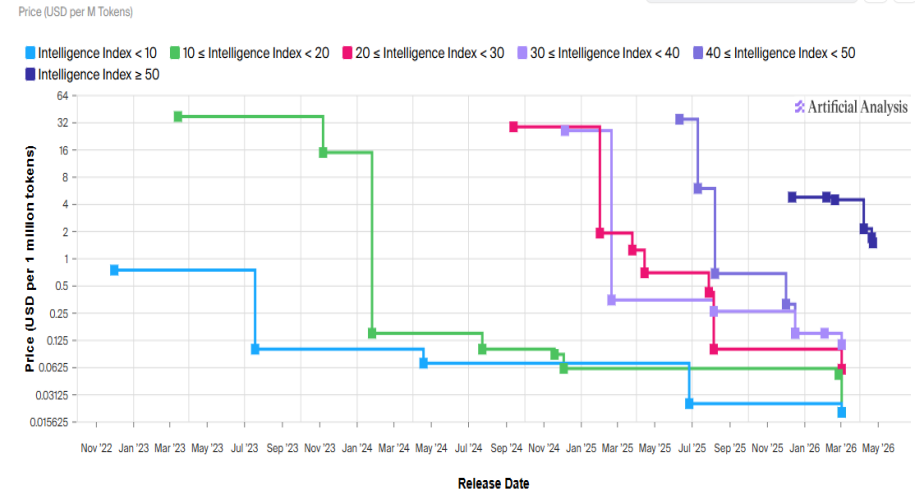
Source: J.P. Morgan

AI Breakout: Model Capability, Usage, Pricing, New Funding Ease Monetization Risks

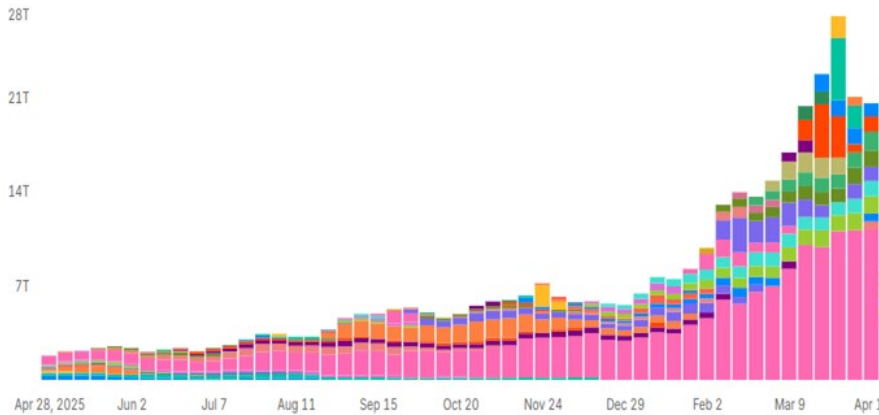
AI revenues are scaling rapidly YTD



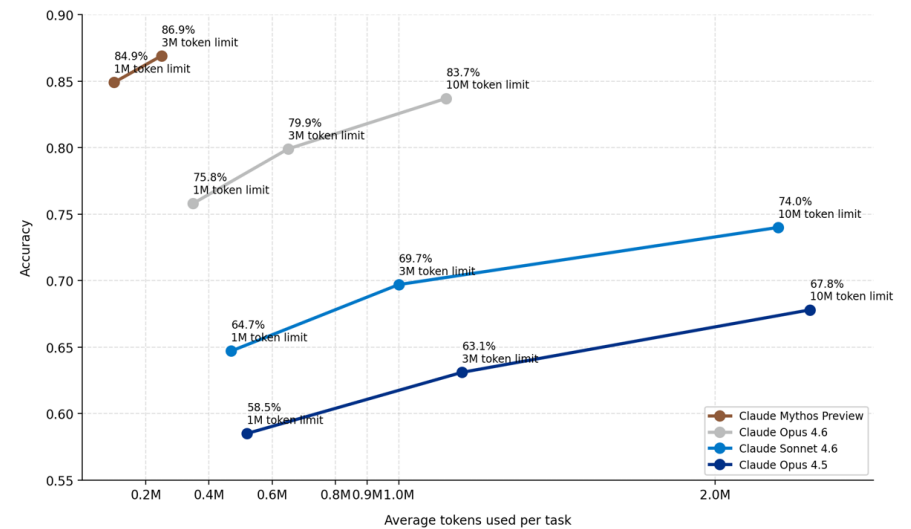
Model pricing deflation has slowed



Token consumption growth rate has accelerated to 15x y-y



Mythos model performance + OpenAI, DeepSeek launches

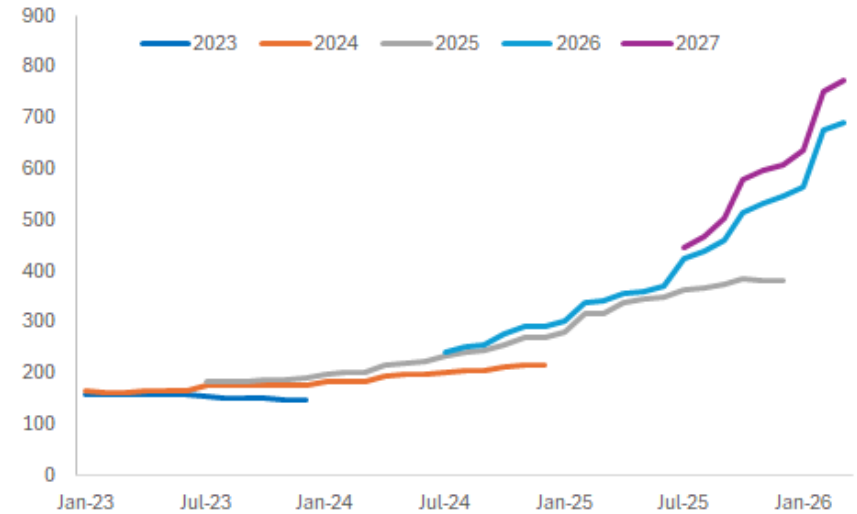


Compute Could Remain in Shortage For Long Time

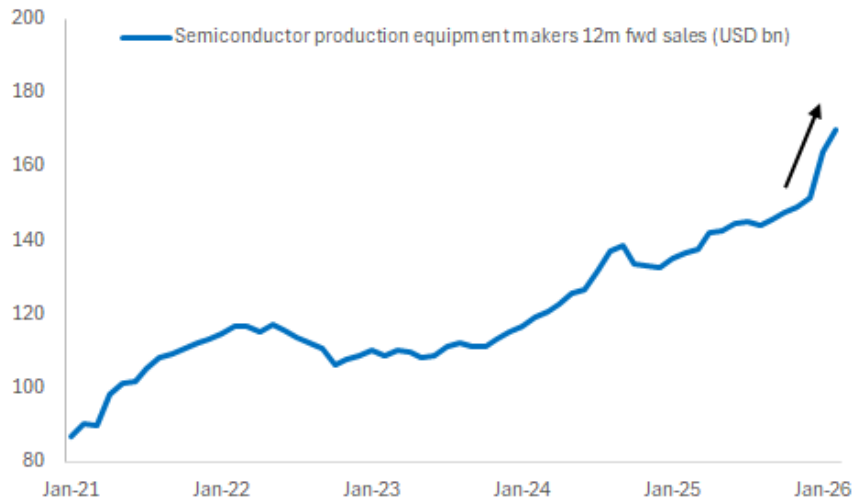
Sticky rental rates of old GPUs suggests compute shortage



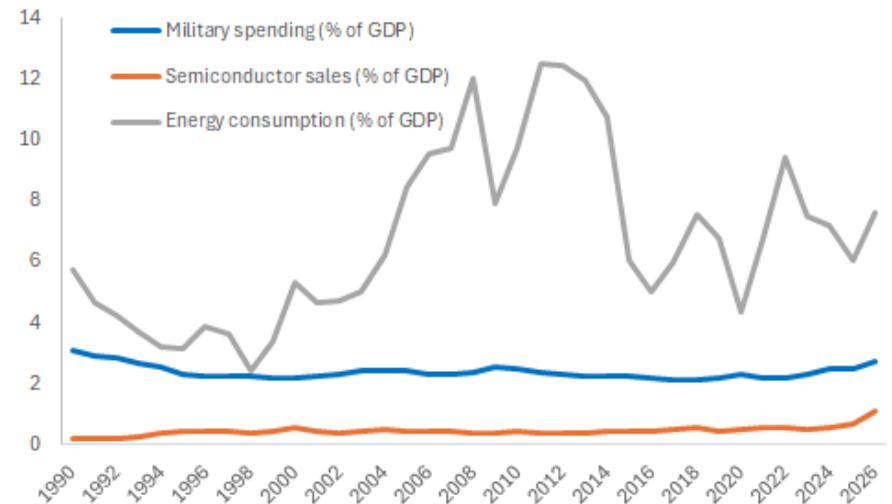
Hyperscalers are likely to keep spending even more



SPEs are only just starting to see additional orders

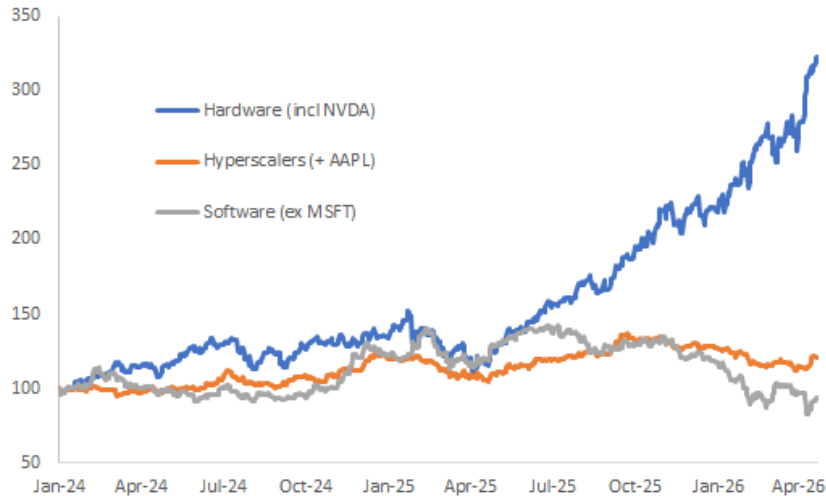


If AI is existential, long way to go on semi spending

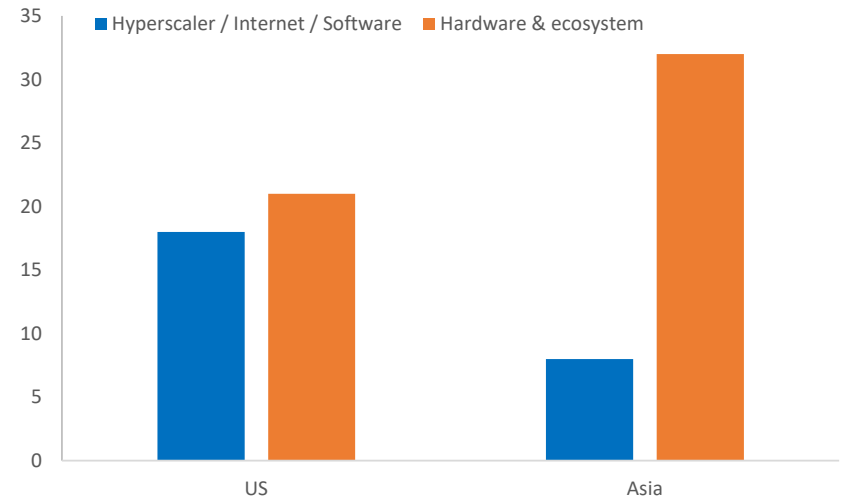


“Spending” Over “Monetization” Can Go On For Now

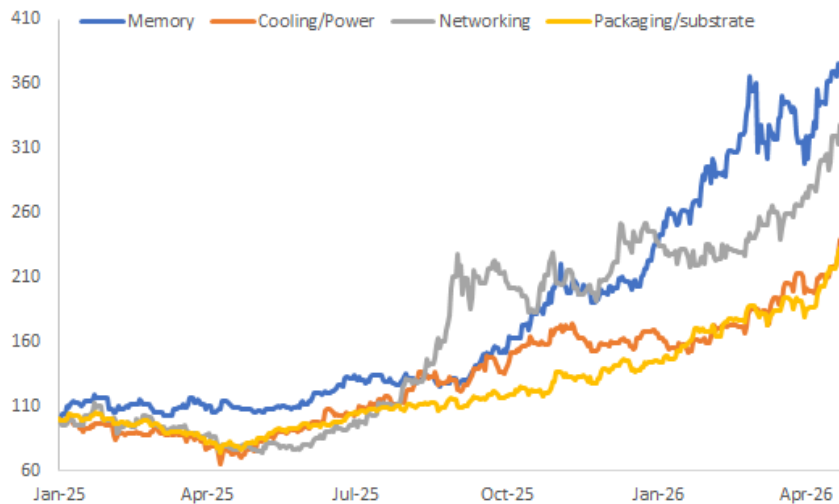
Hardware (“Spending”) over Hyperscalers (“Monetization”) over Software and Devices (“Cannibalization”)



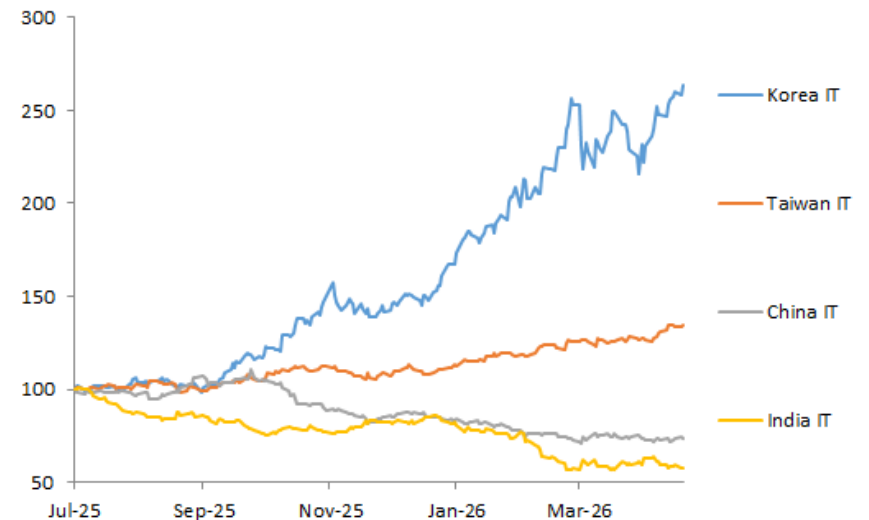
Asia has more hardware than US



Hardware segments seeing pricing increases have done well

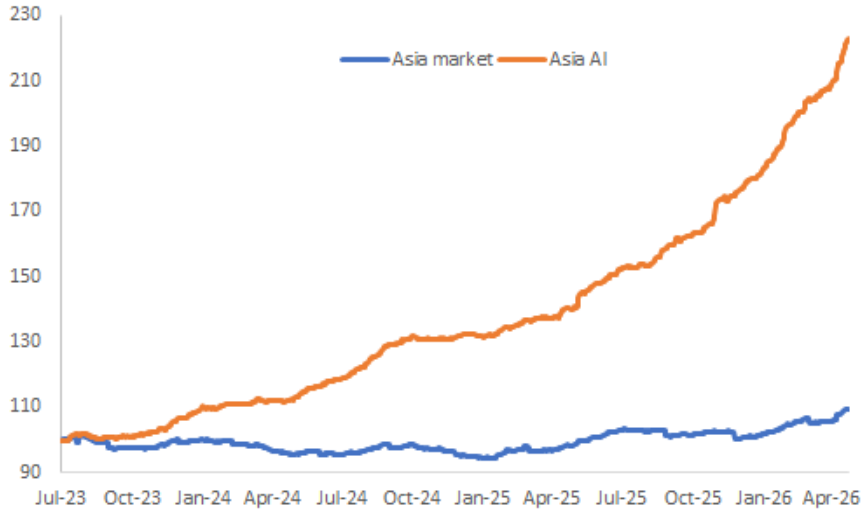


More of this in Korea, But Taiwan catching up too

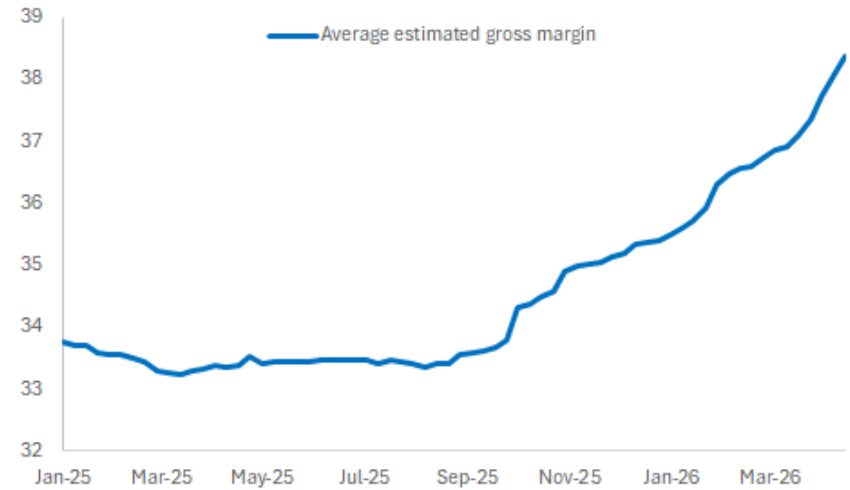


Asia AI Stocks Seeing Strong Fundamentals

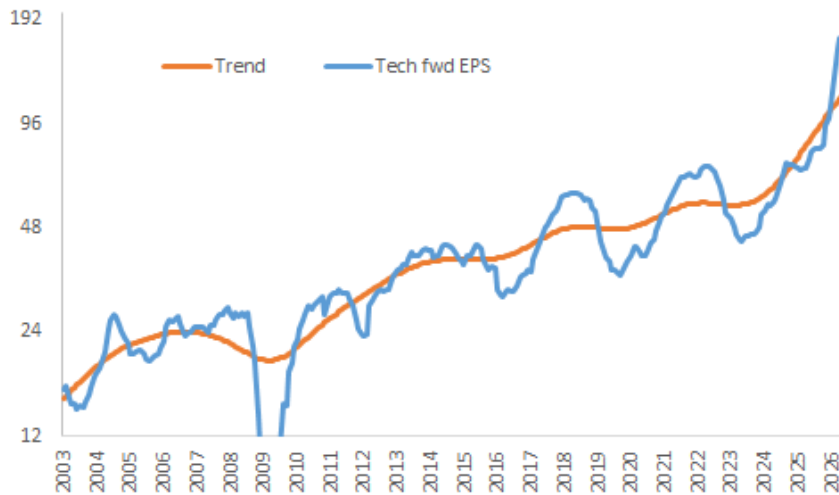
Sales estimates for AI-exposed stocks in Asia surging



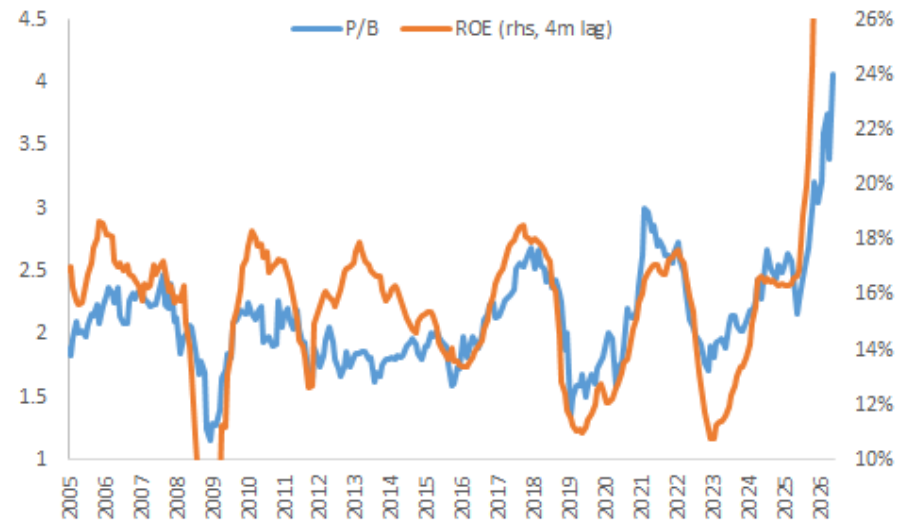
Pricing increases has helped drive higher margins



Tech sector EPS off the charts now

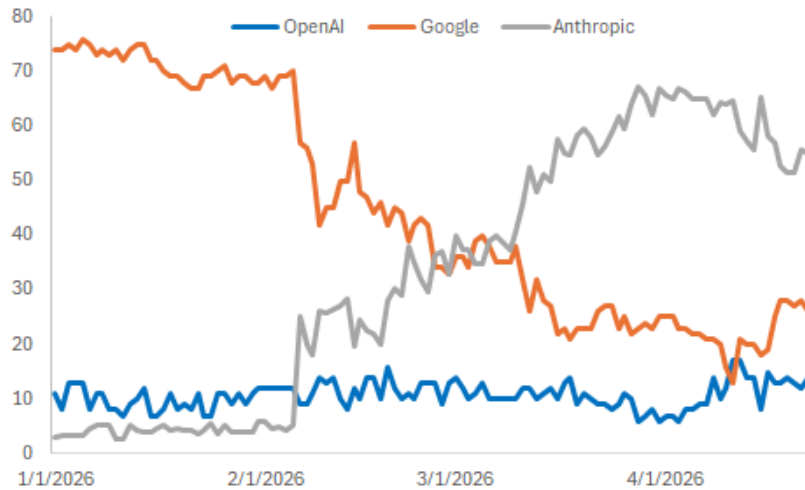


High valuations in that context are justified

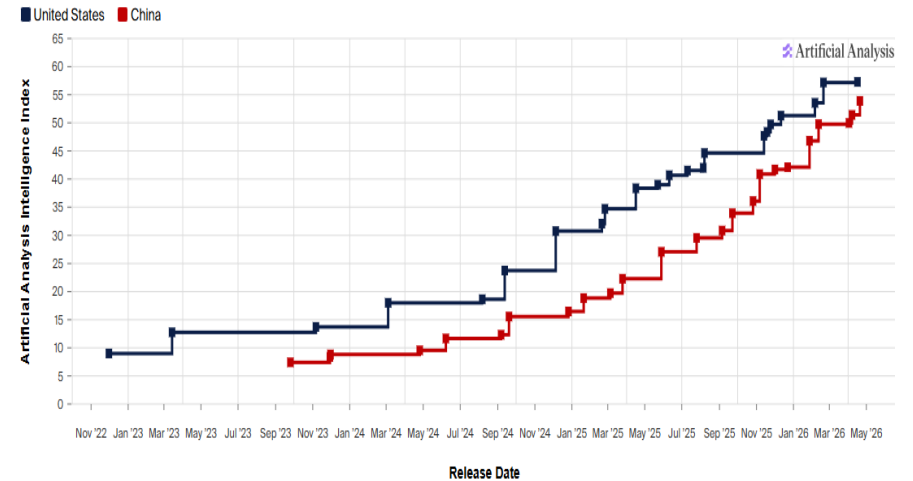


Monetization Risks to AI on the Back Burner, Not Gone Away

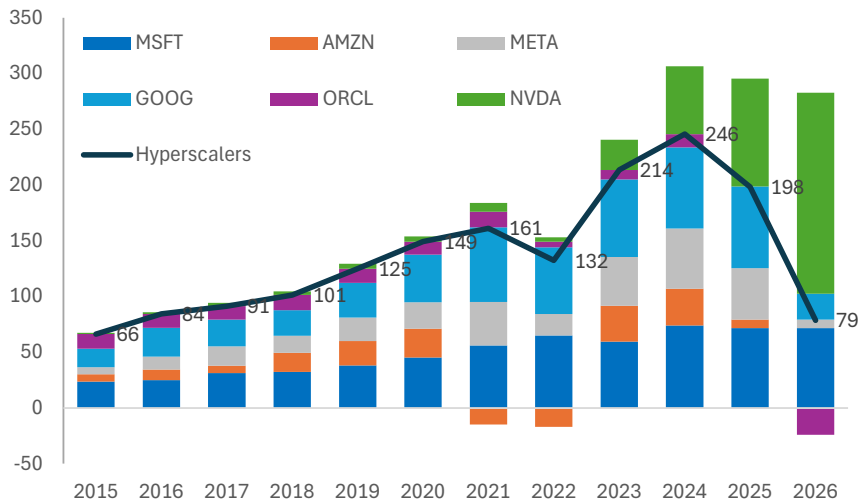
No sustained tech leadership in AI models



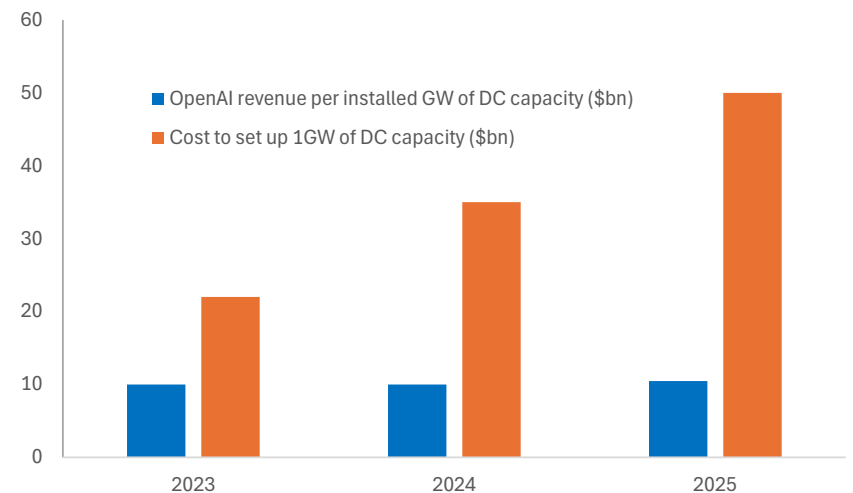
Lower cost China models are keeping pace with frontier



NVDA has cash, but not straightforward to move around



Revenue growth so far appears driven only by capacity



Reasons for Monetization Challenge in AI

Why AI stocks may be overextended?	Counter-arguments to consider
<p>Lack of moat means value creation ≠ value capture -</p> <ul style="list-style-type: none"> • Unclear if AGI is achievable on current path • No consistent tech leadership + easy to replicate • No platform dynamics (Uber, FB, Amzn) • Limited scale (Netflix) or distribution (MSFT, Google) moat • Some moats from brand value, switching costs (Apple, CSPs) due to memory 	<p>Largest players (with most visibility on model progress) remain of the view that AGI is coming soon</p> <p>+ “Public good” may be funded by Sovereign AI. Making AI “Too Big to Fail”</p>
<p>This leads to difficulty in monetization via subscription = value from AI becomes more a consumer surplus (\$30tn in white collar wage, \$2tn in software spend)</p>	<p>There are other potential channels for monetization</p>
<p>If monetization lags (5bn, 10%, \$500 = \$250bn vs \$700bn+ needed), capex commitments will be curtailed</p>	<p>Reasoning, Video, Agents need lots more tokens - > Pricing will rise over time?</p>
<p>Regulation, Positioning, Edge inference all risks</p>	<p>Need to win “AI race”?</p>
<p>Other bottlenecks like power will slow actual build</p>	<p>Market dynamics will find a solution</p>
<p>Ramp on other monetization channels (ads, agents, commerce) will be slow to displace incumbents</p>	<p>Google/FB didn't have business model for years. Need to avoid “Rearview fallacy”</p>
<p>Change in funding – more debt, circular financing...</p>	<p>Vendor financing is not always cashflow and B/S strength in</p>
<p>GPUs depreciate faster than fiber in TMT boom</p>	<p>But even old GPUs are generally</p>
<p>Valuation – likely the least compelling of the list, but P/S valuations are at 2000 highs</p>	<p>Can't afford to not be invested catch up</p>

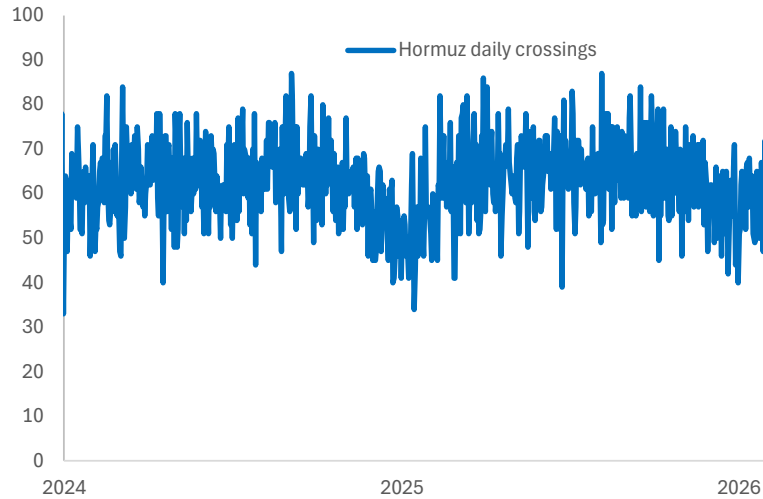
人在草木间

更多资料请加V

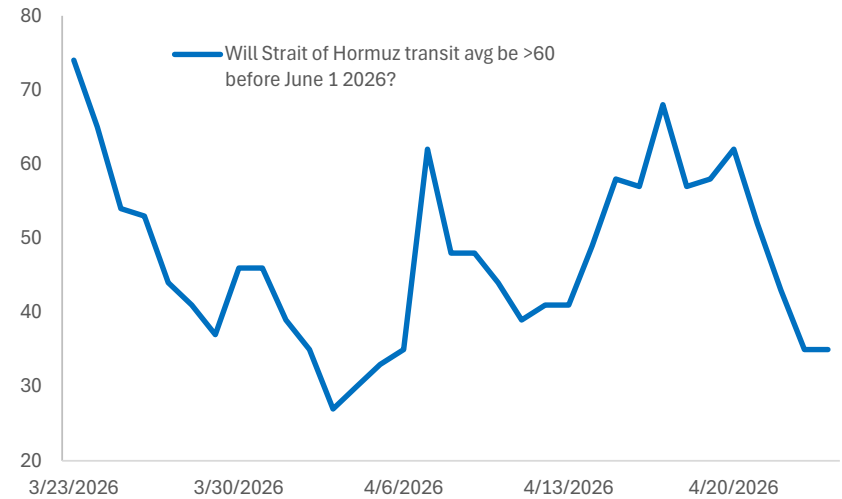


Markets Assume Situation in Iran Will Resolve

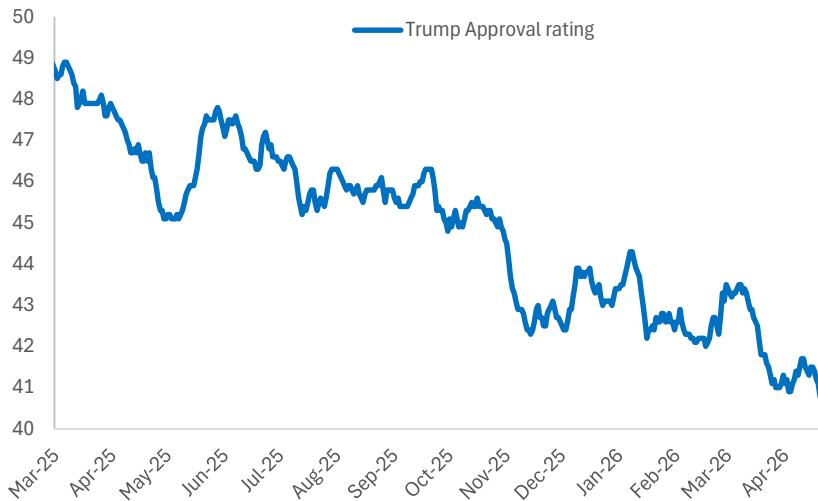
Vessel transits in Hormuz still low



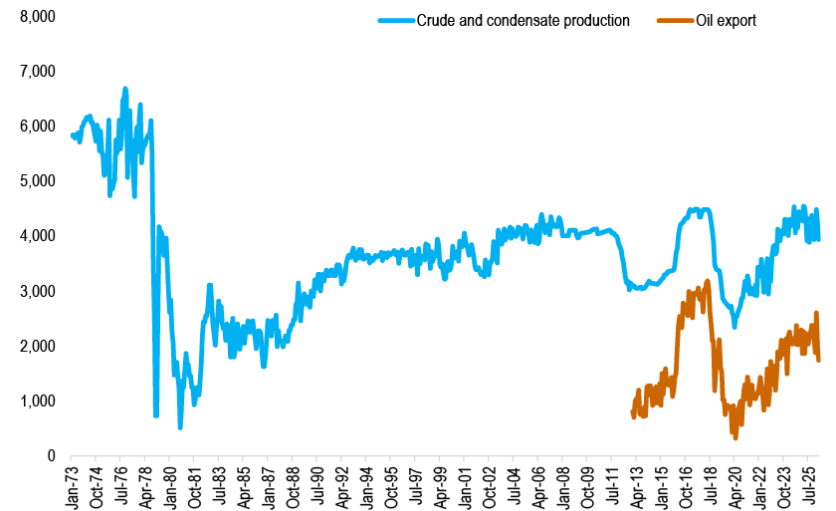
Near-term outcome remains uncertain



But President Trump needs to work on his approval ratings



And Iran needs to keep oil wells from being shut in

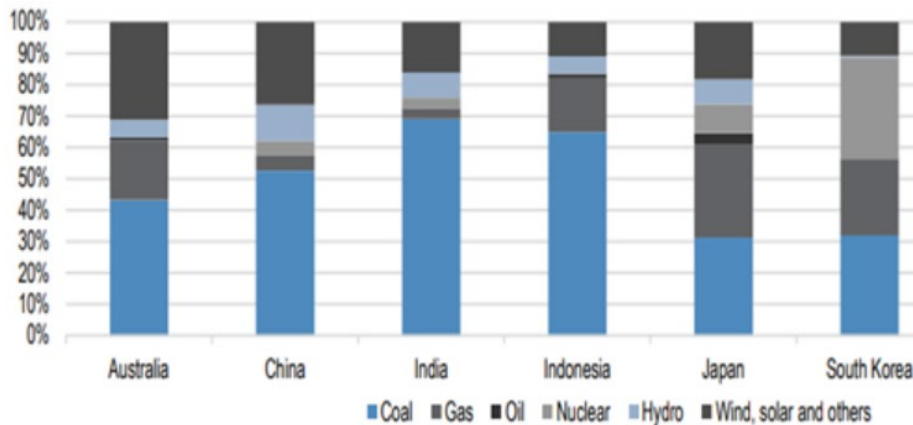


Asia Impact From Middle-East Disruption

Asia country/region exposure to Middle East Energy

Country/region	% import from Middle East				% of total energy consumption dependency on Middle East
	Oil	Gas	Naphtha	LPG	
China	~40-45%	~15-20%	~30-35%	~20-25%	~5-8%
Taiwan	~70-75%	~35-40%	~55-60%	~35-40%	~30-35%
Japan	~90-95%	~10-15%	~70-75%	~4-5%	~34-38%
Korea	~60-70%	~20%	~50-60%	~5-10%	~30-35%
India	~45-50%	~60-70%	~55-60%	~85-93%	~18-24%
Indonesia	~25%	Minimal (net LNG exporter)	~15-20%	~10-15%	~4-6%
Malaysia	~70%	Minimal (net LNG exporter)	~10-15%	~10%	~2-5%
Philippines	~90-98%	Minimal	~40-50%	~30-40%	~35-40%
Thailand	~60%	~20-25%	~50-60%	~25-35%	~18-24%
Singapore	~70%	~25-30%	~65-70%	~45-50%	~50-55%
Vietnam	~85-90%	Minimal	~30-40%	~15-25%	~10-15%
Australia	~43-48%	Minimal (net LNG exporter)	~10-15%	~5-10%	~8-12%

Economies with coal as main electricity source may suffer less

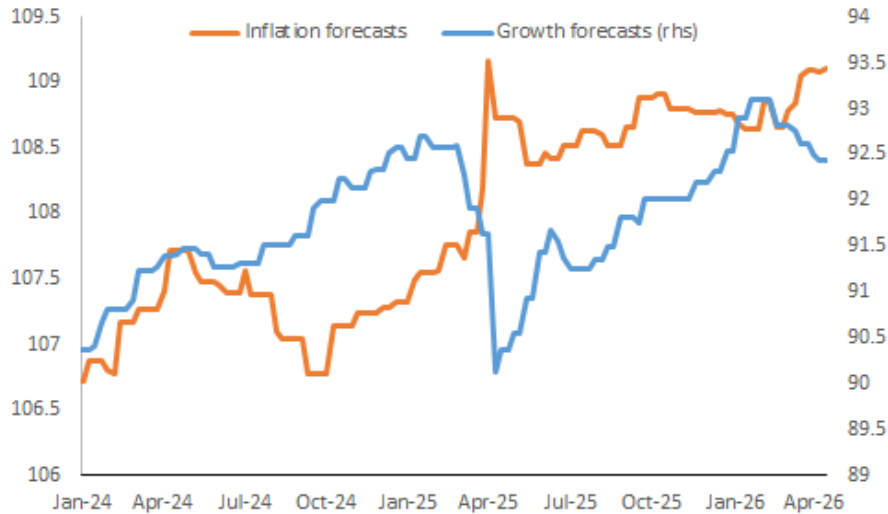


Estimated earnings impact of higher oil

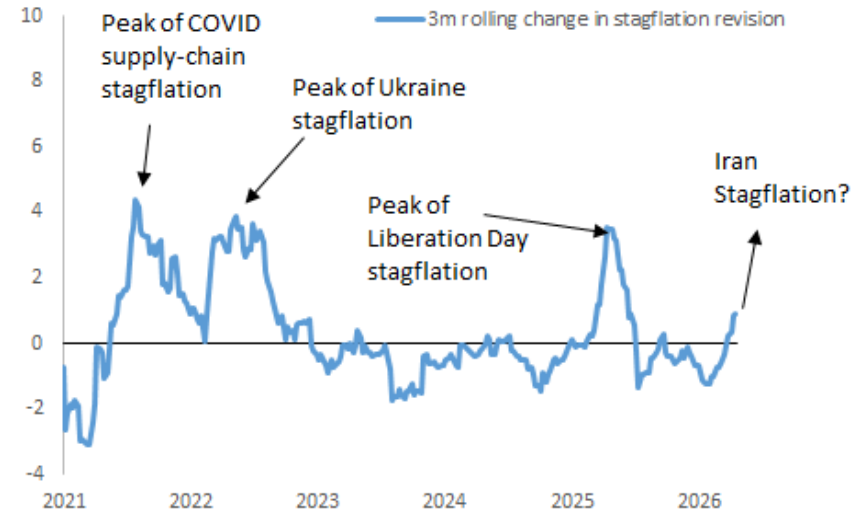
	GDP impact of oil @ \$120/bbl	Correlation	Beta	Implied EPS impact (%)
Philippines	-1.8	90%	2.9	-5.1
Korea	-0.6	63%	10.0	-5.5
India	-2.0	65%	1.5	-3.0
Thailand	-0.6	73%	3.5	-1.9
Indonesia	-0.6	76%	2.7	-1.5
Malaysia	-0.5	37%	0.9	-0.4
China	0.0	50%	1.4	0.0
Taiwan	0.0	79%	7.3	0.0

“Stagflation” is the Macro Outcome – vs Previously “Goldilocks”

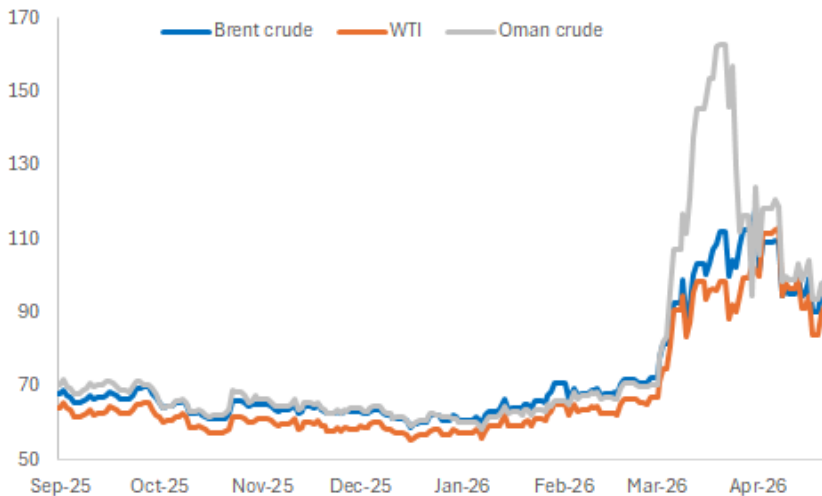
Weakening growth + Higher inflation = ‘Stagflation’



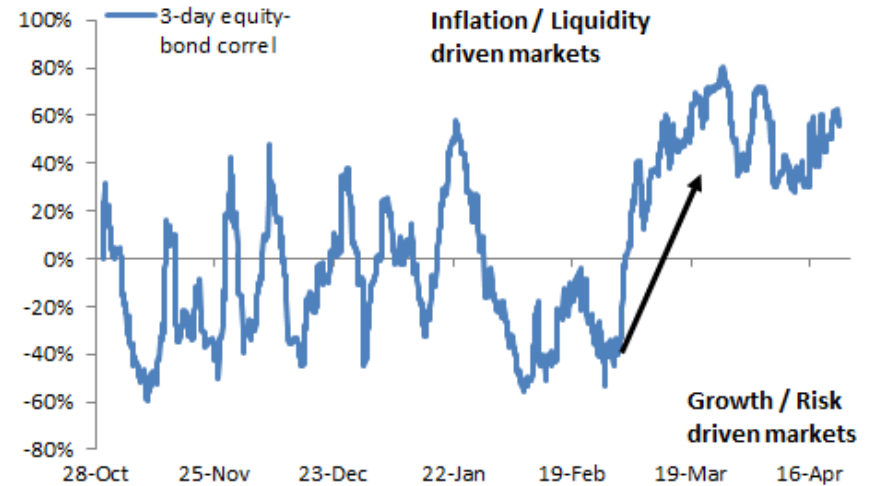
Likely still more room to go in current episode



Energy prices will likely remain above pre-war levels



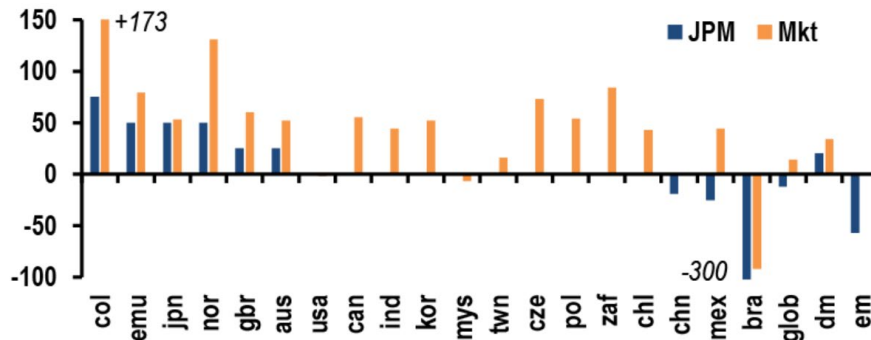
Equity-bond correlations have sustained in positive territory



Setup for Asian Equities

Limited policy support is negative

Pricing for policy rate change through end-26



Source: J.P. Morgan Global Economics

But USD should be in weakening trend

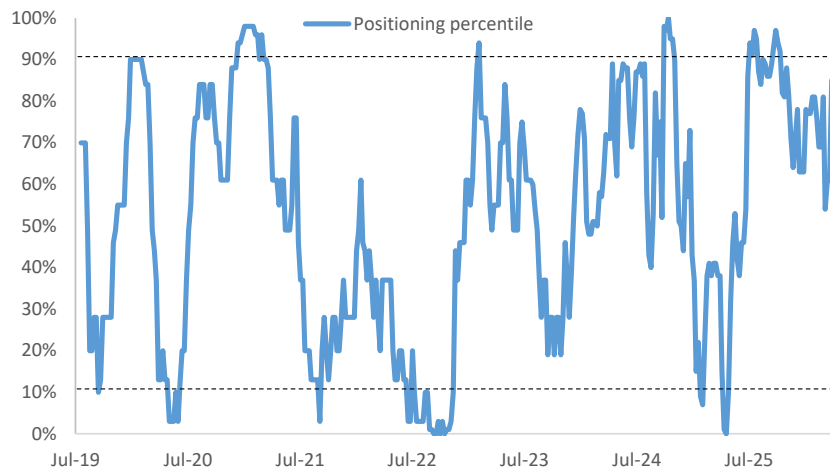


JPM forecast for end of

	26-Jun	26-Sep	26-Dec	27-Mar
DXY	98.4	96.9	97.4	97.2

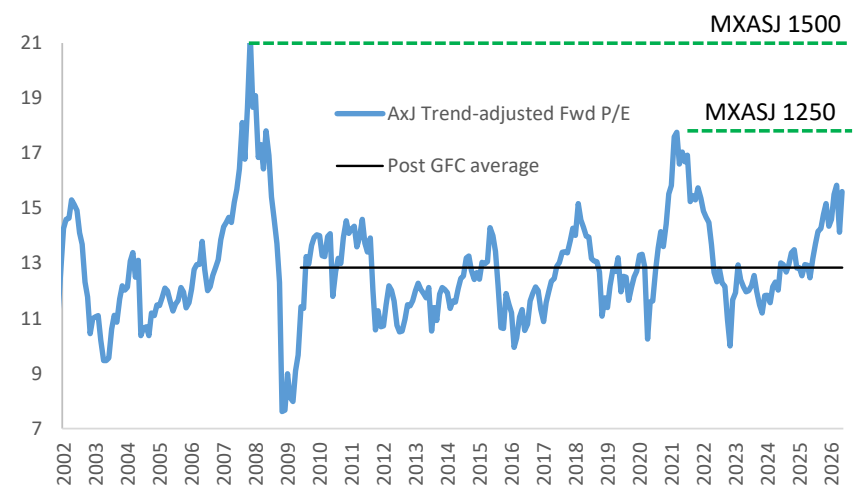
Source: Bloomberg Finance L.P., J.P. Morgan

Positioning on aggregate is somewhat elevated



Source: Bloomberg Finance L.P., J.P. Morgan

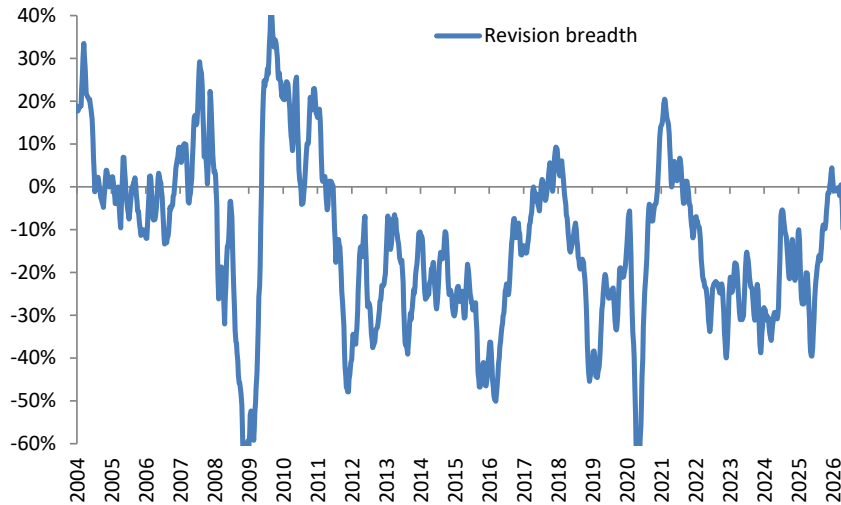
Valuations should be thought in terms of historical extremes



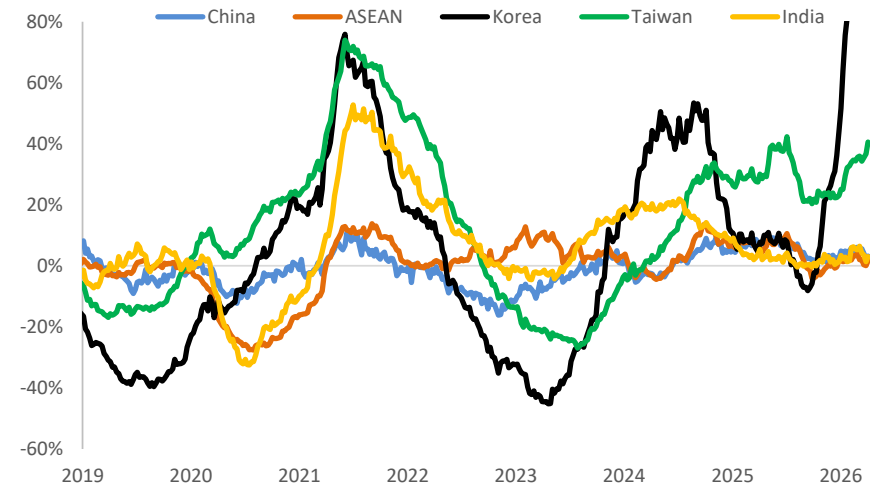
Source: Bloomberg Finance L.P., J.P. Morgan

Two-Speed Economy Seen in Earnings

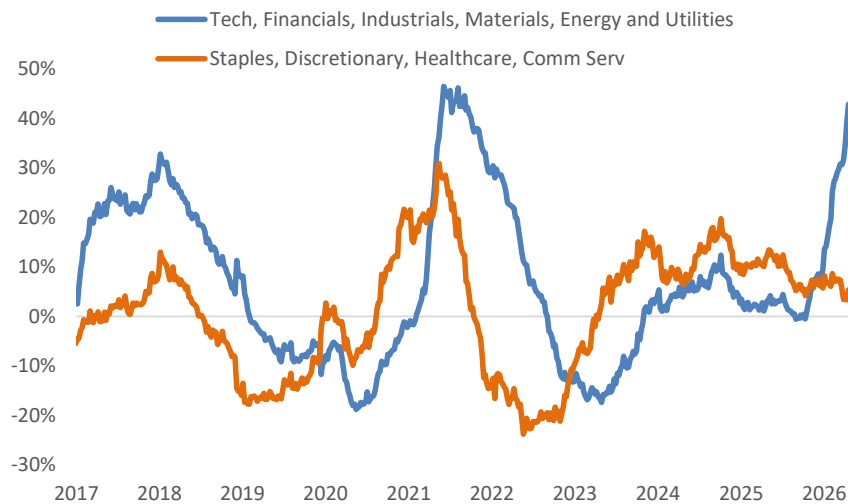
Revision breadth is starting to slip again



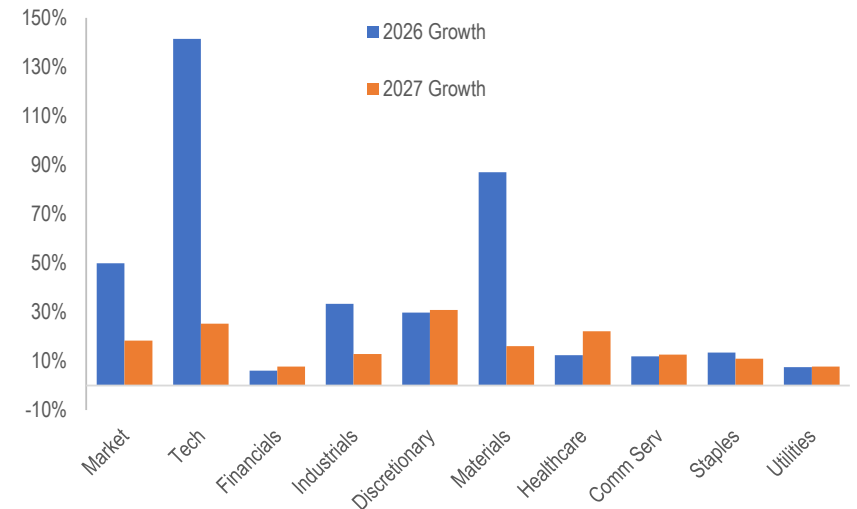
Synchronized up-cycle breaking down



Sharp break in y-y fwd EPS across sector lines



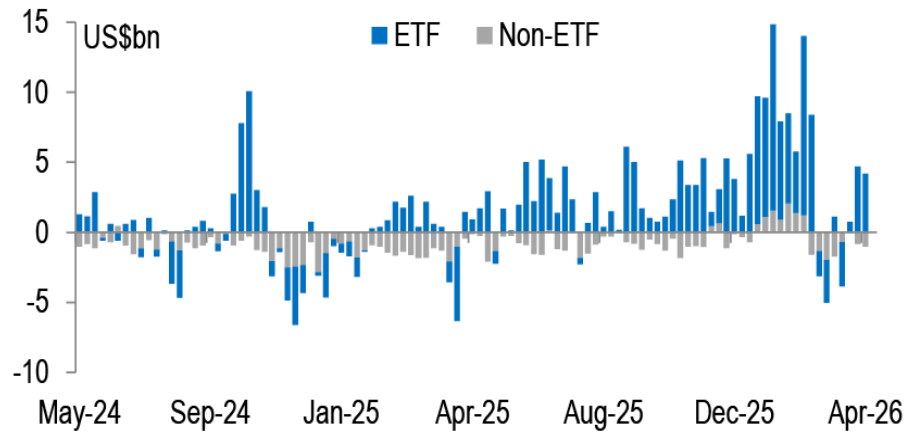
Consensus EPS growth estimates



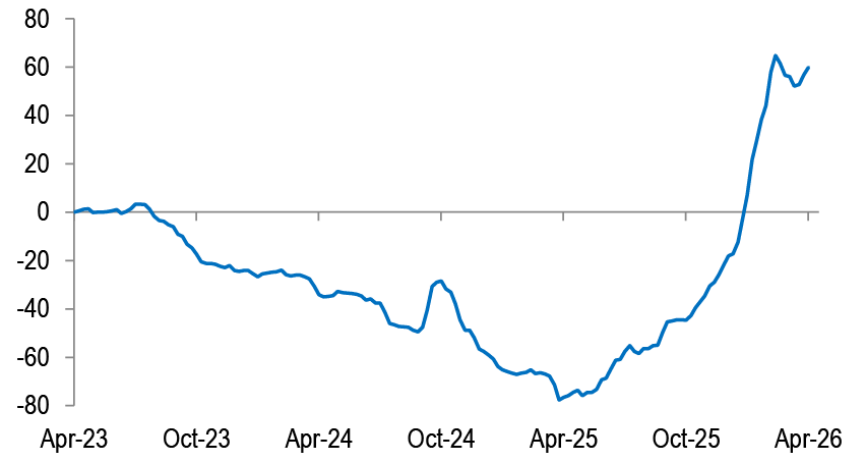
Source (all charts): Bloomberg Finance L.P., J.P. Morgan

Could 2026 Still be the Year of EM Inflows?

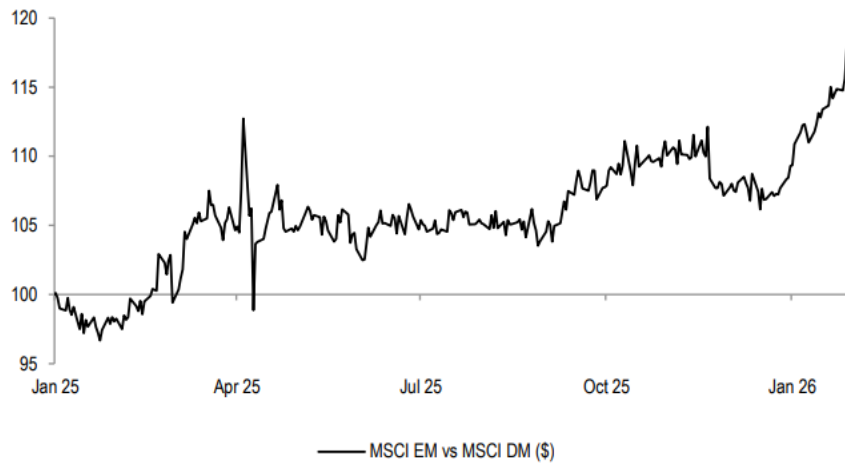
Inflows into active EM funds has just started



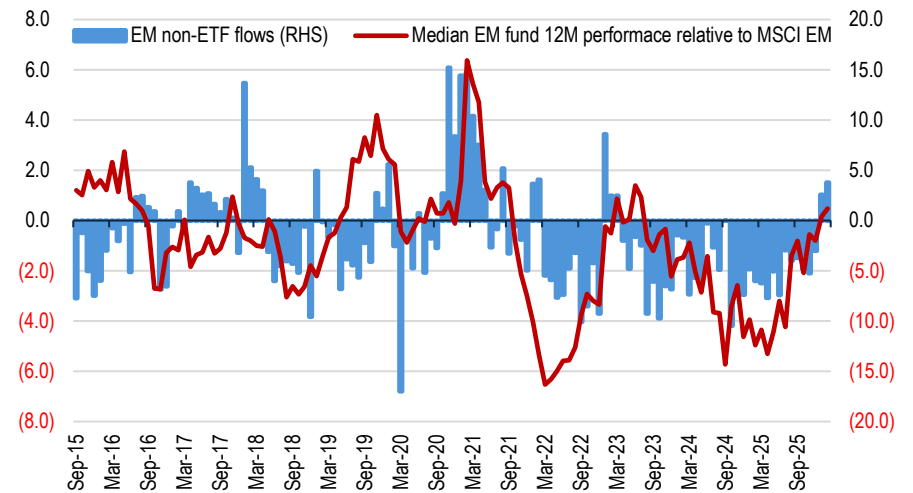
Overall inflows into EM funds have accelerated (\$bn)



EM outperformance likely draws more allocation

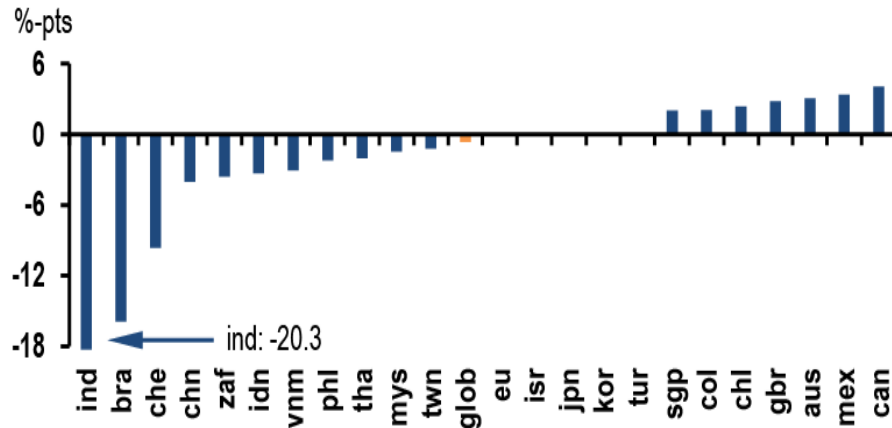


Active EM managers' outperformance drives flows



Tariffs – Strategy Changes from IEEPA

Tariff rate change if IEEPA is replaced by Section 122 (10%)



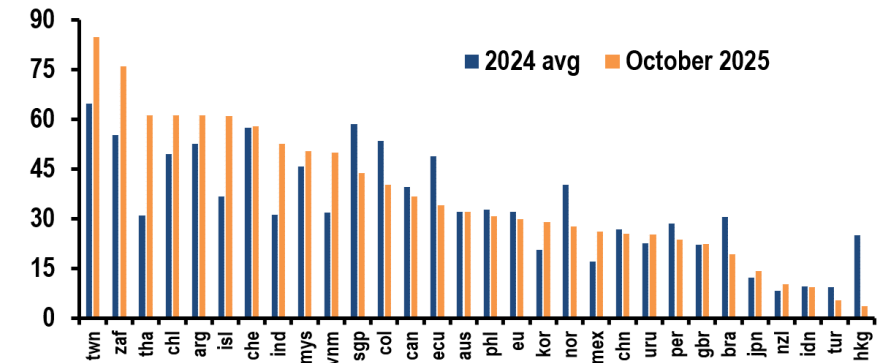
Source: J.P. Morgan

Drawbacks of alternative strategies

- S. 122 Congress must approve after 150-day limit.
- S. 301 Investigations needed by trading partner -> smaller trade partners may get overlooked
- S. 232 Tariffs are sectoral and applied globally. Limit use of tariffs for non-trade-related foreign policy outcome -> Sanctions, export controls open.

Current tariff exemptions

% of exports to US not subject to "reciprocal" and sectoral tariffs



Source: US CENSUS, IMF, national sources, J.P. Morgan.

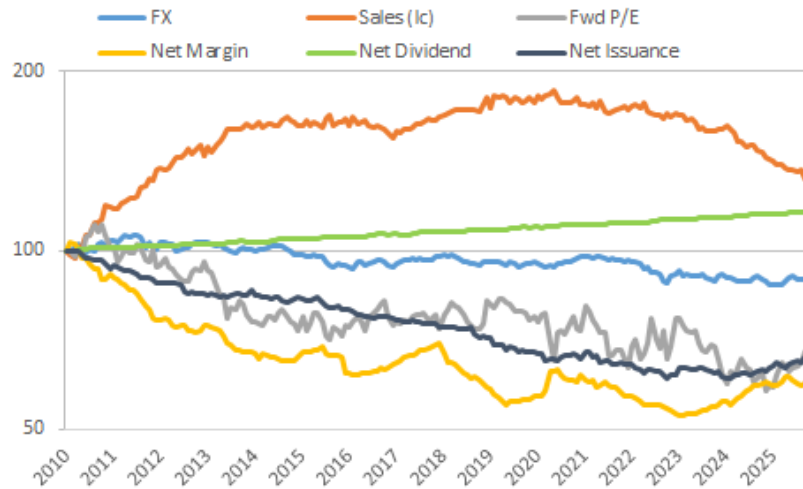
Source: J.P. Morgan

Status of Section 232 Investigations

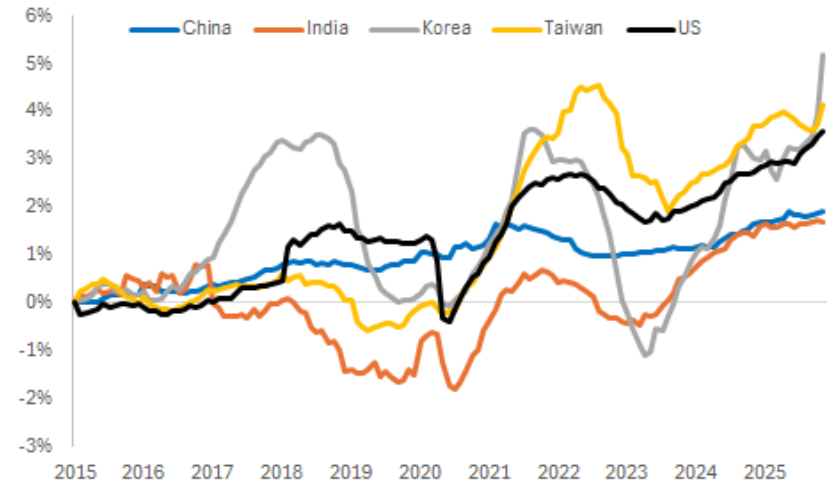
Sector	Status	Tariff Level
Steel and Aluminum	Concluded – Tariffs in Effect	50%
Autos and Auto Parts	Concluded – Tariffs in Effect	25%
Copper	Concluded – Tariffs in Effect	50%
Lumber	Concluded – Tariffs in Effect	25%
Critical Minerals	Concluded – No Tariffs	0%
Semiconductors	Concluded – Tariffs in Effect With Numerous Exclusions)	25%
Pharmaceuticals	Launched April 22, 2025	TBD
Medium and Heavy-Duty Trucks	Launched April 22, 2025	TBD
Commercial Aircraft, Jet Engines, and Parts	Launched May 1, 2025	TBD
Unmanned Aircraft Systems and Parts	Launched July 14, 2025	TBD
Wind Turbines	Launched August 13, 2025	TBD
Medical Equipment and Devices	Launched September 2, 2025	TBD
Robotics and Industrial Machinery	Launched September 2, 2025	TBD

Prospects for Multi-Year Asia Outperformance

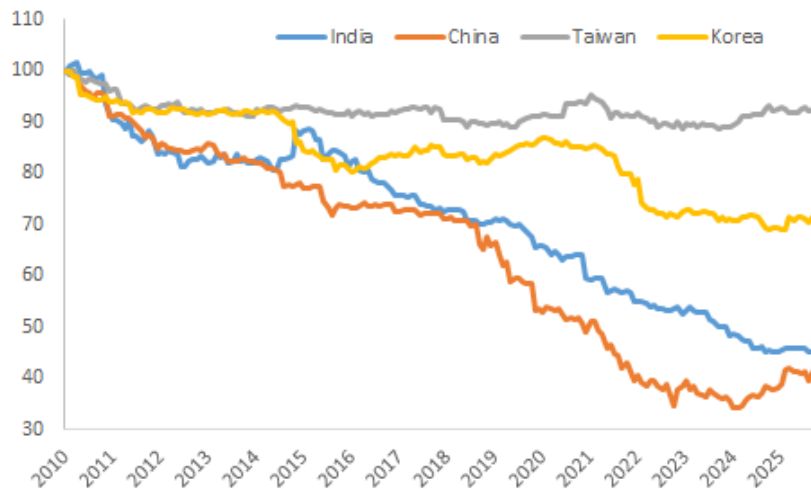
Cyclical growth underperformance since 2021 has weighed



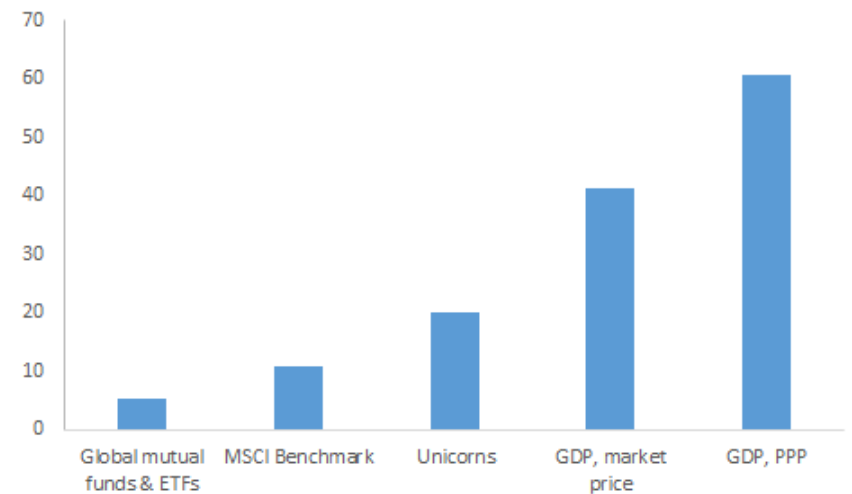
While margin profile in Asia is stronger now



Similarly, net issuance has moderated (not in India)

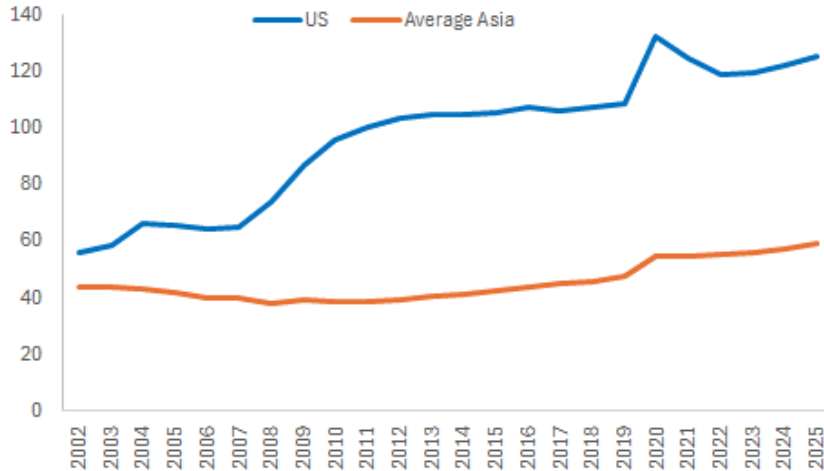


Overall, global under-allocation to EM is stark



Fiscal Room in Asia Should Allow Policy Convergence

Debt levels are more modest in Asia than in US

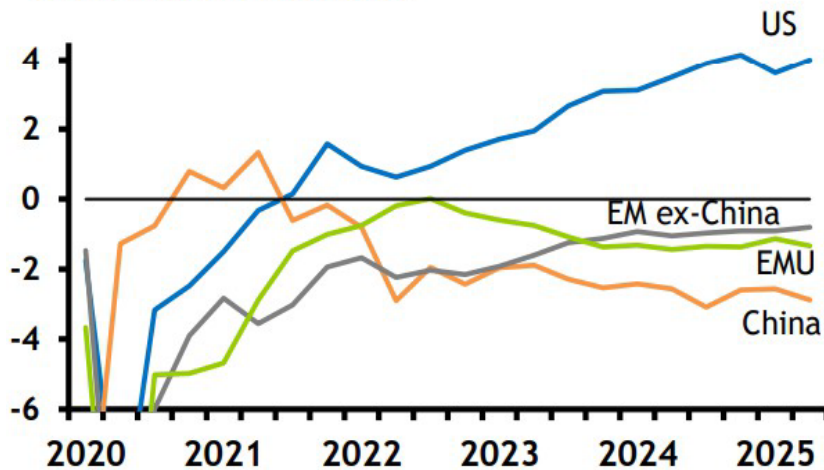


A multi-faceted assessment of fiscal room puts Asia strong

	Budget balance (% of GDP)	Gross gov't debt (% of GDP)	NIIP (% of GDP)	Consolidated fiscal score (avg z-score)
NOK	13.2	43	359	2.5
TWD	-0.1	24	218	1.4
CHF	-0.2	37	123	0.9
SEK	-1.6	34	63	0.6
KRW	-1.7	54	59	0.4
AUD	1.3	51	-23	0.4
CNY	-4.5	96	18	-0.3
IDR	-1.6	41	-18	0.2
CAD	-1.6	113	62	0.0
CLP	-2.9	43	-17	0.1
CZK	-3.4	44	-7	0.1
NZD	-2.3	55	-46	0.0
SGD	0.3	175	147	0.0
MYR	-4.1	70	0	-0.1
ZAR	-4.4	80	28	-0.1
MXN	-4.9	61	-32	-0.3
EUR	-2.7	89	7	-0.1
THB	-5.6	65	7	-0.2
ILS	-6.8	69	41	-0.2
PLN	-5.8	61	-28	-0.3
INR	-5.5	80	-10	-0.4
PHP	-5.7	58	-14	-0.2
HUF	-4.9	74	-35	-0.4
COP	-6.2	60	-45	-0.4
BRL	-7.7	92	-34	-0.7
GBP	-5.5	104	-10	-0.6
JPY	-5.8	235	87	-1.2
USD	-6.3	122	-90	-1.1

Lack of fiscal support post pandemic has caused divergence

% deviation; incl 2Q25 fcst



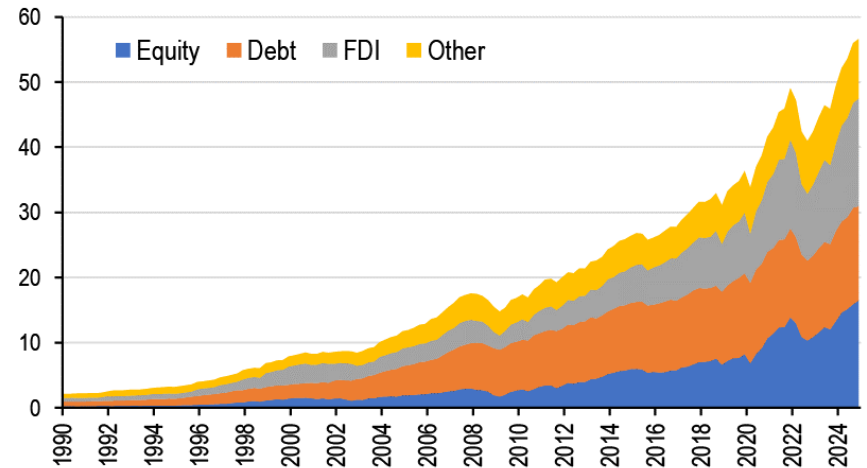
Source (all charts): Bloomberg Finance L.P., J.P. Morgan

Large Foreign Holdings a Risk to USD and US Assets

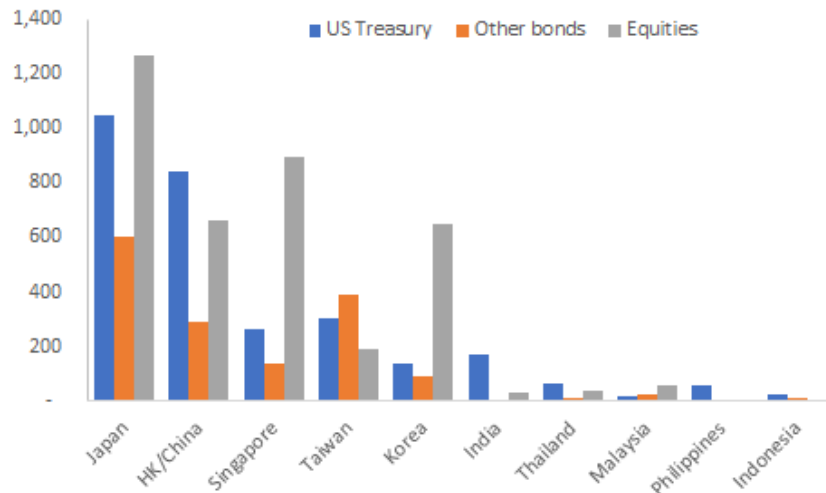
Dollar weakness showing through in Asia FX strength too



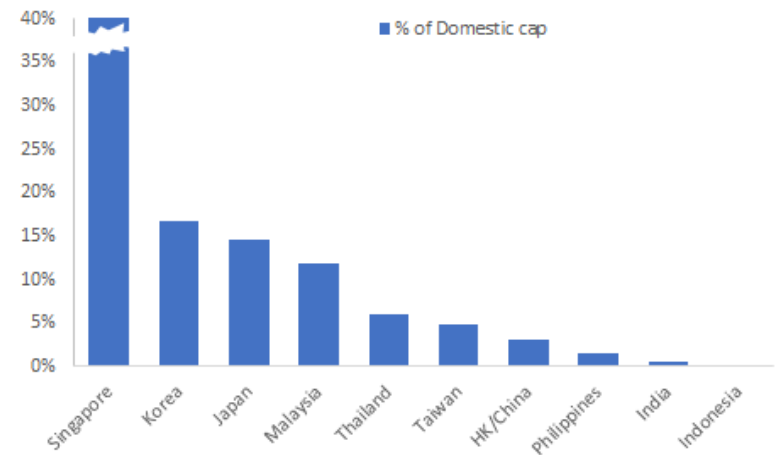
Very large foreign holdings of US assets are at risk of unwind if dollar weakness persists – vicious cycle



Major APAC holders of US assets



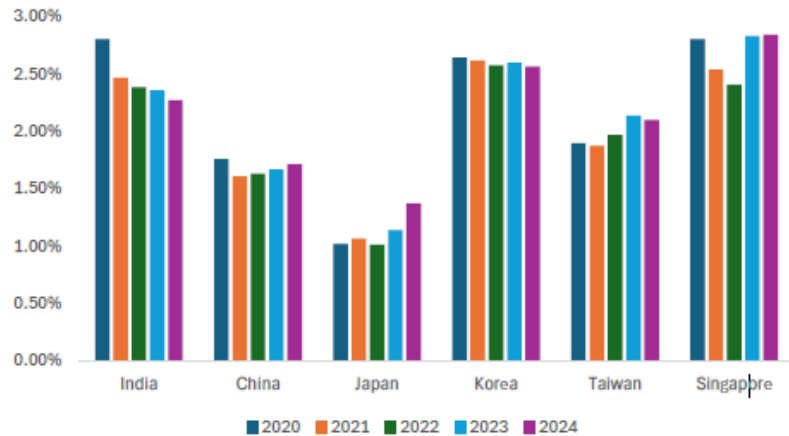
Australia, Korea have high US equities as % of local market



Source (for all charts): TIC, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

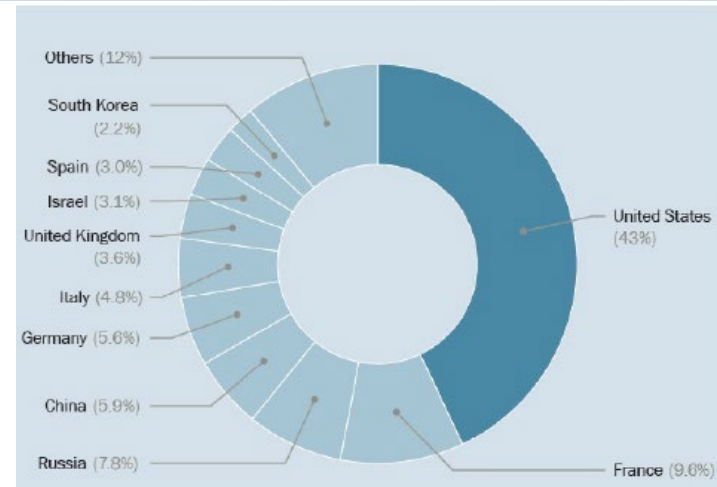
Themes: Expanding Defense umbrella

Military expenditure to GDP



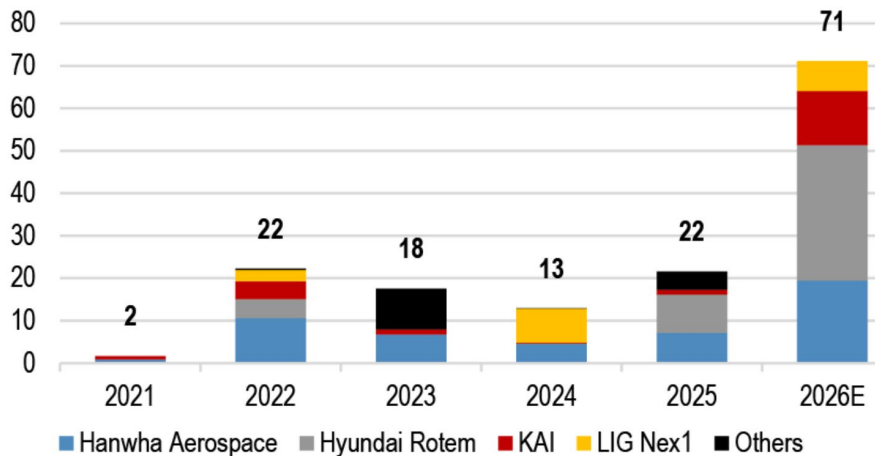
Source: SIPRI, J.P. Morgan

Global share of major arm exporters, 2020-2024



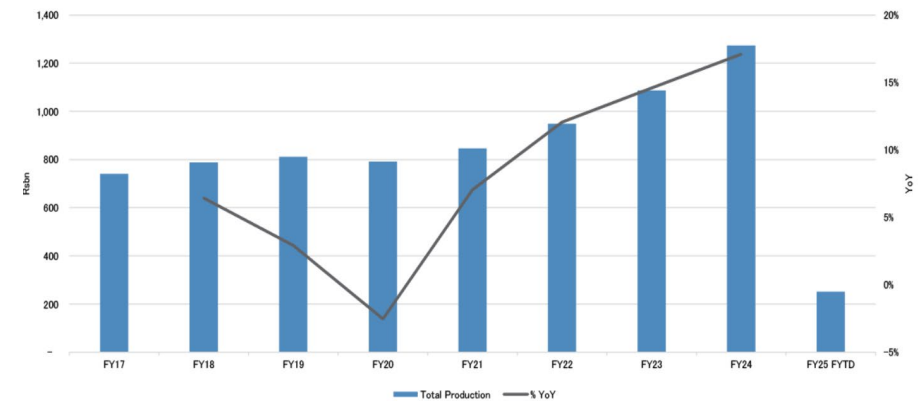
Source: SIPRI ARMS Transfers Database, March 2025

Korea defense: export order trend and outlook



Source: Company data, DART, industry sources, J.P. Morgan estimates

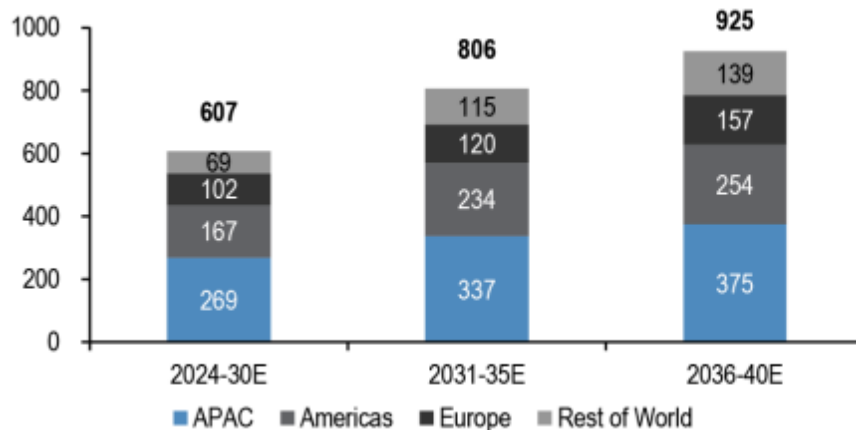
India's defense production growth



Source: Department of Defense Production

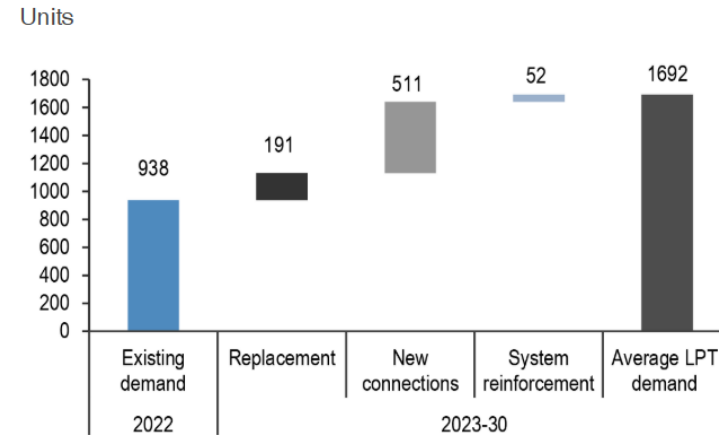
Themes: Power as the new staples

Average annual grid capex by region (US\$ bn)



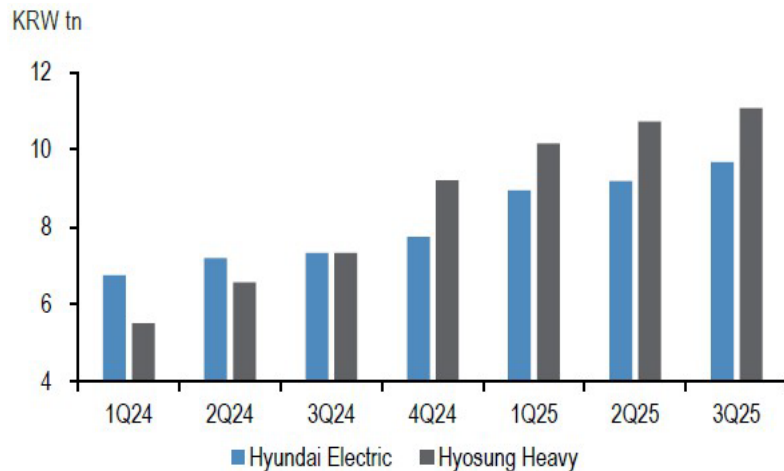
Source: BNEF (Net Zero Scenario), J.P. Morgan

Incremental Europe LPT demand, 2023-30



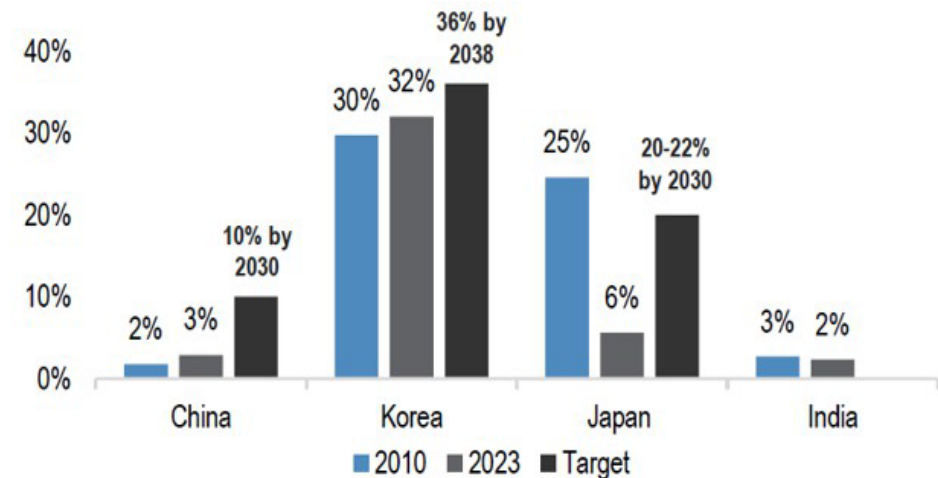
Source: BNEF, J.P. Morgan estimates.

Korea power equipment companies' order backlogs



Source: Company data., J.P. Morgan

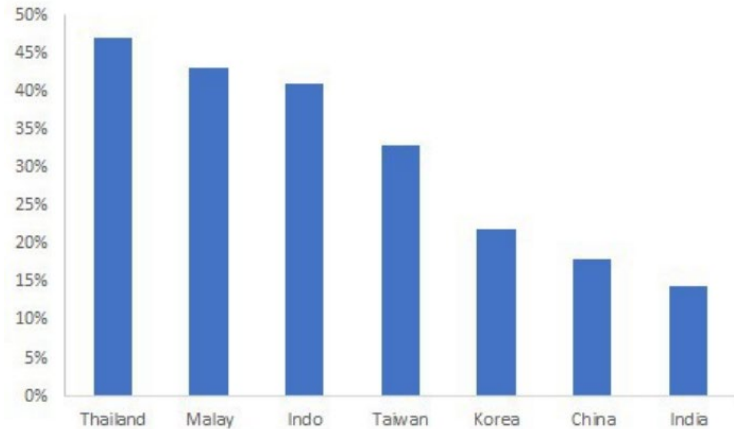
Nuclear in power generation mix vs target by Asia country



Source: IEA, official releases, J.P. Morgan

Themes: Localization of Asian Equity Markets

Markets with lower foreign trading share may prove more resilient to foreign outflows



Source: Bloomberg Finance L.P., J.P. Morgan

Household allocation of financial assets

	Non-Financial Asset		Financial Assets			
	Real Estate	Others	Liquid		Non-liquid	
Less-risky assets (Currency & Deposits)			Risky Assets (Equity & Funds & Crypto)	Pension	Insurance	Others
China	47.3		35.8	13.5	3.5	
India	66.3		17.2	4.7	5.9	6.0
Taiwan	30.2	3.3	26.2	18.1	21.9	
Korea	64.5		17.5	6.0	11.7	
US	31.8		7.5	33.1	16.9	10.8

Source: PBoC, Statistics Taiwan, RBI, Economic Statistics Korea, Federal Reserve.

Trading activities in Asia ex China onshore



Source: HKEX, J.P. Morgan. Principle trading=trading on the participant firm's own account

Trading activities in China onshore



Source: Wind, J.P. Morgan

Themes: Stablecoin

Market size drivers – large upside tail

Feature	Use Case	Assumption	Market Size est in 2027 (\$bn)	Potential Share in 2-3 yrs	Stablecoin TAM in 2027 (\$bn)
Current size of stablecoin market					260
Low end estimates					
On chain	On/off-ramp for cryptocurrency trading	5% of Crypto market growing at 10%	3872	5%	194
On chain	Potential tokenization of real world assets	5% 'cash' for tokenized assets (5% of Private credit and 0.5% of commodities at 0 growth)	900	5%	45
Dollar stability	Dollarization of deposits in economies with weak institutions	5% conversion of M2 in economies with high inflation (growing 5%)	2156	5%	108
Low Fees and instant settlement	Cross-border remittances and trade finance	5% 'cash' for transactions (5% of total cross-border remittances and trade payments at 0 growth)	2200	5%	110
Low Fees and instant settlement	Conversion of overall M1 in developed markets	None			0
Savings vehicle	Use of stablecoins as savings vehicle if yields allowed	None			0
Micro payment	Replacement for internet ads as monetization model	None			0
Total					456
High end estimates					
On chain	On/off-ramp for cryptocurrency trading	5% of Crypto market growing at 30%	5408	5%	270
On chain	Potential tokenization of real world assets	5% 'cash' for tokenized assets (1% of all financial assets and 0.5% of commodities at 0 growth)	3450	5%	173
Dollar stability	Dollarization of deposits in economies with weak institutions	15% conversion of M2 in economies with high inflation (growing 5%)	2156	15%	323
Low Fees and instant settlement	Cross-border remittances and trade finance	5% 'cash' for transactions (20% of total cross-border remittances and trade payments at 0 growth)	8800	5%	440
Low Fees and instant settlement	Conversion of overall M1 in developed markets	1% of DM M1 (3% growth)	37000	1%	370
Savings vehicle	Use of stablecoins as savings vehicle if yields allowed	0.5% of global M2 (less DM M1)	90000	0.5%	450
Micro payment	Replacement for internet ads as monetization model	5% 'cash' for internet service payments (ads only) growing at 10%	363	5%	18
Total					2044

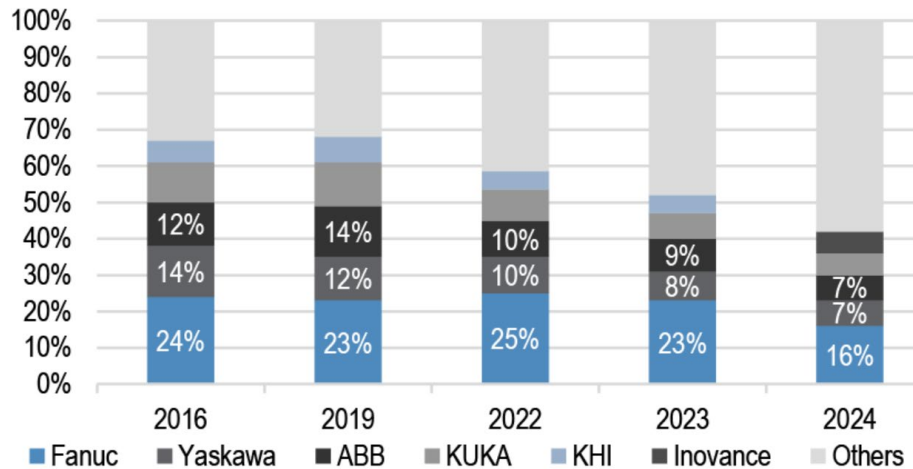
--

Name	Ticker	Market
Alibaba	9988 HK	HK/China
JD	9618 HK	HK/China
Stan Chart	2888 HK	HK/China
FUTU	FUTU US	HK/China
HKT Trust	6823 HK	HK/China
Everbright Securities	601788 CH	HK/China
Hundsun Tech	600570 CH	HK/China
Guotai Junan	1788 HK	HK/China
ZhongAn Online	6060 HK	HK/China
Shenzhen Form Syntron	300468 CH	HK/China
Bright Smart Sec	1428 HK	HK/China
UP Fintech	TIGR US	HK/China
Lianlian DigiTech	2598 HK	HK/China
OSL Group	863 HK	HK/China
Sony	6758 JP	Japan
Softbank	9984 JP	Japan
Rakuten	4755 JP	Japan
SBI Holdings	8473 JP	Japan
TIS	3626 JP	Japan
GMO Internet	4784 JP	Japan
Mercari	4385 JP	Japan
Monex	8698 JP	Japan
Shinhan Fin	055550 KS	Korea
Kakao Bank	323410 KS	Korea
Kakao Pay	377300 KS	Korea
NHN KCP	060250 KS	Korea
Woori Tech	032820 KS	Korea
Danul	064260 KS	Korea
DBS	DBS SP	Singapore
SCB X	SCB TB	Thailand
KBank	KBANK TB	Thailand
Globe Tel	GLO PM	Philippines
UBP	UBP PM	Philippines

Source: Companies, J.P. Morgan

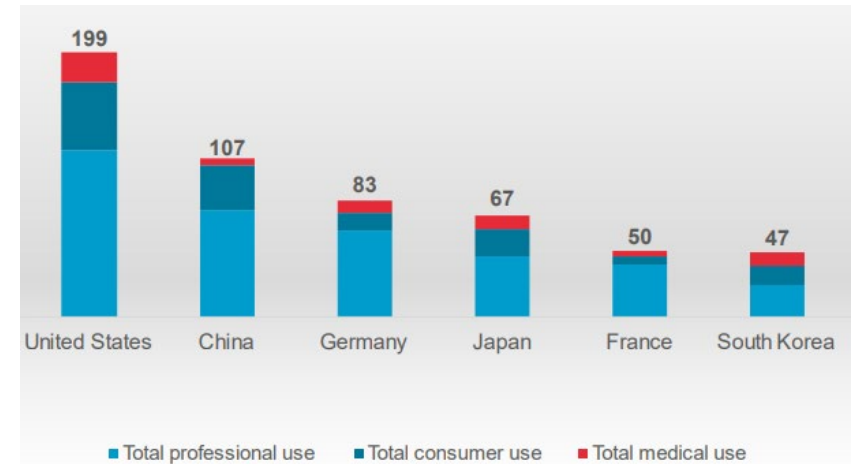
Themes: Robotics and Industrial Automation

Global: Industrial robot M/S



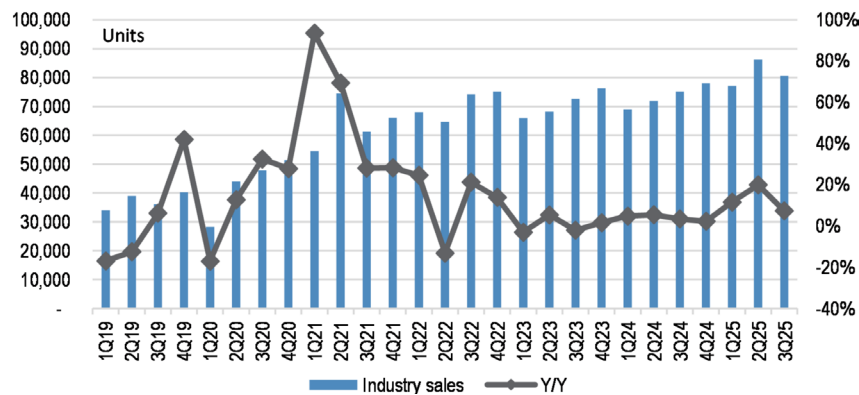
Source: Company data, J.P. Morgan

Top countries for service robot suppliers



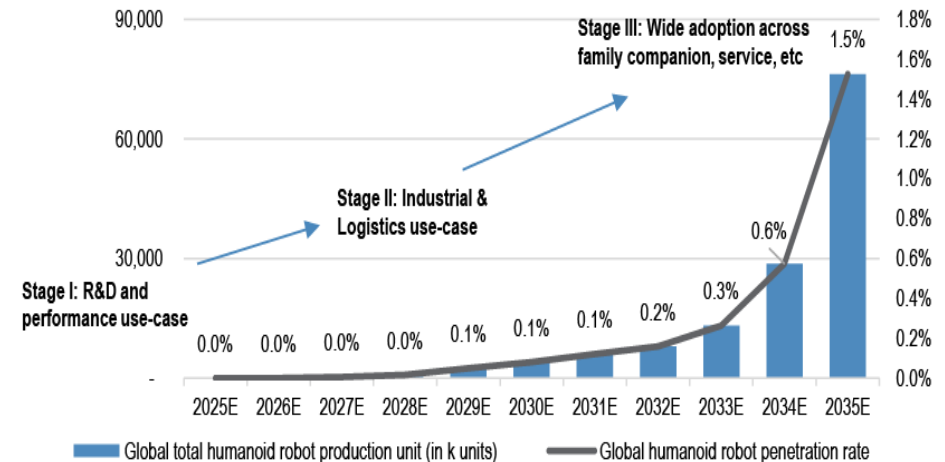
Source: International Federation of Robotics

China industrial robot market – industry sales



Source: MIR databank, J.P. Morgan.

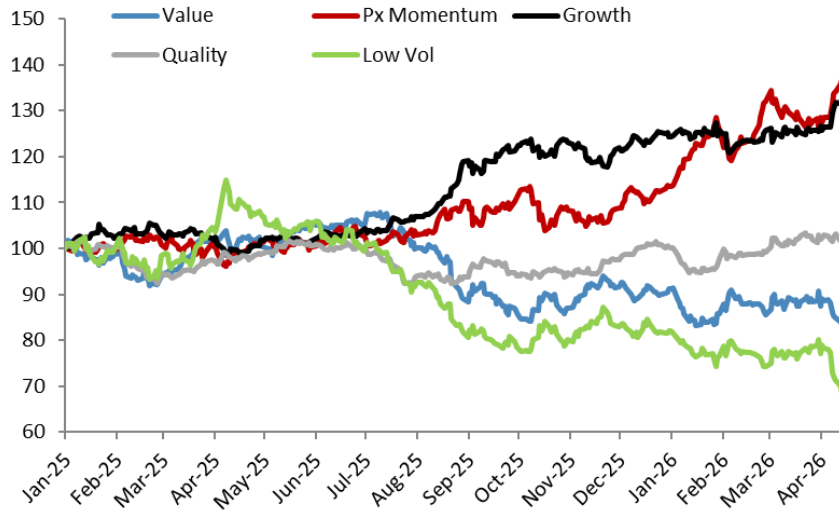
Humanoid robots - An industry set to see exponential growth



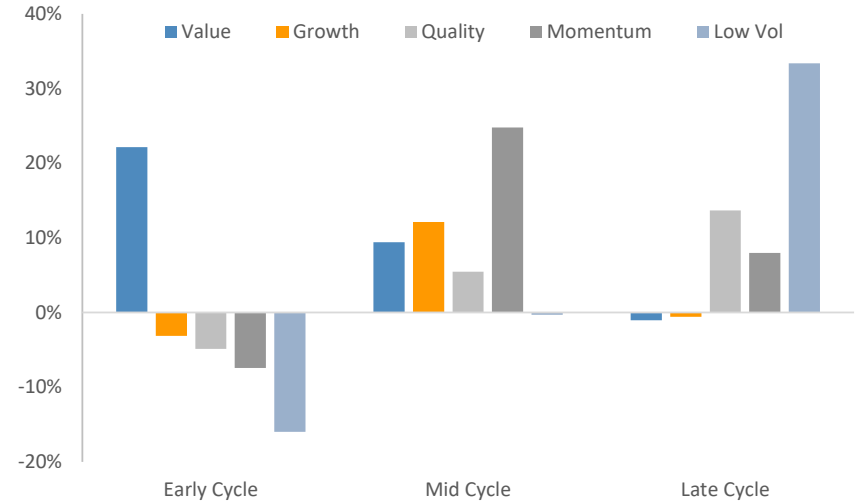
Source: J.P. Morgan.

Supplementary Materials: Style Performance and Drivers

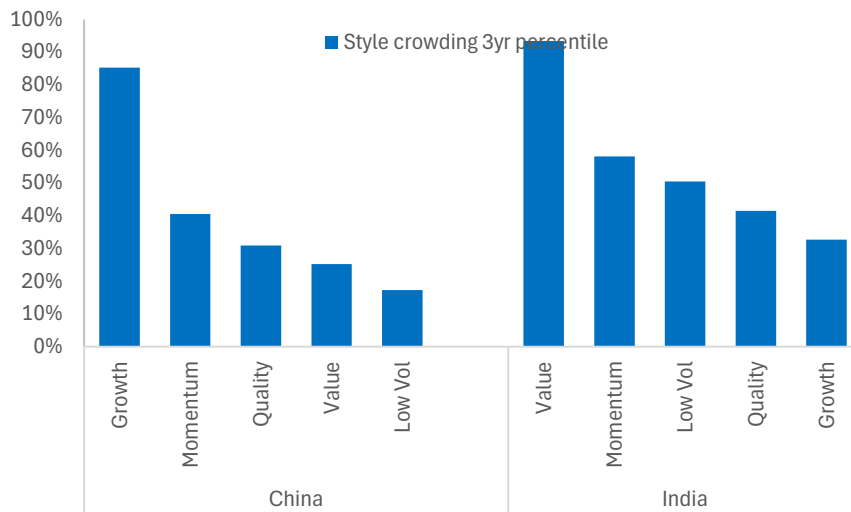
Asia Style performance since 2025



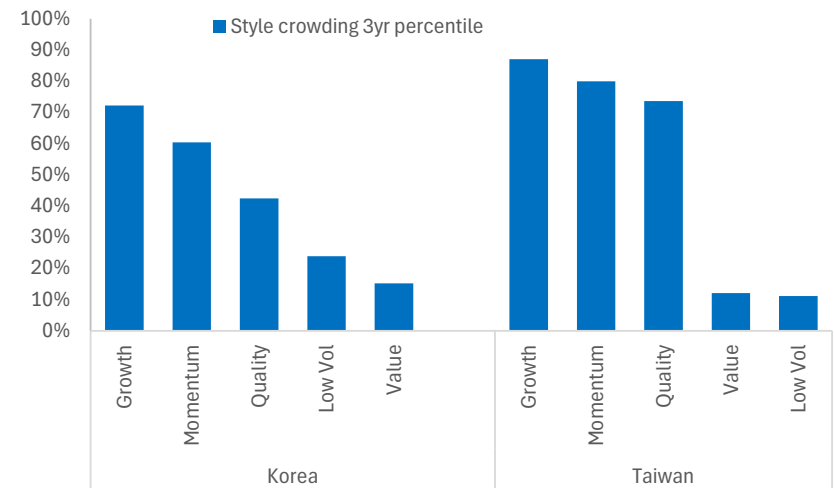
Style performance and business cycle



Style crowding – India and China

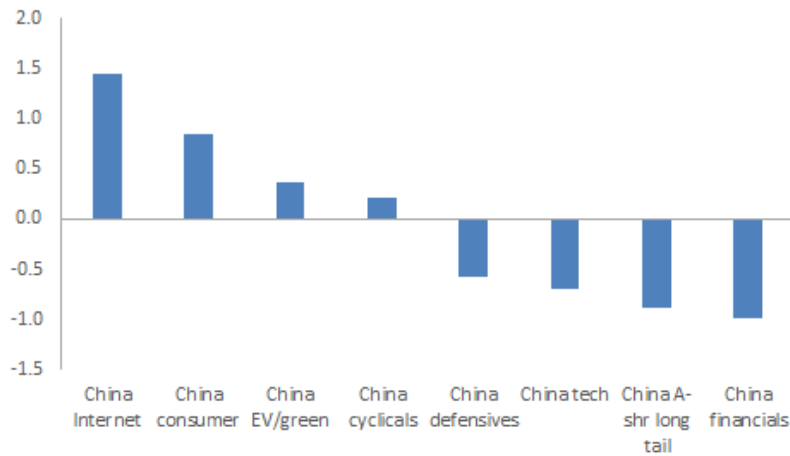


Style crowding – Korea and Taiwan

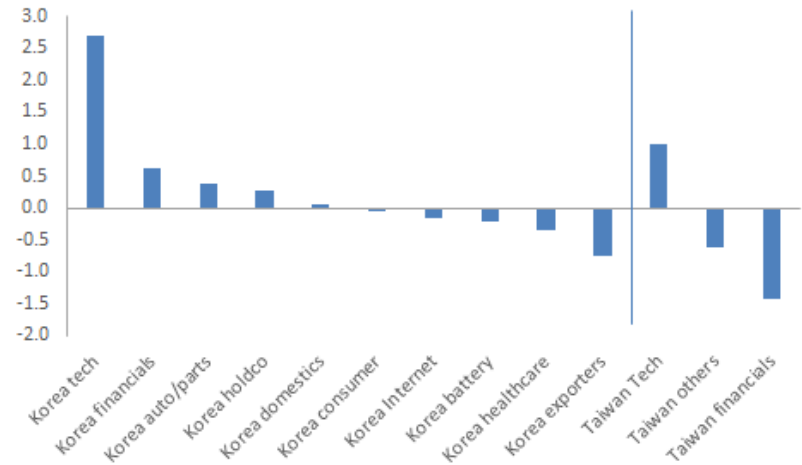


Supplementary Materials: Investor Positioning

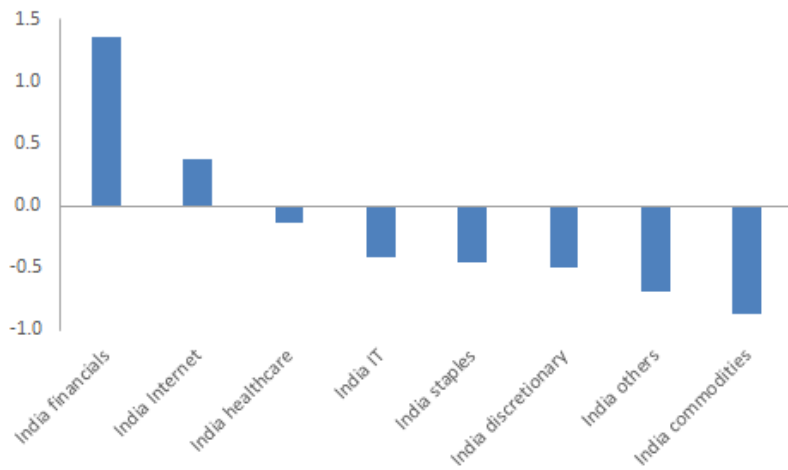
In China, investors are most overweight consumer and internet stocks and largely underweight elsewhere



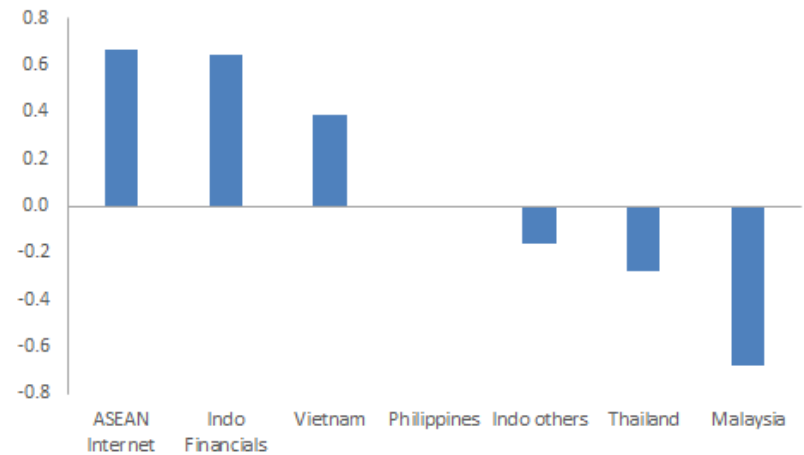
Taiwan tech overweights are offset by underweights elsewhere; Korea with more diversified overweights



Investor holdings in India are concentrated in financials



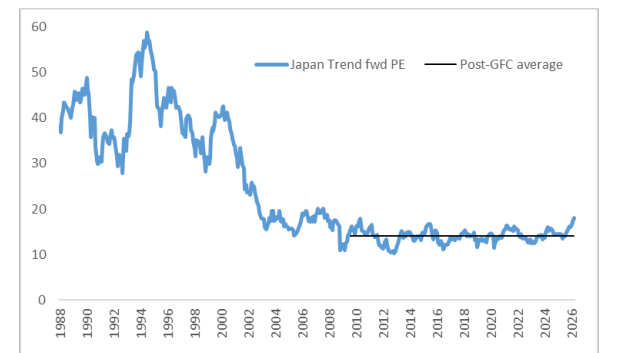
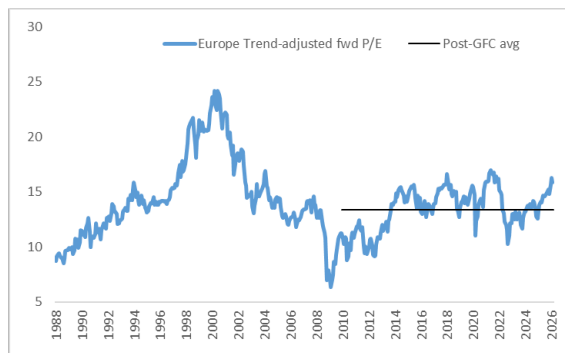
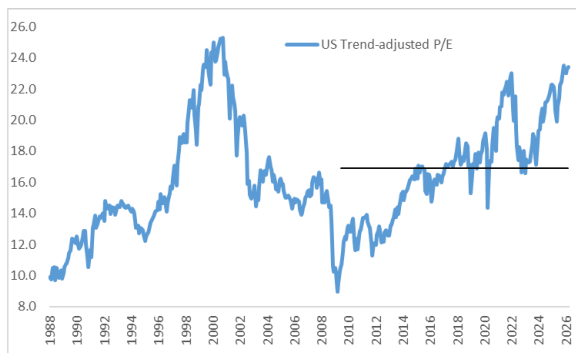
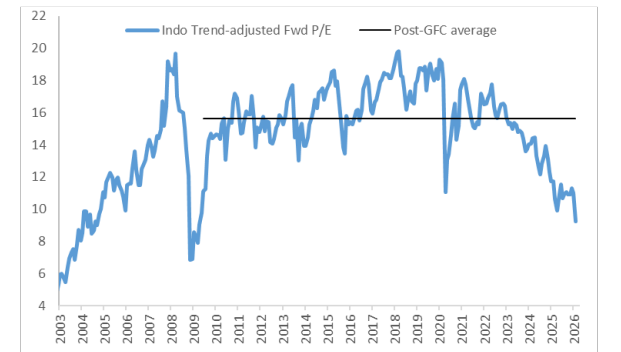
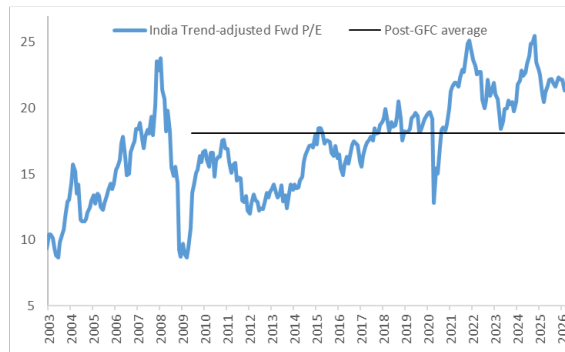
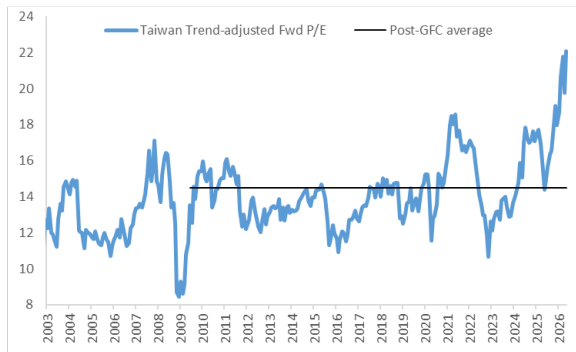
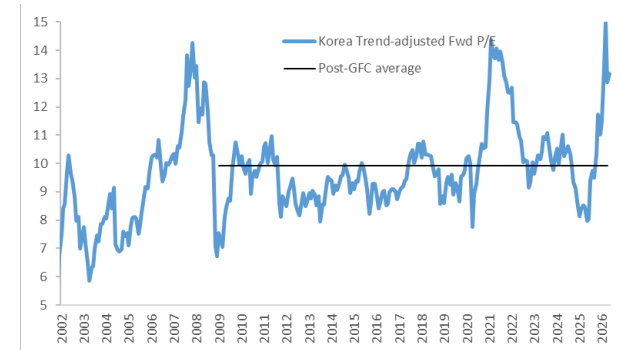
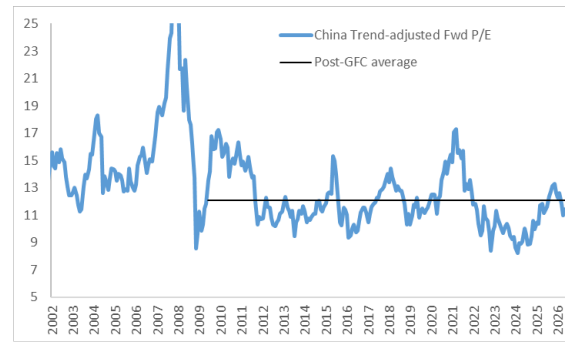
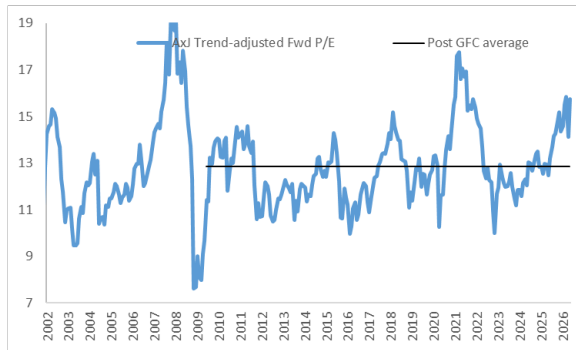
In ASEAN, investors have a preference for Indonesia



Source (for all charts): MSCI, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

Supplementary Materials: Market Valuations

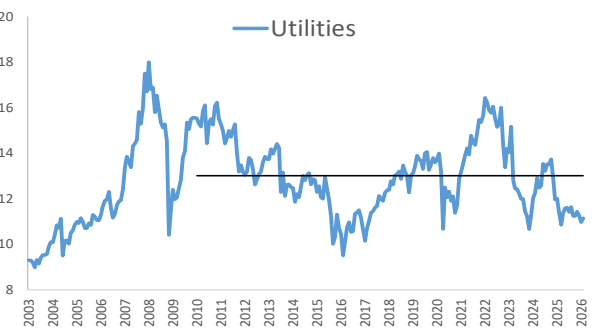
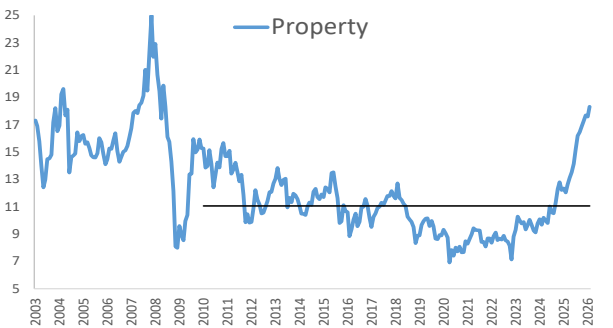
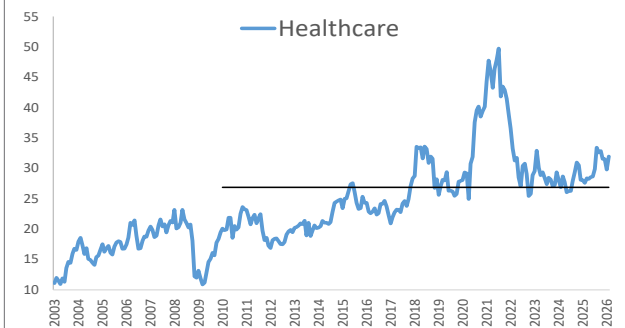
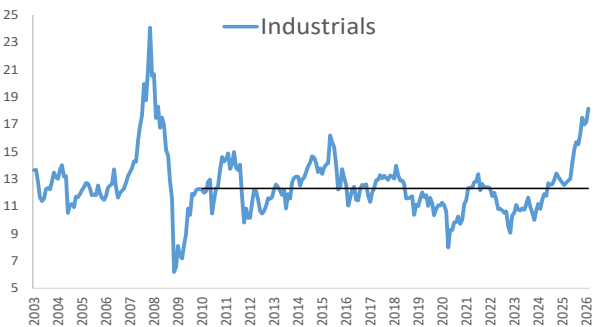
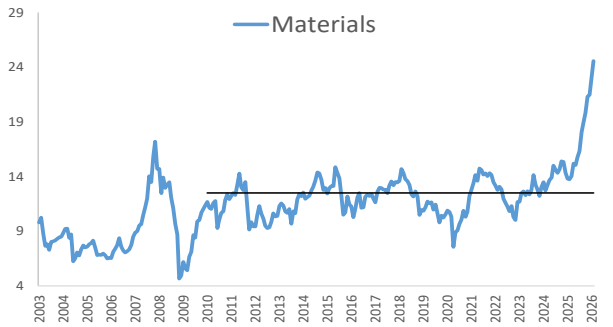
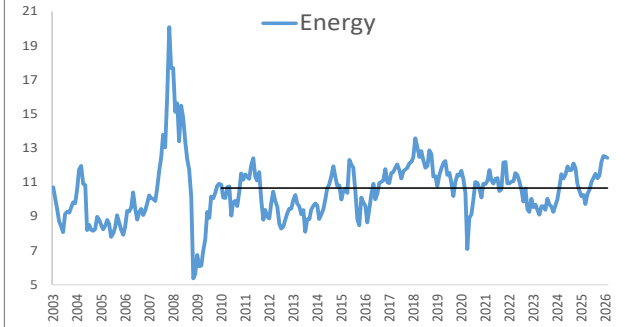
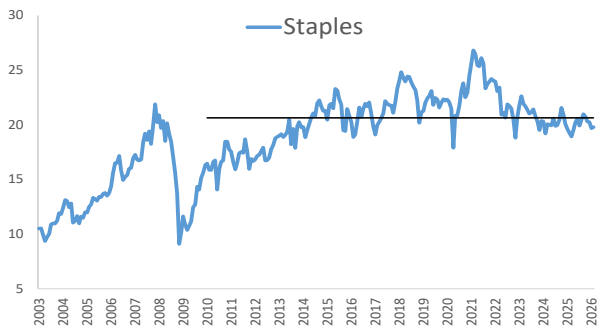
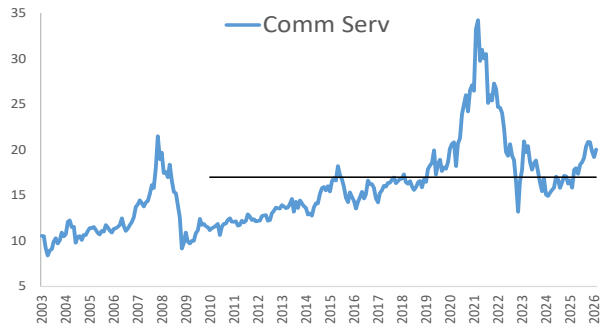
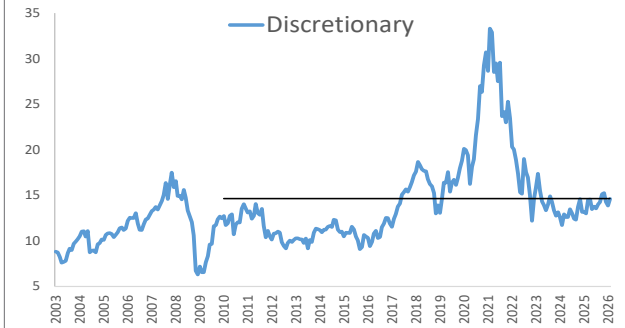
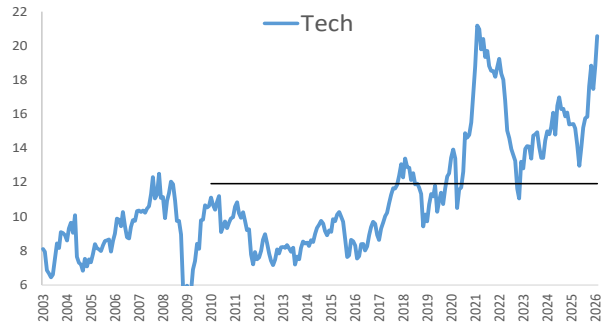
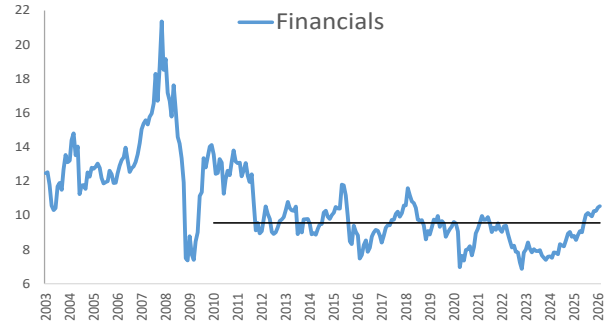
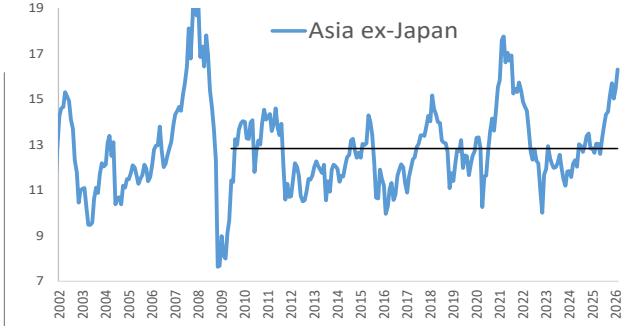
Price / trend fwd EPS (like CAPE)



Source (for all charts): MSCI, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

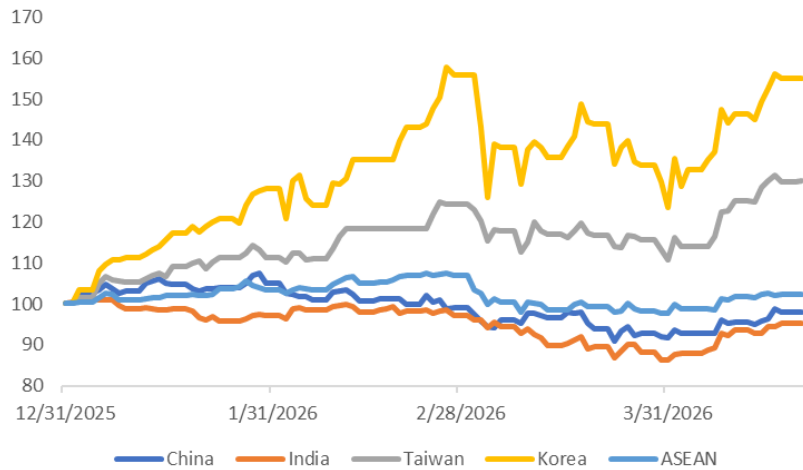
Supplementary Materials: Sector Valuations

Price / trend fwd EPS (like CAPE)



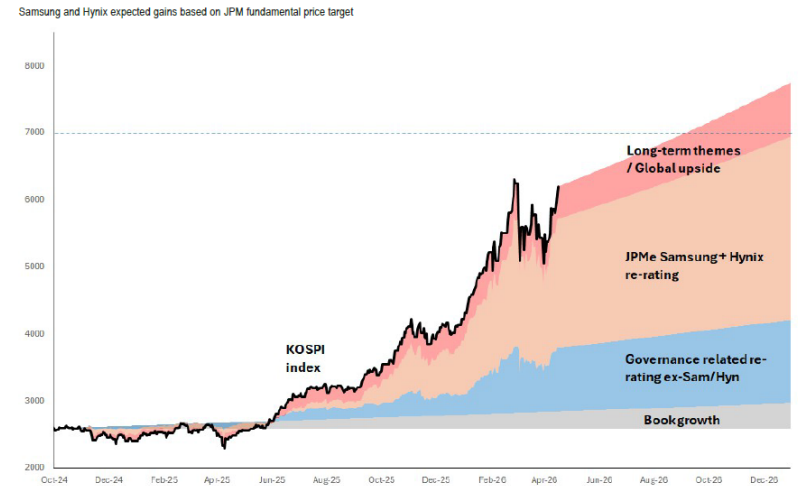
OW Korea: Still a winner YTD 2026

YTD winner despite volatility after Iran war



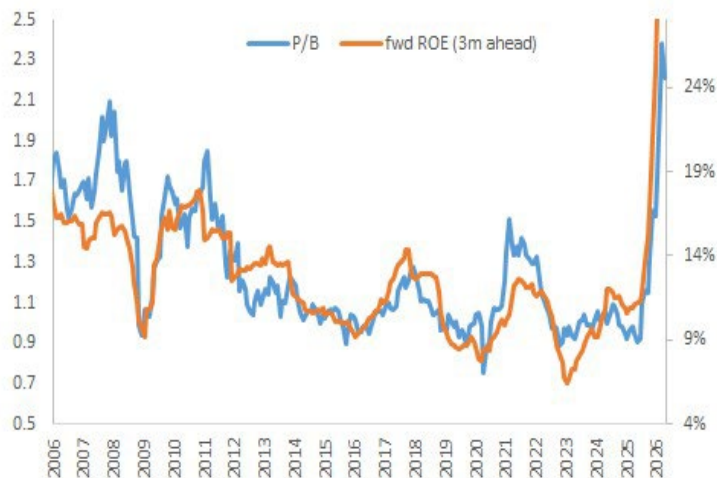
Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

Breakdown of KOSPI performance



Source: Bloomberg Finance L.P., J.P. Morgan

Re-rating of valuation multiples supported by fundamentals



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

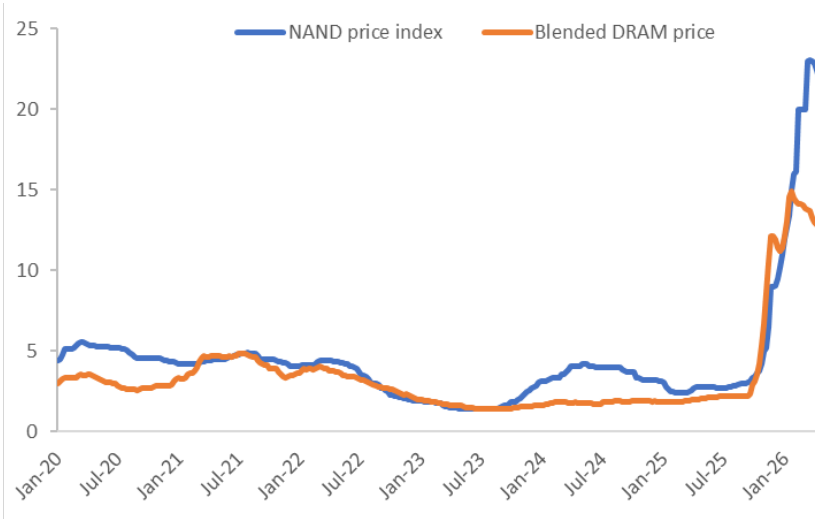
Global ex US funds substantially UW Korea



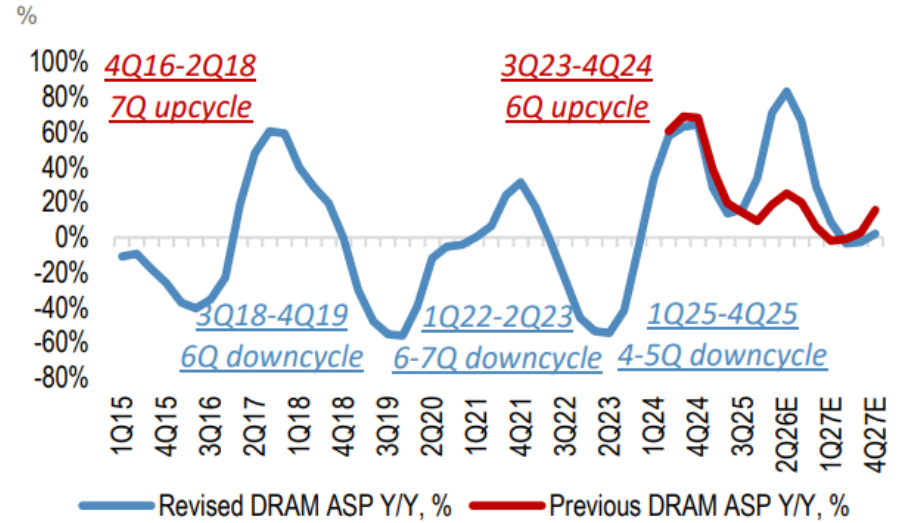
Source: EPFR, Bloomberg Finance L.P., J.P. Morgan

OW Korea: Memory Price the Big Change Since Sep 2025

Memory prices have moved up sharply

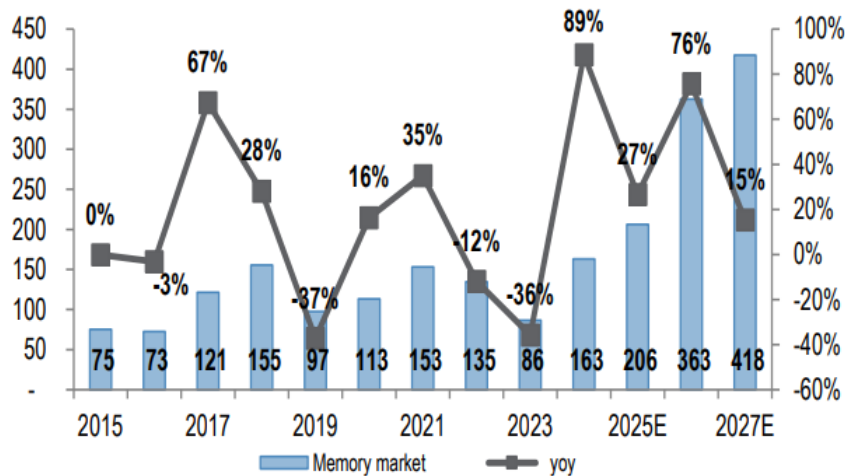


Prices unlikely to decline in 2026

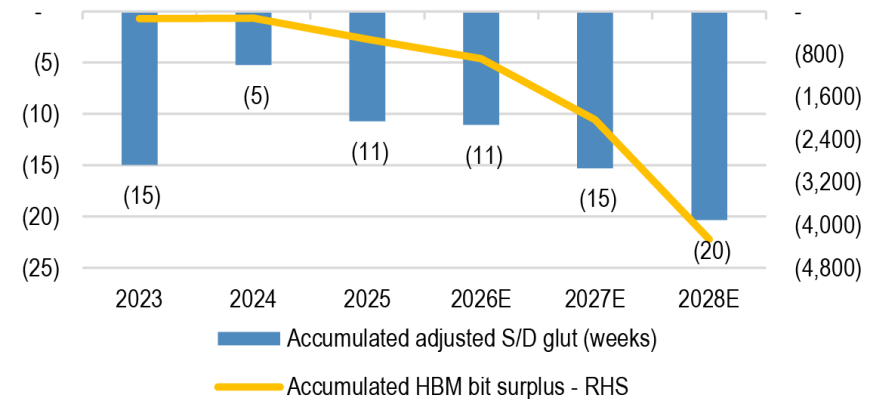


Memory revenue forecasts (\$bn)

US\$bn, % - RHS



HBM to remain in supply deficit through 2028



Source (for all charts): MSCI, Company data, Refinitiv, J.P. Morgan

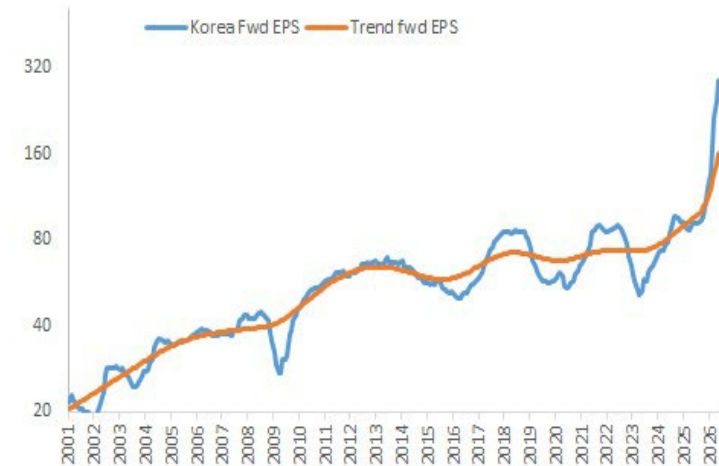
OW Korea: Cyclical Bottom Broad Based

Korea QMI is recovering from the sharp drop in March



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

Earnings estimates have risen from 1Q25



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

Earnings revisions are healthy



Source: MSCI, Refinitiv, J.P. Morgan

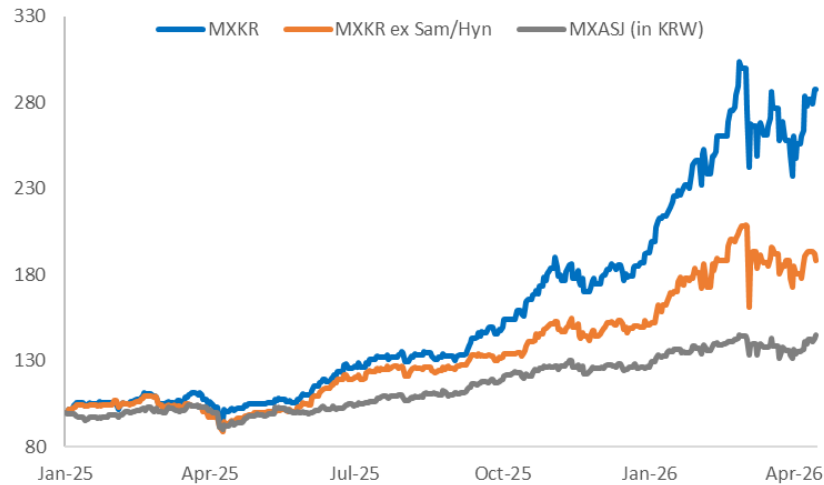
Tech and Industrials the key positives

	2026 EPS			2027 EPS		
	1m	3m	6m	1m	3m	6m
Market	24.3%	85.9%	165.7%	26.6%	101.9%	186.5%
Tech	31.7%	134.0%	335.6%	34.8%	161.3%	379.2%
Financials	0.7%	4.0%	6.6%	1.1%	4.4%	7.0%
Industrials	14.5%	36.4%	56.8%	11.8%	34.9%	54.9%
Discretionary	-0.4%	-4.0%	-0.6%	-1.0%	-3.6%	0.6%
Materials	0.6%	-3.3%	-12.1%	-0.1%	2.9%	1.8%
Staples	0.6%	3.0%	-10.0%	0.9%	3.6%	-7.1%
Healthcare	1.0%	3.1%	6.1%	1.8%	1.6%	8.1%
Comm Serv	-0.5%	-4.4%	-1.0%	-0.6%	-4.5%	0.1%
Energy	5.1%	13.2%	20.7%	5.5%	10.4%	1.7%

Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

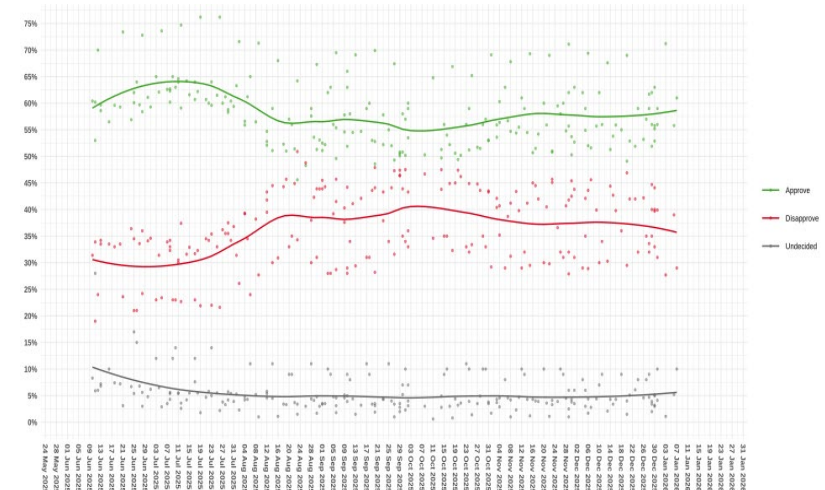
OW Korea: Non-Memory Stocks Up on Reforms

Even ex-memory Korea stocks have outperformed



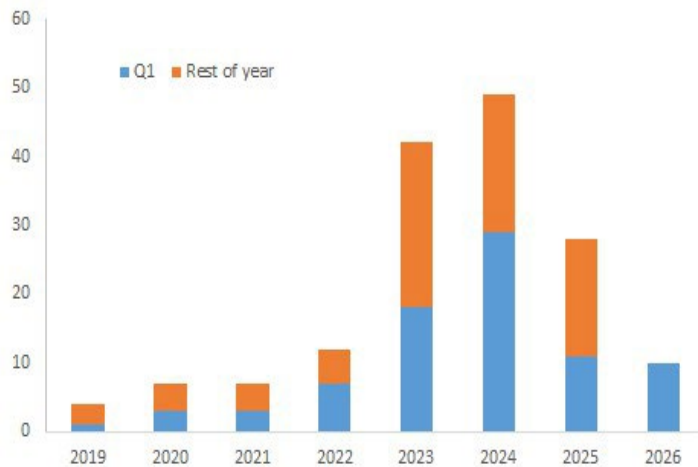
Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

President Lee's strong approval = political capital for reform



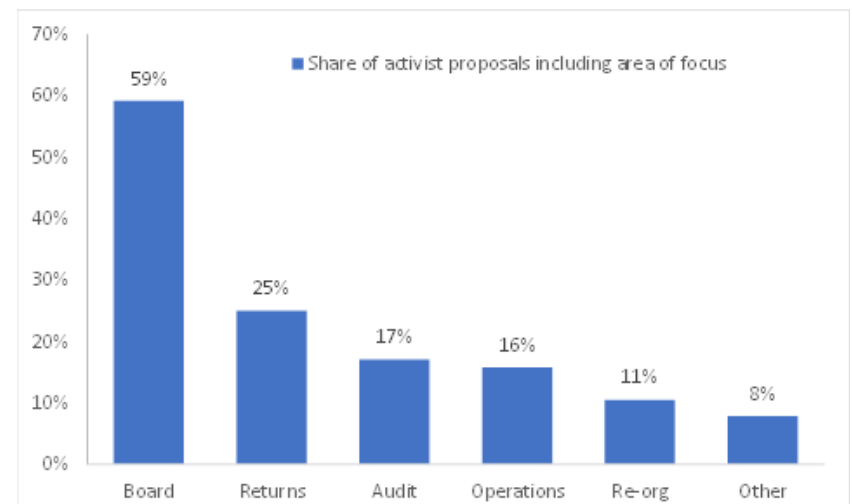
Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

Activism is also picking up



Source: MSCI, Refinitiv, J.P. Morgan

Activists focus mainly on board seats



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

OW Korea: Timeline of Governance Reforms

Pre 2024

Introduction of cumulative voting for director appointments, 3% rule for AGM/EGM agenda, 3% rule for audit committee selection, incremental widening of electronic voting, ex-dividend date reform, English language disclosures.

2024

“Value-up” program

Introduced measures to: (1) raise corporate attention around capital management, shareholder returns and stock valuations; (2) launch supportive infrastructure (website, portals) for voluntary information-sharing; (3) update the Stewardship Code Guidelines.

2025

First revision to Commercial Code passed on 3 July / Implemented from 22 July

Expansion of Fiduciary Duty of board of directors to include “all shareholders” (effective immediately). This makes board of directors liable for approving decisions that lead to a “loss of shareholder value”.

Mandatory electronic voting (to be implemented from 2027). Adoption of electronic voting so far is only ~20%.

Second revision to Commercial Code passed on 25 August / Implemented on 9 Sep

Mandatory cumulative voting (to take effect from AGMs after one year). This is aimed at improving the quality of board members (allowing smaller shareholders to propose and appoint preferred board members).

Expansion of **audit committee selection** process (to take effect in one year), expanding the members selected by 3% methodology to 2 from 1.

2026

Dividend Tax Cuts

Separate taxation of dividends (at lower rate) for "high dividend companies" that disclose Value-up plans.

Accelerated delisting process for "zombie" companies in KOSPI and KOSDAQ

Third revision to Commercial Code passed on 26 Feb

Mandatory treasury share cancellation. Cancellation of treasury shares (both existing, up to a limit, and any shares bought back in the future).

Mandatory take-over bid rule (Institutional improvements related to mergers, splits, and mandatory public tender offers)

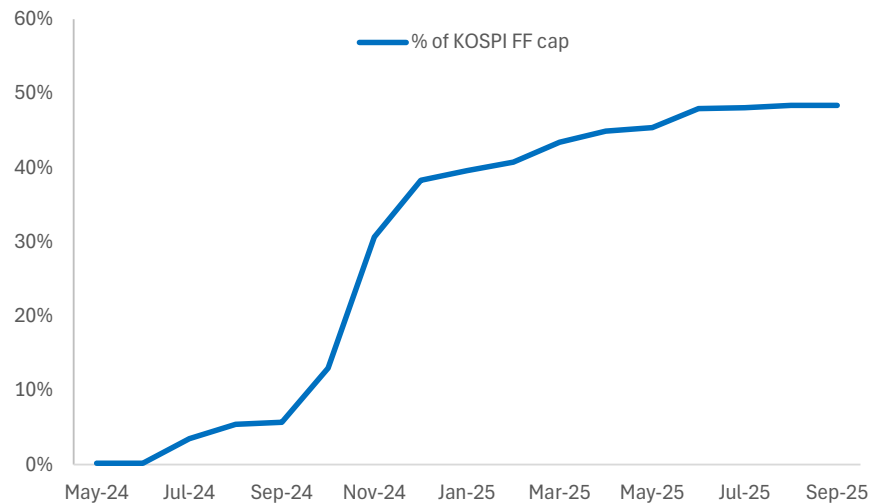
Stock Price Suppression Prevention Law and updates to **Inheritance Tax**

Updates to the **Insurance Act**, **Fair Trade law** - under discussion

OW Korea: From Foundation to Execution on Governance

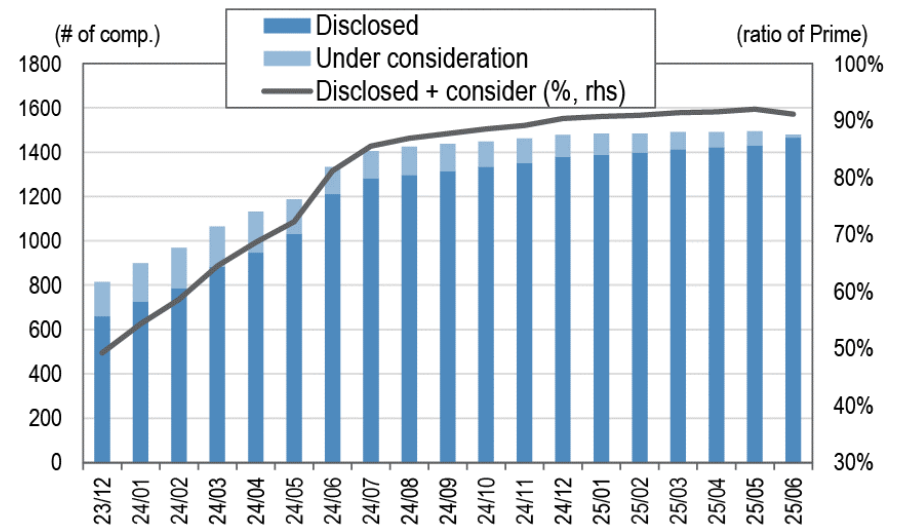
- Governance reform is a process, not an event
- Government message is understood and regulatory efforts are appreciated, but most investors are unsure if there will be real change. Need evidence.
- Korea has been an early mover – important to keep up momentum:
 - Clear explanation and consistent messaging
 - Self-reporting and enquiry, socialization of best practices in Value-up program can still be useful part of reforms
 - Updates on progress made on plans (grades?)
 - Enable shareholder engagement firms for collective action

Value-up plan announcements have stalled



Source: KRX, Bloomberg Finance L.P., J.P. Morgan.

Japan's momentum did not stall till ~80% reporting



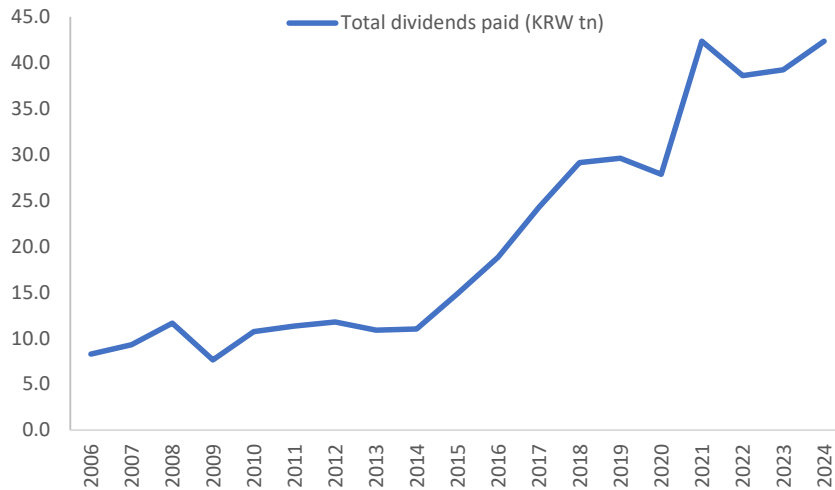
Source: Bloomberg Finance L.P., TSE, J.P. Morgan.

OW Korea: In the Long Term...

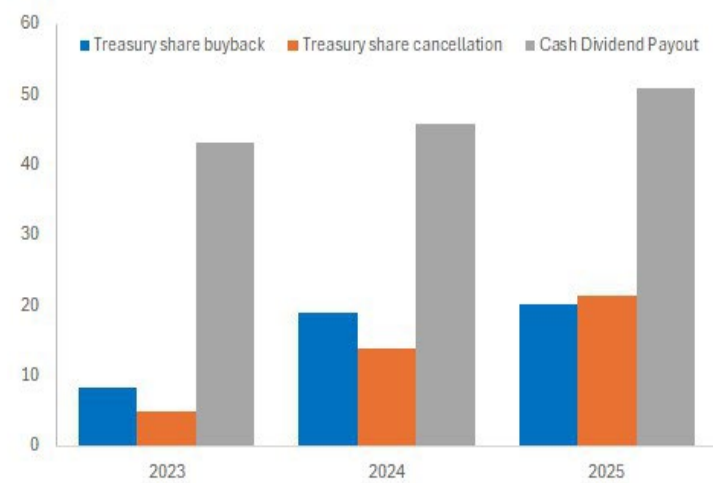
- Part of broader regional push towards improved governance now
- Sustainable solution requires buy-in from multiple participants in the ecosystem and time to allow for change in mindset/cultural norms
- Vigilance on compliance and updates to laws needed to keep reforms on track
- Updates to legal setup needed for smoother functioning – evidence discovery system, criminal liability for breach of fiduciary duty
- Incentives needed for corporates and investors to catalyze change
- Corporates' and investors' perception of cost of equity must converge
- Need mechanism for reward/punishment for value creation/destruction
- More transparent demarcation of ownership and control – Trust funds etc
- **Overall, increase availability and appreciation of return streams for more dynamic capital market that benefits all investors**

OW Korea: Shareholder Returns - Lots of Progress

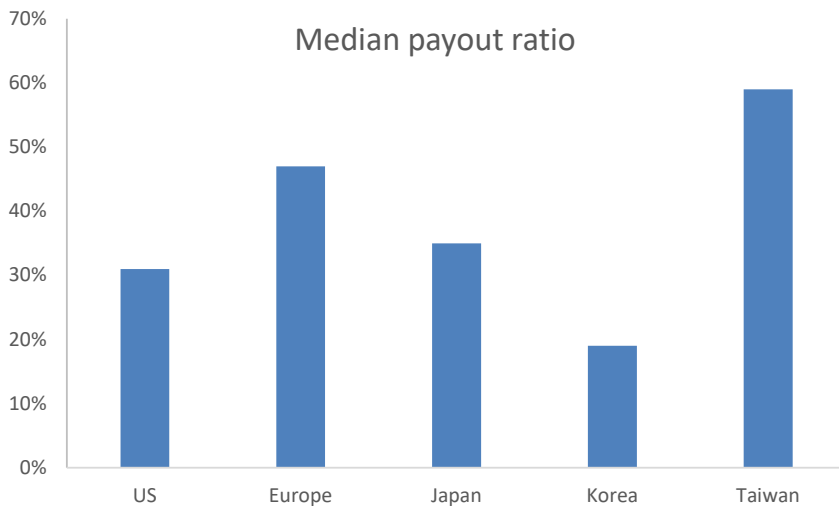
Dividends have increased a lot over the past decade



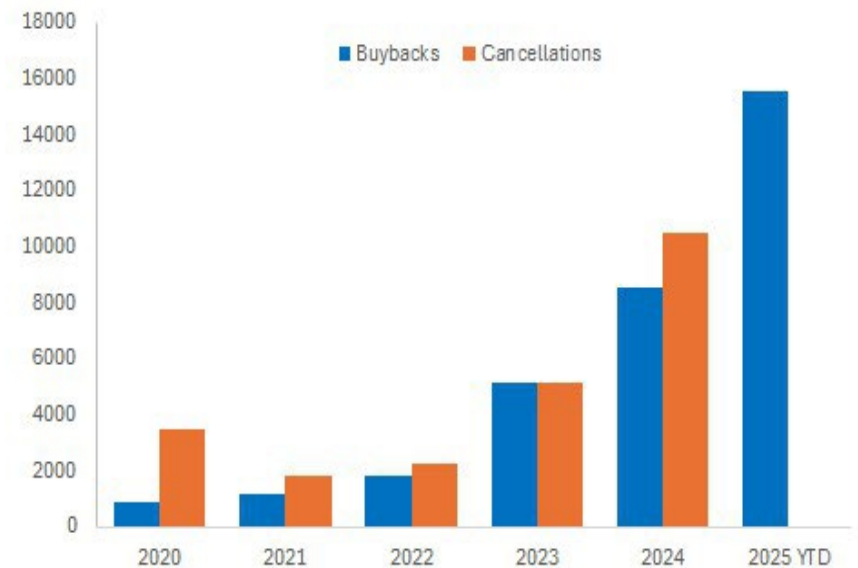
Buybacks have started to pick up in recent years too



But dividend payout ratios remain well below peers



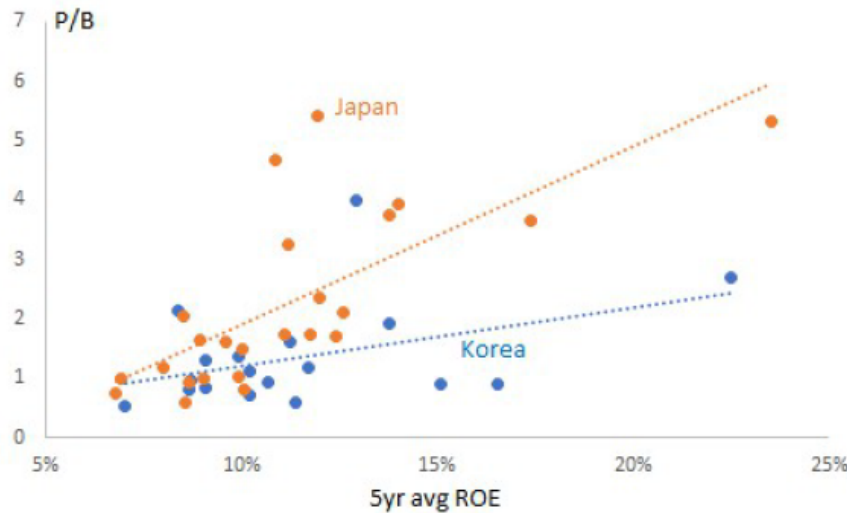
Buybacks are all being cancelled



OW Korea: Valuations are Cheaper Sector by Sector

Figure 1: P/B vs ROE by industry group: Korea vs Europe

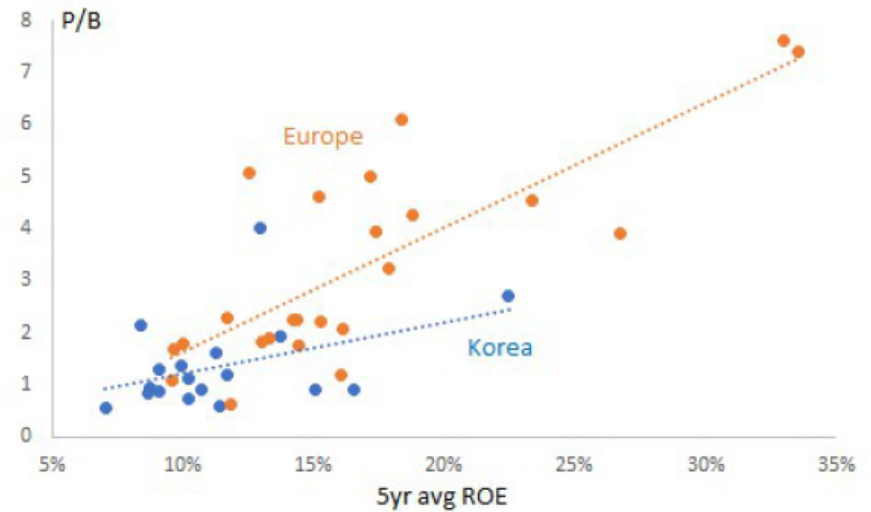
y-axis = P/B, x-axis = 5yr avg est ROE



Source: Refinitiv, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

Figure 2: P/B vs ROE by industry group: Korea vs Europe

y-axis = P/B, x-axis = 5yr avg est ROE



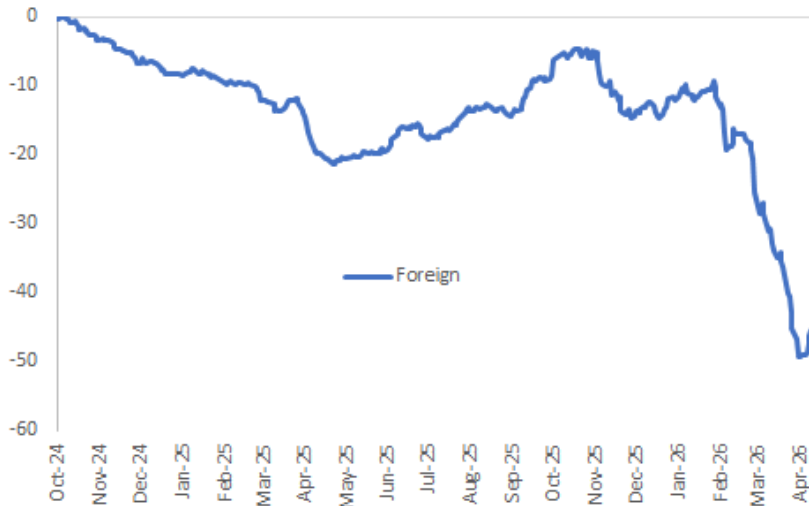
Source: Refinitiv, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

	Tech / AI exposure				Value exposure				Industrials and commodities						Others				
	Samsung	Hynix	Grid/Power	Tech supply chain	Autos	Banks	Non Bank Fin	Holdco	Battery	Oils/Chemicals	Metals	Shipping/building	Defense	E&C	Bio-Pharma	Internet/Media	Consumer exports	Telco	Services
fwd ROE	8.3	30.7	24.7	16.0	11.6	8.9	12.6	14.8	2.2	2.1	3.8	17.0	22.7	7.1	15.3	7.2	17.7	9.2	11.2
fwd PBV	1.99	2.45	1.69	1.85	0.89	0.77	1.00	1.32	3.64	0.82	0.53	3.31	6.43	3.95	4.28	1.24	2.06	0.98	1.42
Free Float	82	67	47	55	56	81	44	48	51	48	68	46	58	60	49	71	55	67	40
Foreign ownership	49	53	29	29	33	62	30	39	16	31	25	23	36	26	18	36	34	45	28
DVD Payout ratio	25	5	23	24	27	29	28	29	54	3	92	19	23	7	10	16	25	53	31
Treasury shares	2%	4%	0%	1%	1%	3%	11%	6%	1%	2%	5%	1%	0%	0%	3%	4%	4%	3%	0%

Source: Bloomberg Finance L.P., J.P. Morgan.

OW Korea: Luke-warm Local and Repatriation Flows

Foreign investors have bought only a bit in the recent rally



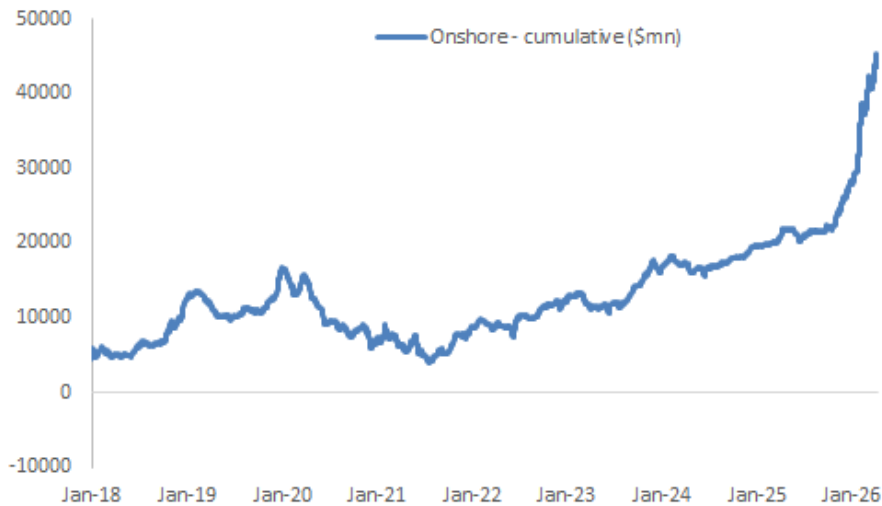
Source: Bloomberg Finance L.P., J.P. Morgan.

Retail net selling bottomed in October



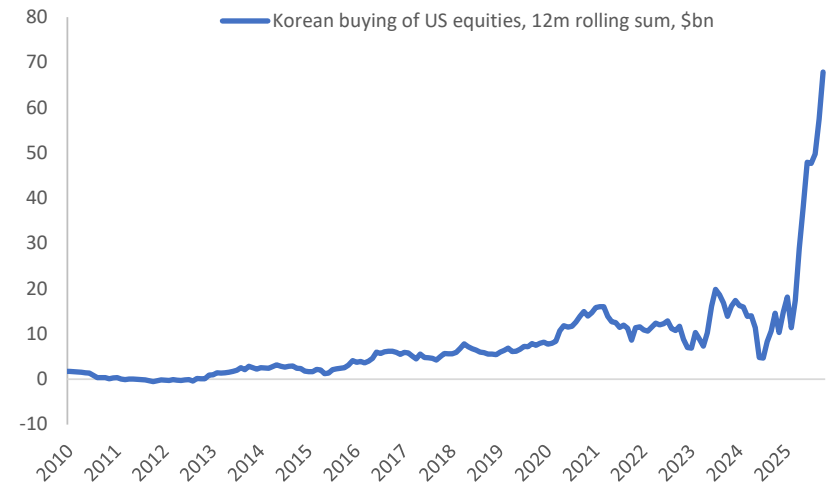
Source: Bloomberg Finance L.P., J.P. Morgan.

Retail has also bought onshore ETFs



Source: Bloomberg Finance L.P., J.P. Morgan.

Korea buying of US equities long way to unwind



Source: Bloomberg Finance L.P., US TIC, J.P. Morgan.

OW Korea: Unwind of Momentum Crowding Done

Factor performance in different cycle stages



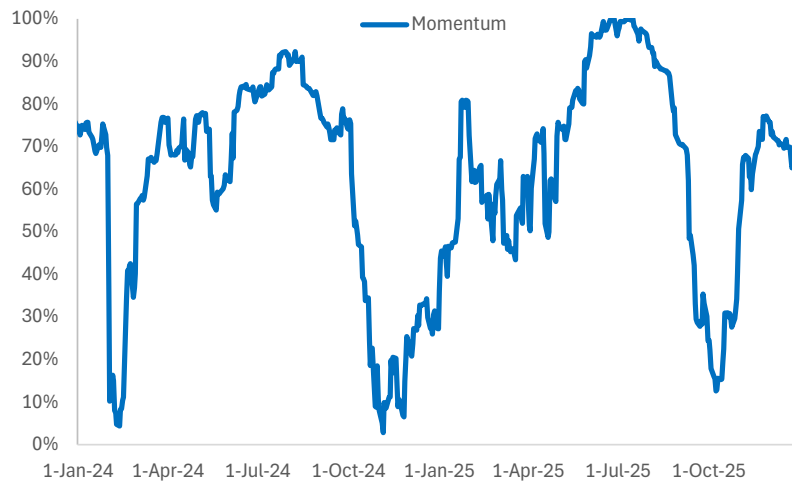
Source: Bloomberg Finance L.P., J.P. Morgan

Price Momentum starting to see some recovery

	Px Momentum	EPS revision	Growth	Quality	Value	Low Vol
Week ending 27-Mar	-8.2%	-1.6%	-2.5%	-1.0%	-3.5%	0.8%
Week ending 03-Apr	-0.5%	-1.9%	2.3%	-1.1%	-1.3%	-2.6%
Week ending 10-Apr	6.4%	4.1%	-0.8%	-1.6%	5.7%	-0.2%
Week ending 17-Apr	2.3%	1.8%	-3.6%	-0.2%	-1.2%	-1.9%

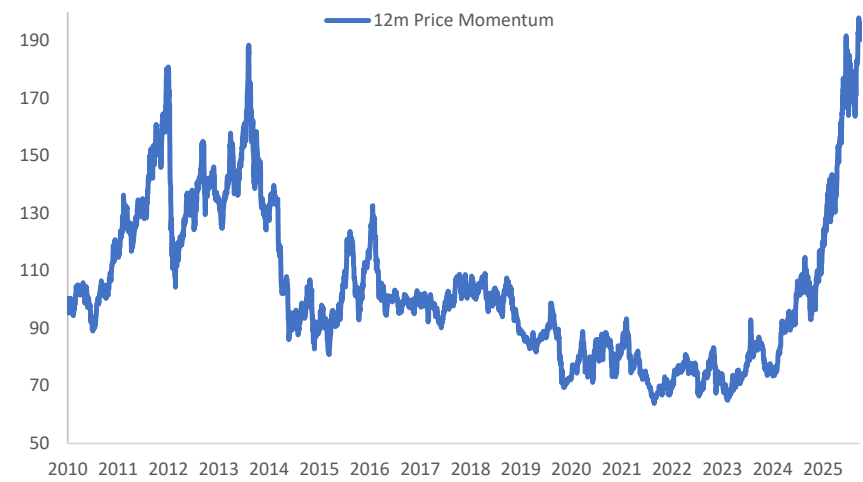
Source: Bloomberg Finance L.P., J.P. Morgan

Momentum crowding is now off elevated levels



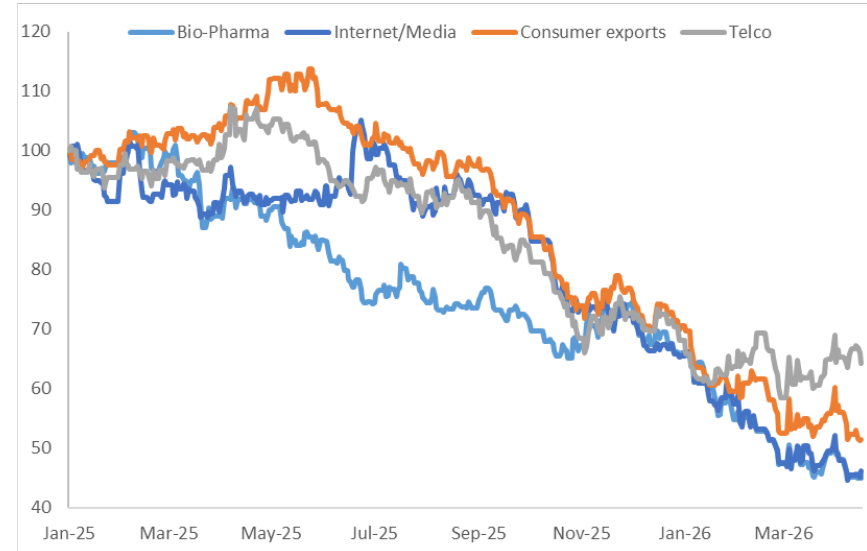
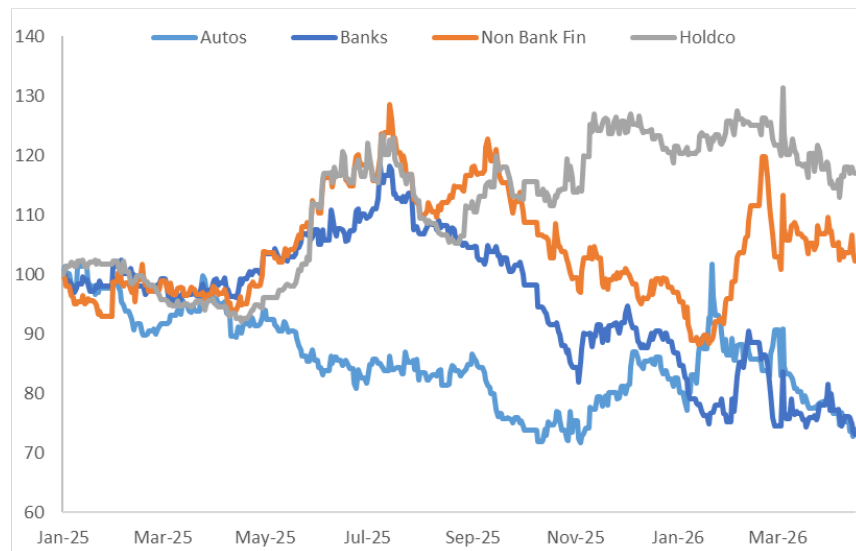
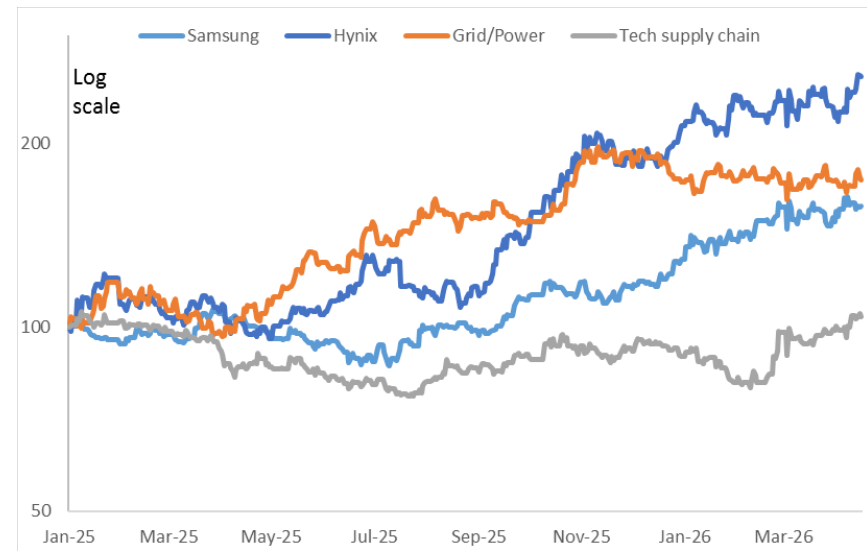
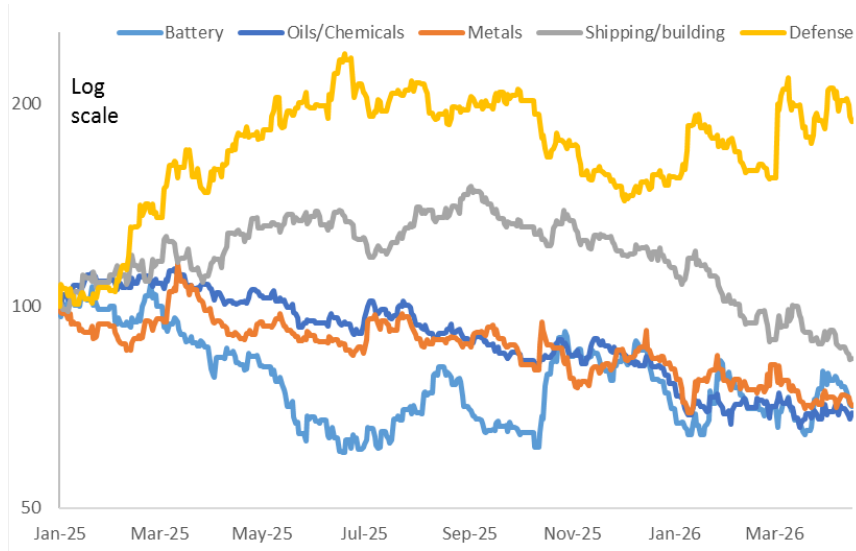
Source: Bloomberg Finance L.P., J.P. Morgan

Momentum performance should be strong again



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan

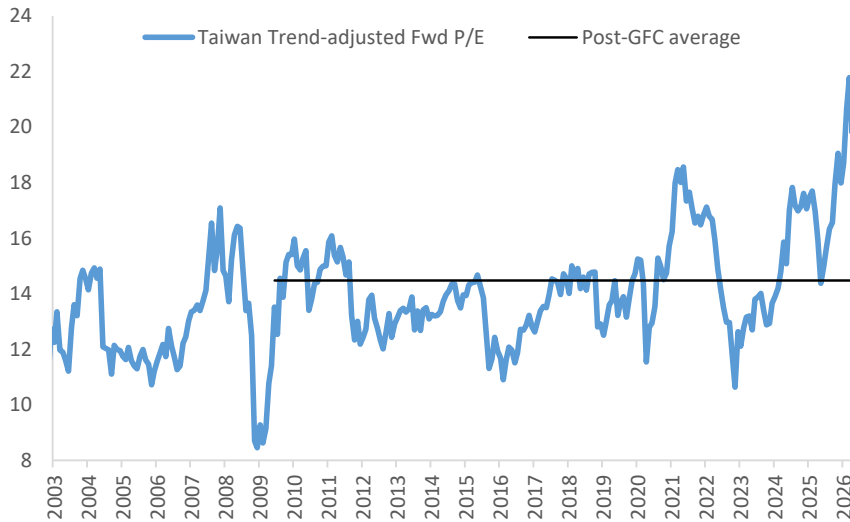
OW Korea: Relative Performance of Market Segments



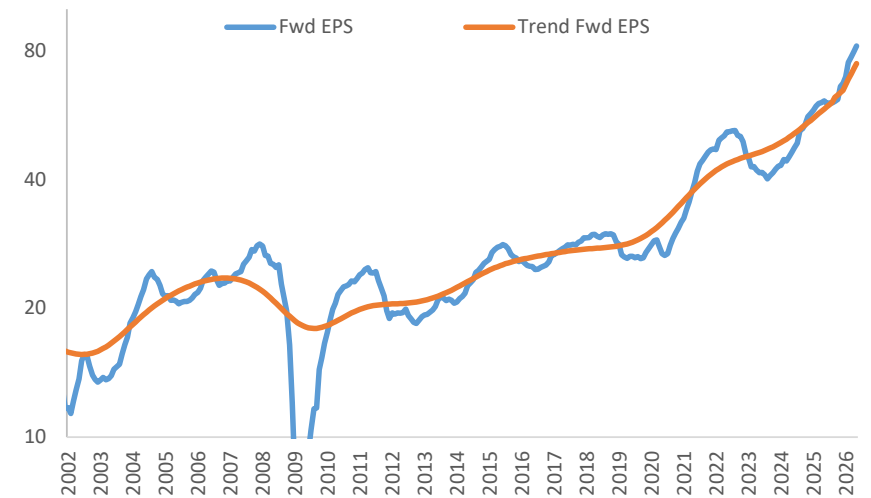
Source (for all charts): MSCI, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

OW Taiwan: Broader market is an AI proxy

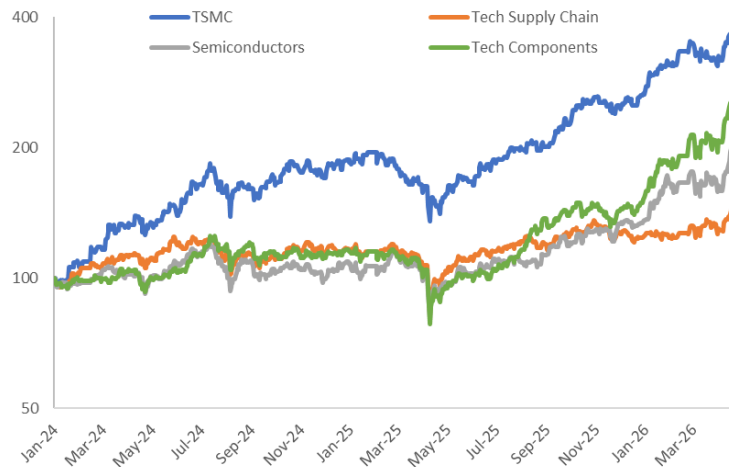
Aggregate valuations in Taiwan are at highs



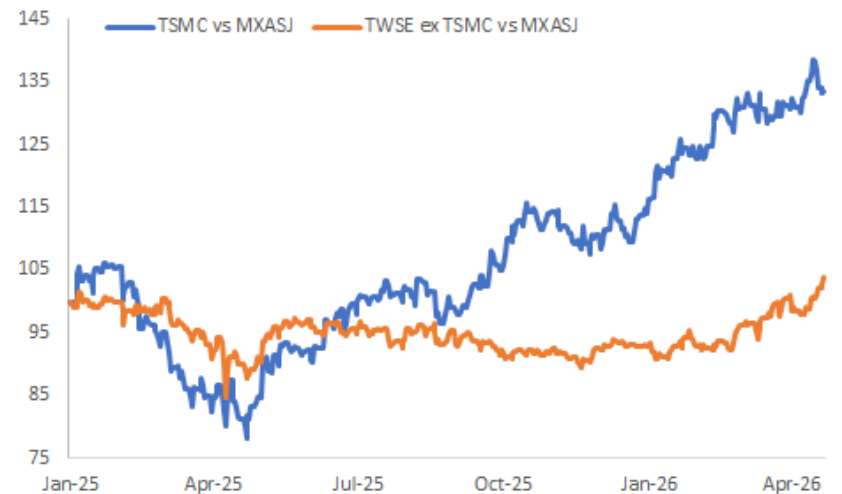
Earnings uptrend continues for now



Large difference between TSMC and others



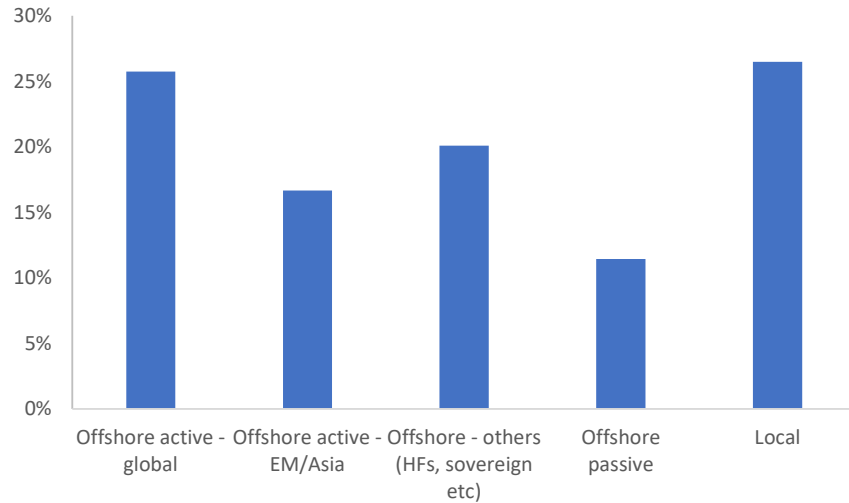
... especially when looking at relative performance



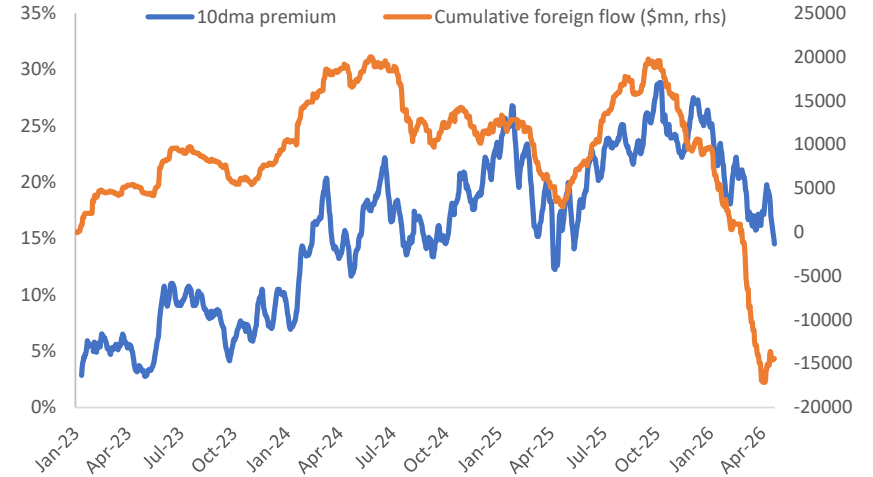
Source for all: MSCI, Bloomberg Finance L.P., Company data, J.P. Morgan Equity Macro Research.

OW Taiwan: Flow drivers of TSMC

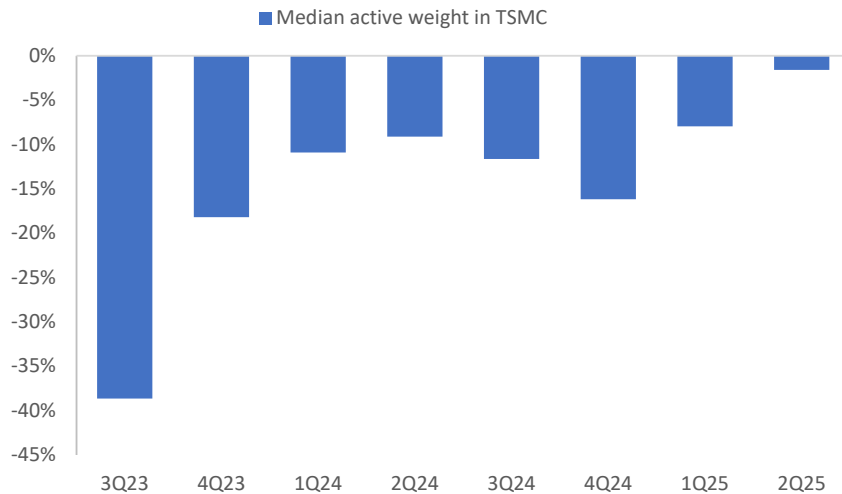
Indicative breakdown of TSMC ownership



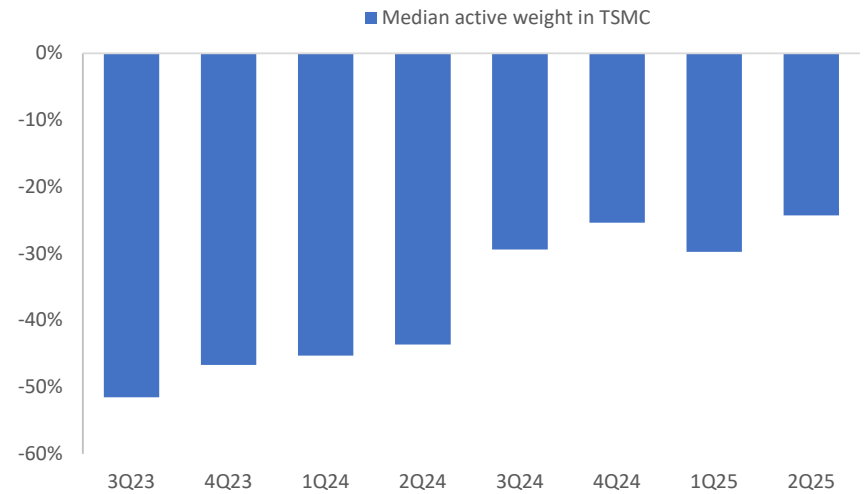
Global funds have sold – but retail has bought



Global funds have cut their UWs in TSMC

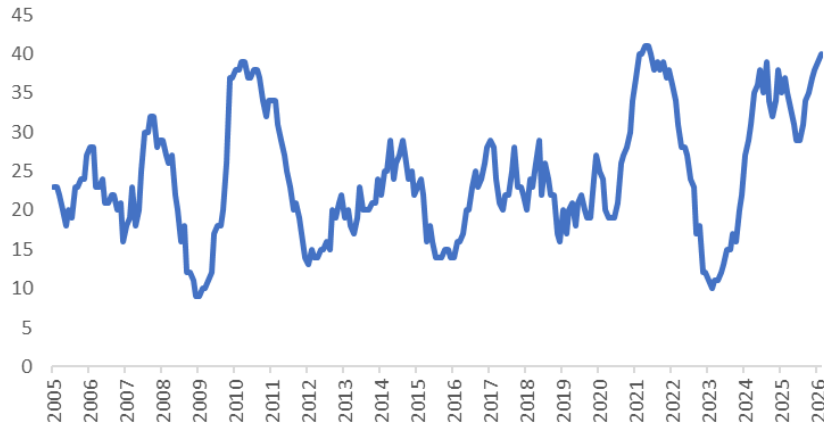


Global TMT can buy, but it's a small cohort



OW Taiwan: Some macro indicators

Taiwan Monitoring index accelerated again



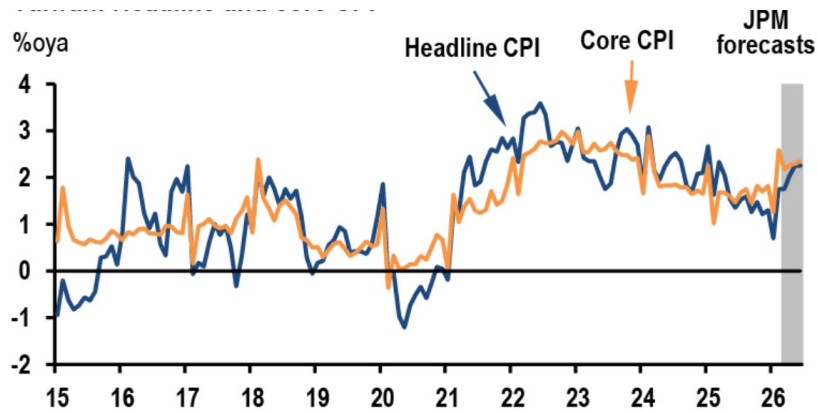
Source: Bloomberg Finance L.P., Company data, J.P. Morgan

Taiwan exports remain strong on Tech



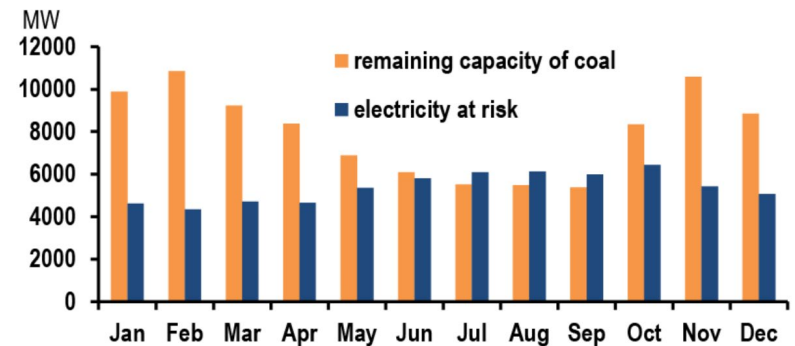
Source: WSTS

2026 inflation likely to rise



Source: DGBAS, J.P. Morgan.

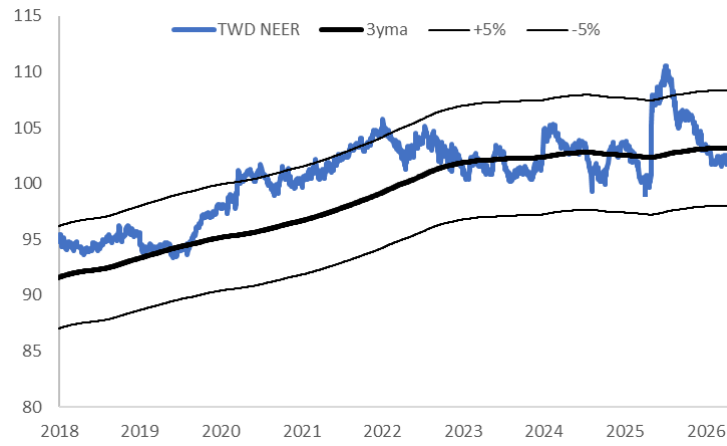
Estimated coal capacity vs. electricity at risk



Source: MOEA, J.P. Morgan. Electricity at risk refers to hypothetical estimates of the power generated using Qatar-sourced LNG in different months of 2025. Remaining capacity is the difference between installed coal-fired generation capacity and utilized coal-fired capacity, based on simplified assumptions.

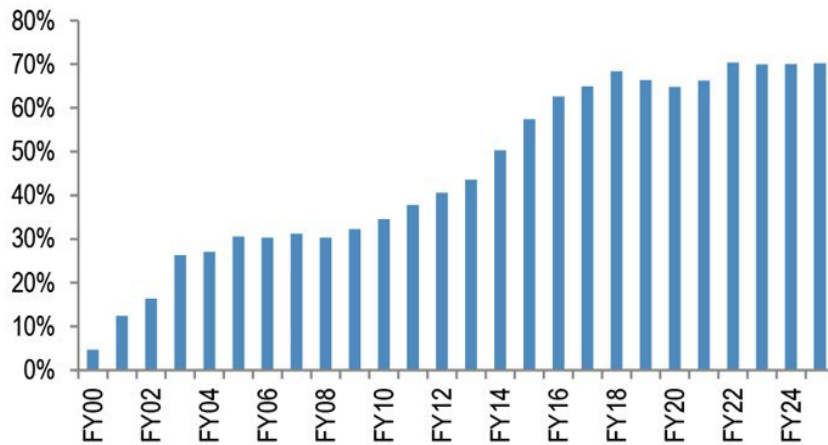
OW Taiwan: TWD volatility is a drag on Financials

TWD now back to historical CBC trading range



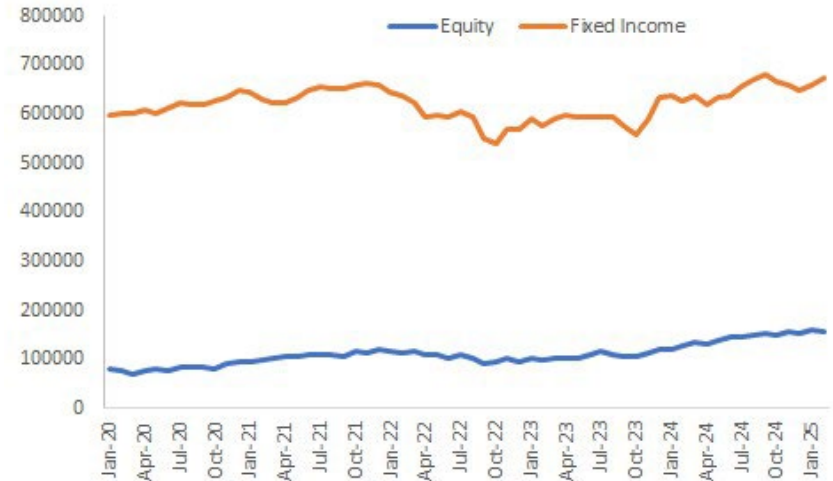
Source: Bloomberg Finance L.P., J.P. Morgan.

Taiwan insurers' assets are mostly overseas, and 20-30% of that is not hedged



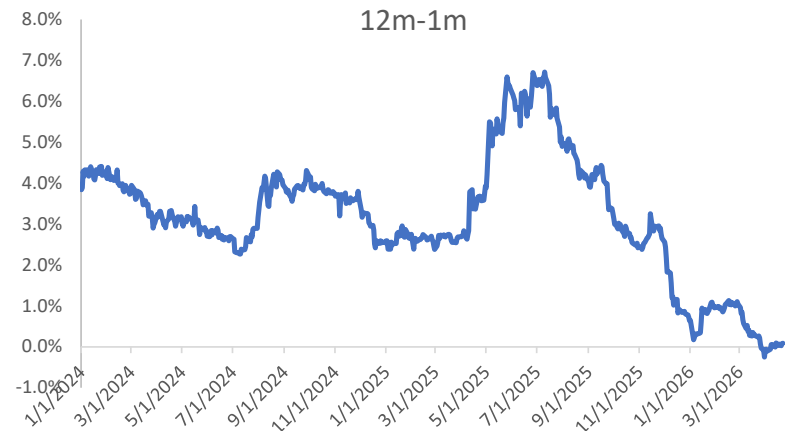
Source: MSCI, Bloomberg Finance L.P., Company data, J.P. Morgan Equity Macro Research.

Taiwan is a large holder of USD fixed income (USD mn)



Source: Bloomberg Finance L.P., J.P. Morgan.

Compression in TWD carry incentivizes buying



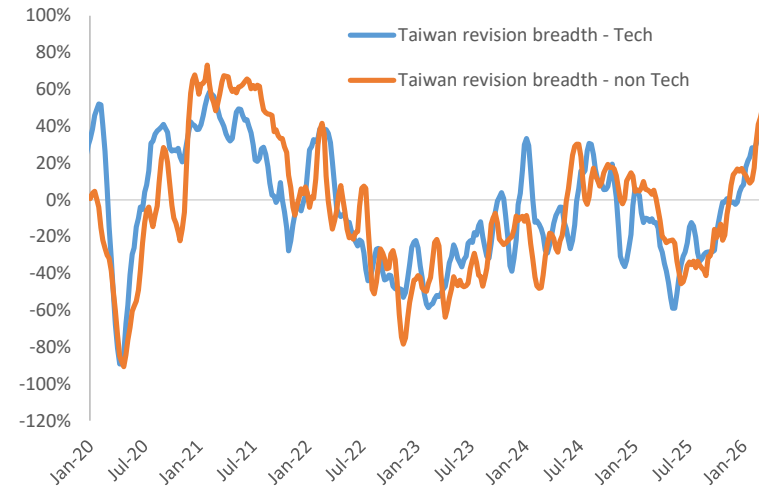
OW Taiwan: Revisions, risk-pricing two other drivers

Earnings revisions positive in Tech and Financials

	2026 EPS			2027 EPS		
	1m	3m	6m	1m	3m	6m
Market	2.6%	7.6%	16.4%	4.0%	10.9%	22.1%
Tech	2.5%	7.5%	18.2%	4.3%	11.6%	25.3%
Financials	3.6%	11.6%	16.7%	1.1%	8.2%	10.9%
Industrials	-3.5%	1.6%	-13.3%	10.6%	9.1%	-4.9%
Materials	21.4%	25.5%	29.5%	13.8%	20.7%	48.8%
Staples	-0.7%	-2.1%	-4.8%	-0.9%	-1.8%	-5.0%
Healthcare	0.0%	2.7%	-38.8%	0.0%	18.3%	-13.1%
Comm Serv	0.2%	-0.5%	-0.1%	0.2%	-0.3%	8.8%

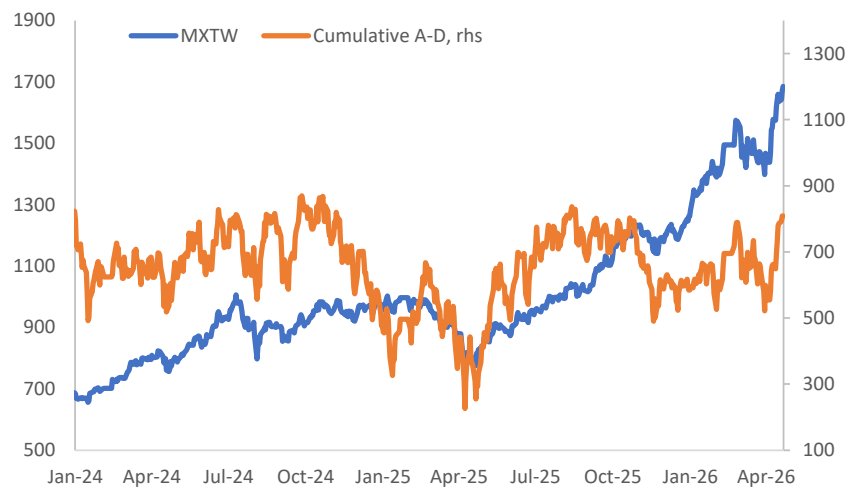
Source: MSCI, Refinitiv, J.P. Morgan.

Revision breadth also broadly positive

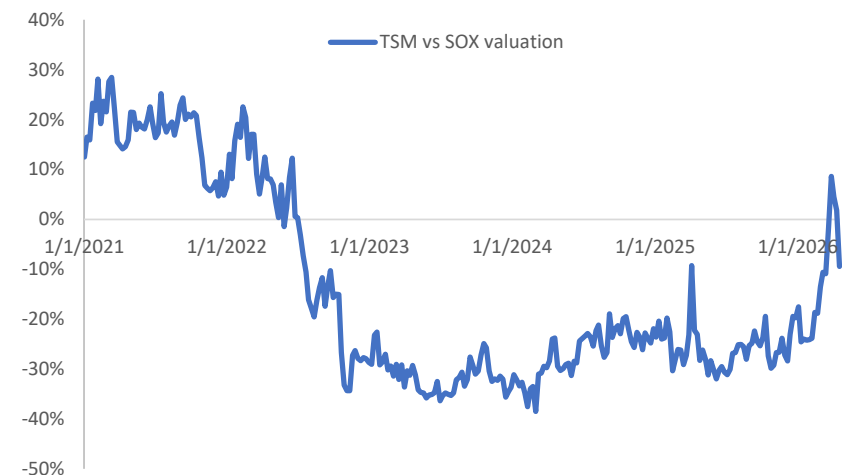


Source: MSCI, Refinitiv, J.P. Morgan.

Market price breadth is also healthy

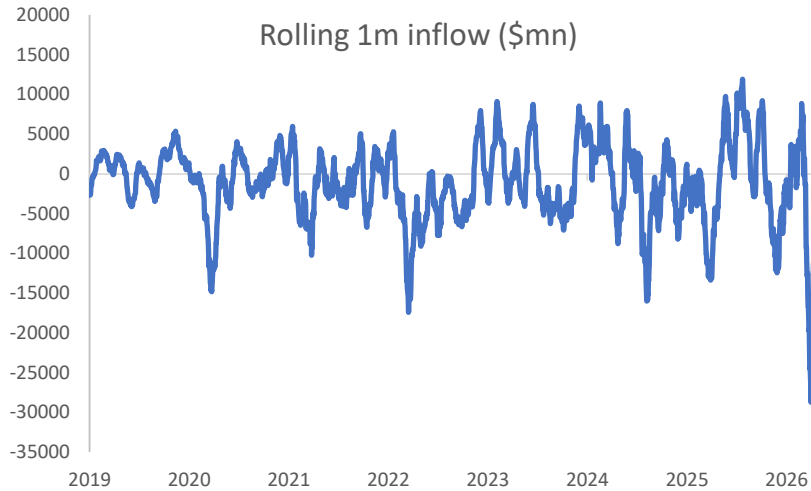


TSM vs SOX discount appeared around Pelosi visit in 2022



OW Taiwan: Rotation in flow drivers

Foreign buying has returned in recent weeks



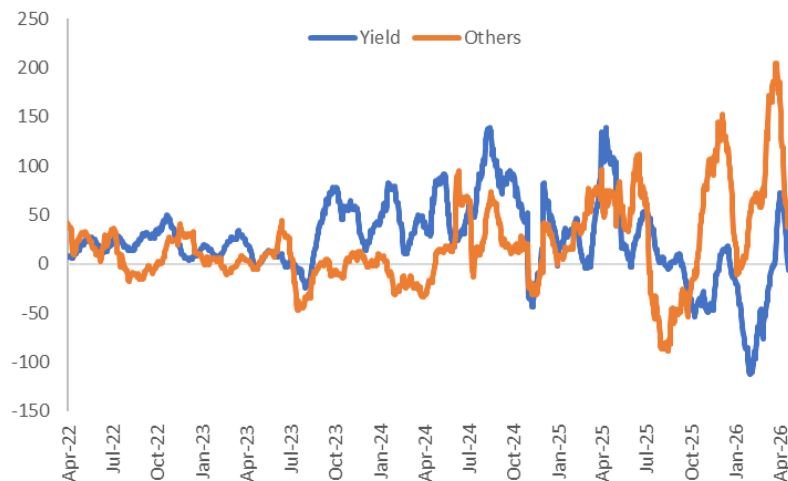
Source: Bloomberg Finance L.P., J.P. Morgan.

Foreign buying across market segments

USD mn	Tech				Non-Tech			
	TSMC	Tech Supply Chain	Semiconductors	Tech Components	Financials	Consumer	Industrials	Commodities
2Q 2025	7505	2304	27	677	-3141	413	-932	116
3Q 2025	6111	5819	848	-245	699	-444	-1352	-160
4Q 2025	-9117	-3044	709	-2108	1841	-1656	-154	-24
1Q 2026	-26566	-473	1295	229	133	938	1444	787

Source: Bloomberg Finance L.P., J.P. Morgan.

Yield ETF inflows (TWD bn, rolling 1m cum) has slowed



Source: MSCI, Bloomberg Finance L.P., J.P. Morgan Equity Macro Research.

Retail balances back at highs, evidenced by margin loans



Source: Bloomberg Finance L.P., J.P. Morgan.

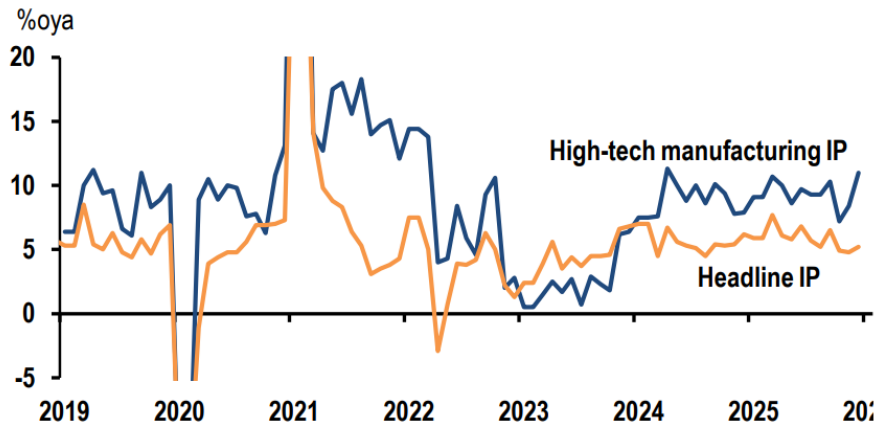
OW Taiwan: Macro Heatmap

Measure	Unit	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Macro Conditions																					
Monitoring Index (%y-y)	%y-y	34%	32%	34%	38%	35%	37%	35%	33%	31%	29%	29%	31%	34%	35%	37%	38%	39%	40%		
Business confidence (DI)	DI	-6	-5	-8	2	-6	-11	-21	-41	-42	-33	-28	-40	-32	-15	-5	-7	0	4	-40	-32
Retail sales (%y-y)	%y-y	3%	-1%	2%	3%	6%	-4%	0%	-1%	-1%	-3%	-4%	0%	-2%	2%	2%	1%	-3%	8%		
Power generation (%y-y)	%y-y	1%	-2%	-7%	-11%	-12%	0%	-7%	-11%	-2%	-3%	-4%	1%	1%	7%	2%	2%	5%	-2%		
Consumer confidence (Index)	Index	11	9	11	12	12	8	7	-1	-9	-2	2	-2	-1	6	11	10	12	14	-2	-1
Property prices (%y-y)	%y-y	11%	9%	9%	10%	5%	2%	-2%	1%	1%	0%	-1%	-1%	0%	-2%	-2%	-3%	-1%	0%	4%	
Bank lending (%y-y)	%y-y	10%	10%	9%	9%	10%	9%	9%	9%	7%	8%	7%	7%	6%	6%	6%	6%	6%	7%		
Money supply M2 (%y-y)	%y-y	6%	6%	5%	5%	5%	5%	4%	4%	3%	3%	4%	5%	5%	5%	5%	5%	5%	6%		
Inflation (CPI) (%y-y)	%y-y	1.8%	1.7%	2.1%	2.1%	2.7%	1.6%	2.3%	2.0%	1.5%	1.4%	1.5%	1.6%	1.3%	1.5%	1.2%	1.3%	0.7%	1.8%	1.2%	
Policy rate (% pa)	% pa	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Indicators																					
Exports (%y-y)	%y-y	4%	8%	10%	9%	4%	31%	19%	30%	39%	34%	42%	34%	34%	47%	56%	43%	70%	21%	62%	
Terms of Trade (%y-y)	%y-y	1%	0%	0%	0%	-1%	0%	0%	1%	1%	1%	0%	1%	1%	1%	1%	1%	0%	0%	-2%	-2%
Trade balance (\$bn)	\$bn	7.1	6.9	7.9	6.1	10.1	6.6	6.9	7.4	12.6	12.1	14.4	16.8	12.4	21.7	16.1	19.4	18.9	12.8	21.3	
Export orders (%y-y)	%y-y	5%	5%	3%	21%	-1%	37%	16%	25%	24%	31%	21%	20%	31%	25%	40%	44%	60%	24%		
Export order - electronics (%y-y)	%y-y	10%	11%	7%	34%	5%	57%	28%	44%	37%	45%	33%	39%	46%	36%	48%	40%	79%	26%		
Exports - IC (%y-y)	%y-y	5%	6%	16%	9%	4%	25%	21%	28%	30%	33%	36%	37%	27%	23%	30%	25%	61%	27%	46%	
Airport cargo export (%y-y)	%y-y	11%	19%	16%	18%	13%	42%	20%	26%	20%	23%	32%	22%	26%	28%	29%	24%	39%	11%		
US imports from Taiwan (%y-y)	%y-y	32%	23%	18%	50%	35%	56%	56%	61%	82%	72%	50%	51%	42%	108%	118%	145%	96%	99%		
Industry Indicators																					
Manufacturing PMI (Index)	Index	49.2	50.0	51.4	50.8	48.7	54.0	54.2	48.9	51.0	49.6	48.0	47.9	48.3	50.3	51.4	55.3	57.2	58.5	55.4	
New Orders PMI (Index)	Index	48.5	51.9	55.5	50.9	49.7	54.4	56.8	47.5	49.1	47.1	45.4	45.9	47.2	51.1	50.9	57.6	58.9	63.7	52.1	
PMI - electronic inventories (Index)	Index	49.1	46.6	44.6	45	44.4	53.2	55.8	54.1	56.9	52.9	45	51	49.5	49.6	50.5	55.4	56.9	58.1	62	
Industrial production (%y-y)	%y-y	12%	9%	10%	20%	6%	18%	14%	25%	25%	21%	20%	15%	18%	16%	18%	23%	28%	18%		
Electronics production (%y-y)	%y-y	19%	16%	19%	28%	17%	17%	24%	40%	35%	22%	31%	30%	26%	22%	17%	17%	25%	25%		

Source: Bloomberg Finance L.P., J.P. Morgan.

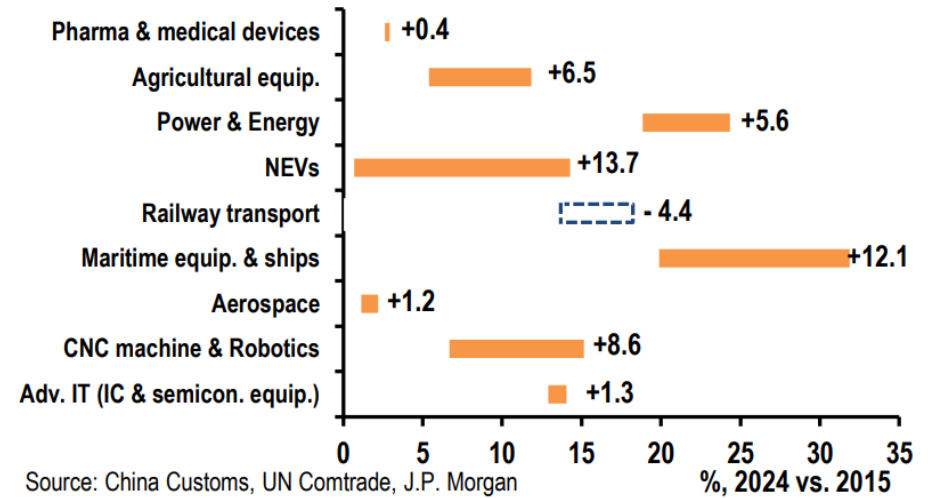
OW China: Innovation Areas Progressing (1)

High tech IP growing much faster than overall IP



Source: NBS, J.P. Morgan

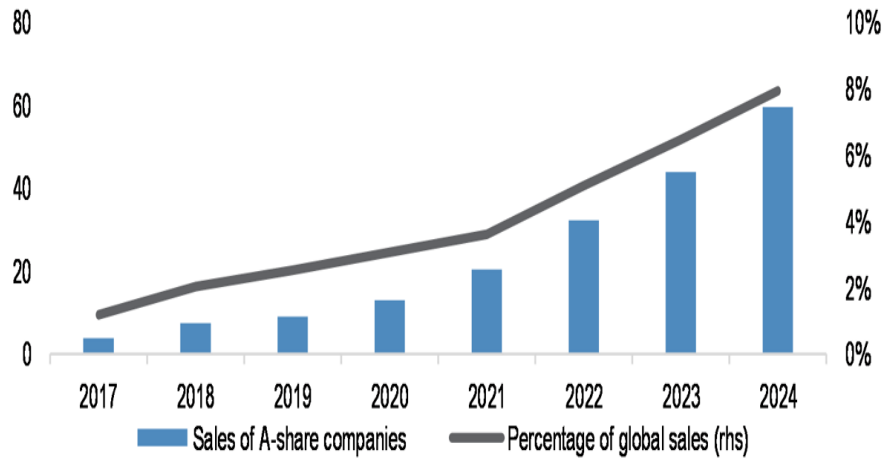
China's share of global exports in key priority industries



Source: China Customs, UN Comtrade, J.P. Morgan

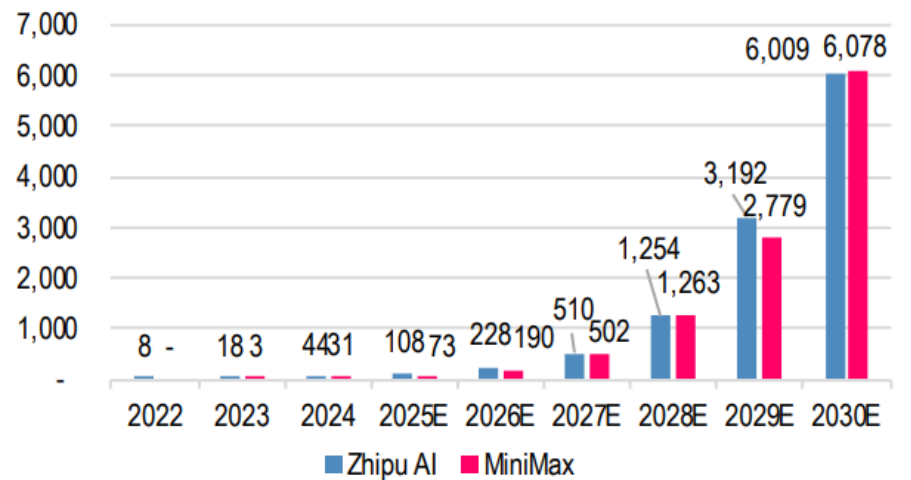
Source: PBOC, J.P. Morgan

Sales of China semiconductor WFE and global market share



Source: NBS, J.P. Morgan

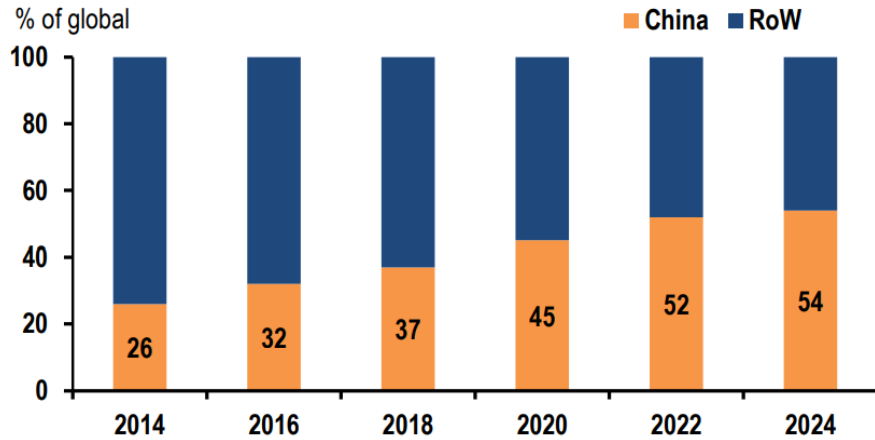
Leading independent AI model developers' revenue



Source: Wind, J.P. Morgan

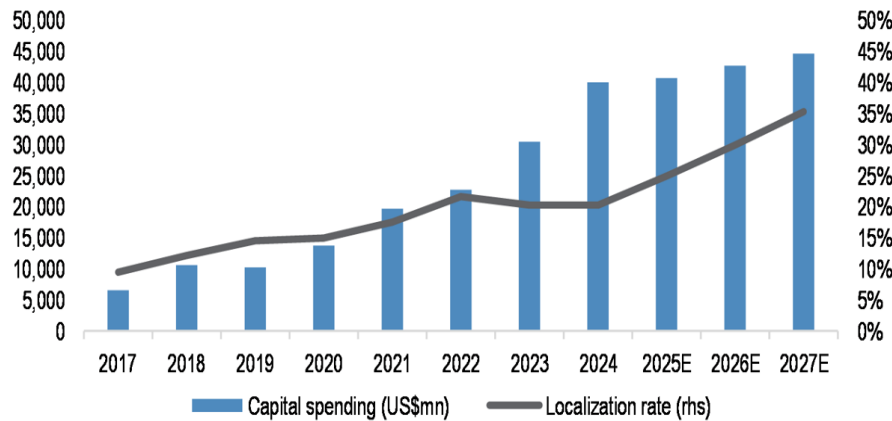
OW China: Innovation Areas Progressing (2)

Global leader in industrial robotics, and humanoids



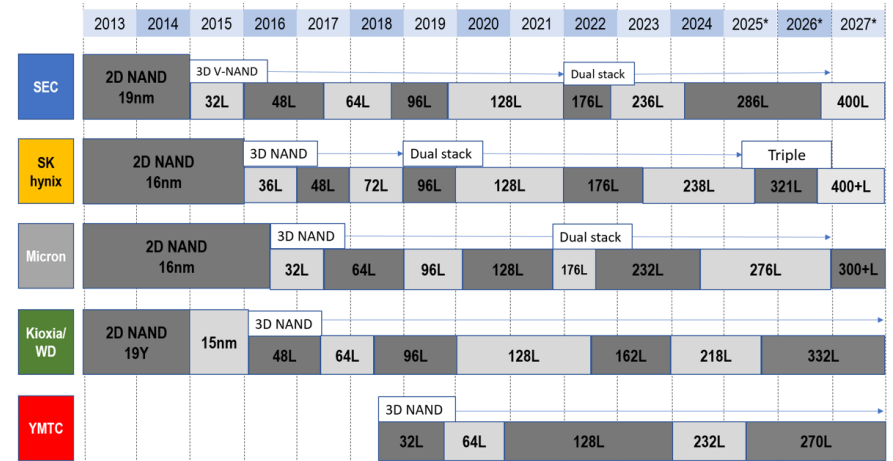
Source: NBS, J.P. Morgan

China semi fab capex forecast and rising localization rate



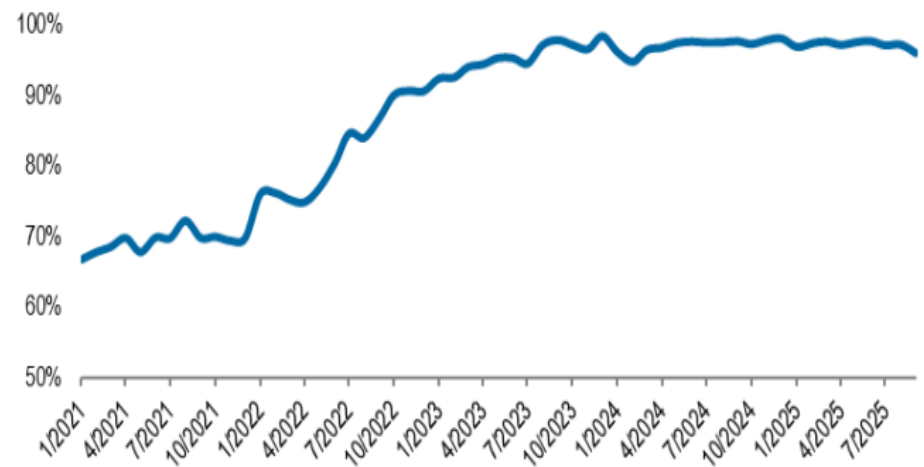
Source: NBS, J.P. Morgan

NAND memory capability keeping up with global leaders



Source: J.P. Morgan

Global leadership in ESS battery production (% of global)



Source: Wind, J.P. Morgan

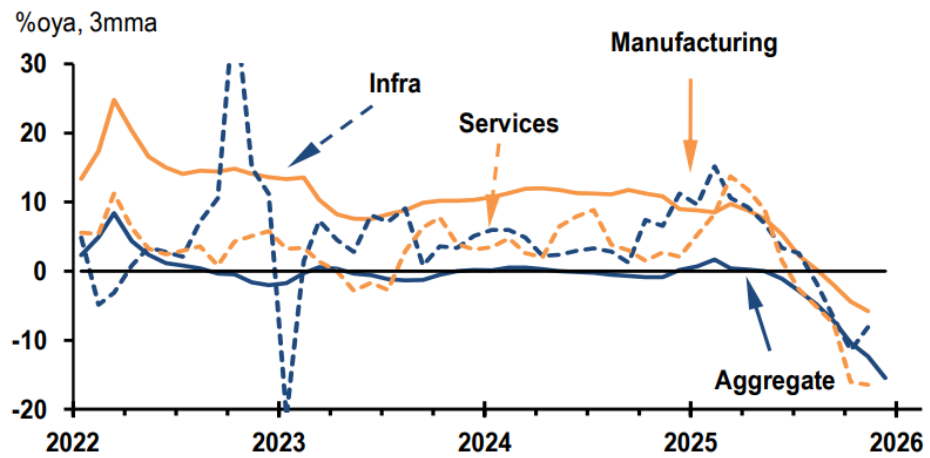
OW China: Anti-Involution is Ongoing

MSCI China net margins are improving



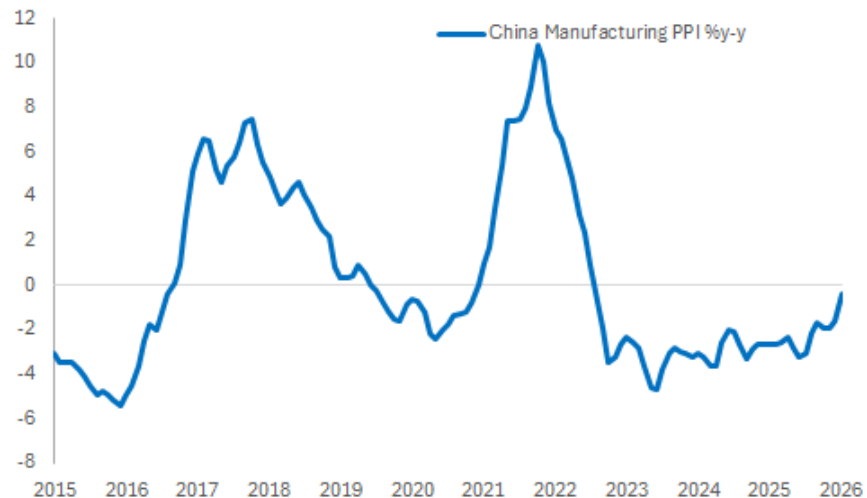
Source: Bloomberg Finance L.P., J.P. Morgan

Private FAI growth in manufacturing has turned negative



Source: CEIC, J.P. Morgan

China manufacturing PPI highest since Jul 2022



Source: Bloomberg Finance L.P., J.P. Morgan

China lithium prices up - other industrial prices are up, too



Source: ICCSino, J.P. Morgan

OW China: Anti-involution Progress

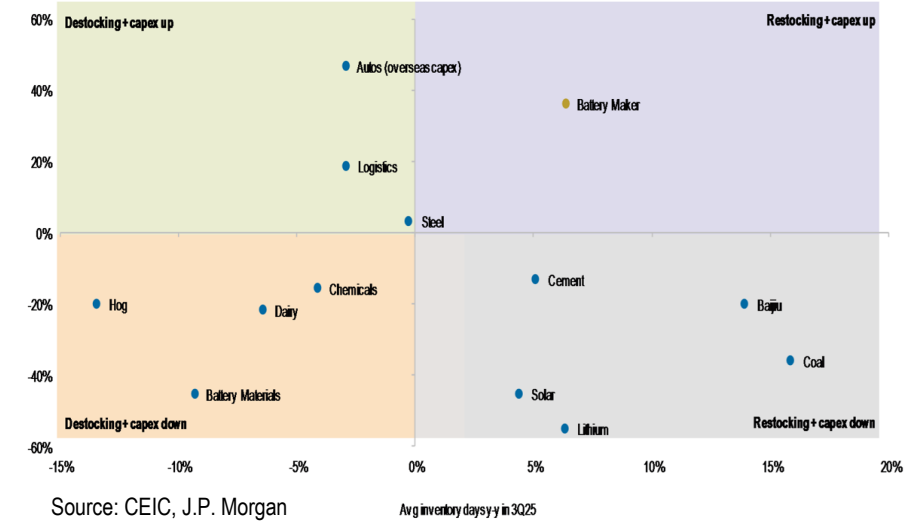
Anti-involution policies

Development of the anti-involution initiative in China since late June

Industry	Initiated by	Time	Event
Coal	Central government	22-Jul	Local press reported that China's National Energy Administration issued "Notice on Coal Mine Production Inspections", and inspected coal mine in 8 provinces for output in 2024 and 1H25; all overproducing mines were ordered to suspend production for rectification
Battery	Industry association	26-Jun	China Battery Industry Association releases "Anti-Malicious Competition Initiative in Battery Industry"
Chemicals	Central government	23-Jun	The fourth batch of the third round of central ecological and environmental protection inspections reported pollution cases in Wuhai City, Inner Mongolia, Zibo City and Dezhou City, Shandong Province, including the illegal increase in coking capacity in Wuhai City since 2021.
	Central & local governments		Local governments are collecting data on outdated petrochemical production facility per central government's request.
Cement	Industry association/ local governments	1-Jul	China Cement Association released anti-involution guidelines; local press reported on 8 Jul that Shandong and Sichuan implemented flood-season peak-shifting (kiln shutdown for 20/15 days)
Steel	N/A	2-Jul	Local press reported market talks over Tangshan's sintering machine production will be limited by 30% from July 4 to 15, which was verified by Mysteel research
Solar	Companies' self-initiative	1-Jul	China's leading solar glass companies were reported to collectively reduce production by 30% starting from July.
	Central government	3-Jul	The MIIT held a symposium urging to regulate low-price competition. 14 solar companies attended the symposium.
Ecommerce	Companies' self-initiative	9-Jul	Local press reported recent market talks on self-disciplinary actions to set floors for polysilicon by industry leaders and possibility of polysilicon majors to acquire struggling rivals.
	Central government	18-Jul	The State Administration for Market Regulation summoned Meituan, Alibaba, and JD.com, requiring food delivery platform companies to compete rationally.
Hog	Central government	23-Jul	Callianshe learned from multiple sources that the Animal Husbandry and Veterinary Bureau of the Ministry of Agriculture and Rural Affairs held a symposium on promoting high-quality development of the hog industry in Beijing, inviting industry leaders e.g. Muyuan, New Hope, Shuanghui and etc to attend the meeting.
-	Central government	24-Jul	In the "Draft Amendment to the Price Law", a new provision is added before Article 4's clause stating that "the State supports and promotes fair, open, and lawful market competition". The inserted text reads: "Price-related work shall uphold the leadership of the China Communist Party". It also added terms against price dumping.
Express delivery	Local governments	Aug	Several local governments including Zhejiang and Guangdong have raised the minimum rates for express delivery, in a push to regulate the disorderly low-price competition in the industry.
Food delivery	Central government	9-Sep	China's State Administration for Market Regulation (SAMR) has summoned major food delivery platforms for talks regarding intensifying subsidy competition. The administration urged platforms to reasonably manage subsidies to avoid disrupting the normal pricing system, and ensure food safety and service quality.
Steel	Central government	22-Sep	The Ministry of Industry and Information Technology (MIIT) and four other government departments jointly released an action plan on stabilizing steel industry growth. For 2025-2026, China's steel industry should aim its value-added output growth at an average annual rate of around 4%, with improved economic performance, better balanced market supply and demand, and a more optimized industrial structure
Pharmaceutical	Central government	23-Sep	National Healthcare Security Administration introduced new rules for the state-led bulk tendering of medical drugs to tackle drug price wars. New rules include requirement for bidders to declare that their offers are not below cost, and allow procuring agencies not to accept the lowest bids.
All industry	Central government	9-Oct	The National Development and Reform Commission (NDRC) and the State Administration for Market Regulation (SAMR) have issued the "Announcement on Tackling Disorderly Price Competition and Maintaining a Sound Market Price Order".
All industry	Central government	15-Oct	The Anti-Unfair Competition Law came into effect, which includes new provisions to regulate "involution-style competition," banning practices such as dumping below cost and false advertising.
Food delivery	Central government	4-Dec	The SAMR issued the national standard "Basic Requirements for Service Management of Food Delivery Platforms," which regulates platform fees and promotional activities, and strengthens the protection of delivery workers' rights and interests.
All industry	Central government	10-Dec	CEWC set key tasks for 2026, including tackling "involution-style" competition
Auto	Central government	12-Dec	The SAMR has released the "Compliance Guidelines for Pricing Practices in the Automobile Industry (Draft for Public Comment)," aiming to set clear compliance boundaries and curb vicious price wars.
Online platform	Central government	20-Dec	The NDRC, the SAMR, and the Cyberspace Administration of China jointly issued the "Rules on Pricing Practices for Internet Platforms" to regulate the order of price competition.
Photovoltaic	Central government	26-Dec	The SAMR provided compliance guidance on price competition order for the photovoltaic industry in Hefei, Anhui. The administration emphasized that the entire industry should fully recognize the importance of addressing "involution-style" competition in the photovoltaic sector. Photovoltaic enterprises must conduct production and operations in accordance with laws and regulations, and are strictly prohibited from engaging in price collusion, price fraud, and other unfair pricing practices.

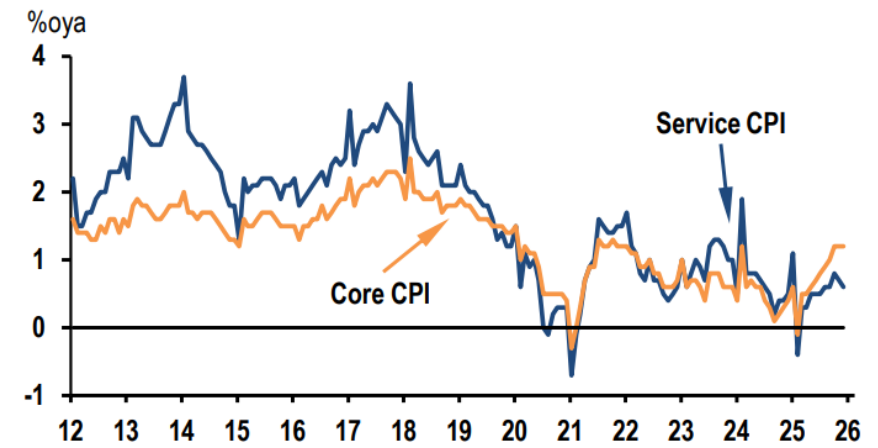
Selected industries' capex and inventory day y-y changes shows areas of progress

Aggregate capex y-y in 3Q25



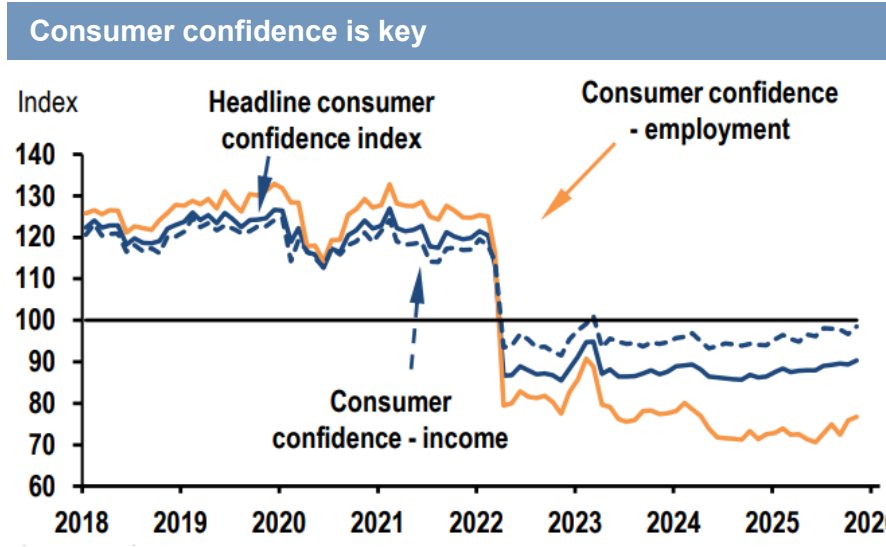
Source: CEIC, J.P. Morgan

Core CPI close to post-COVID highs

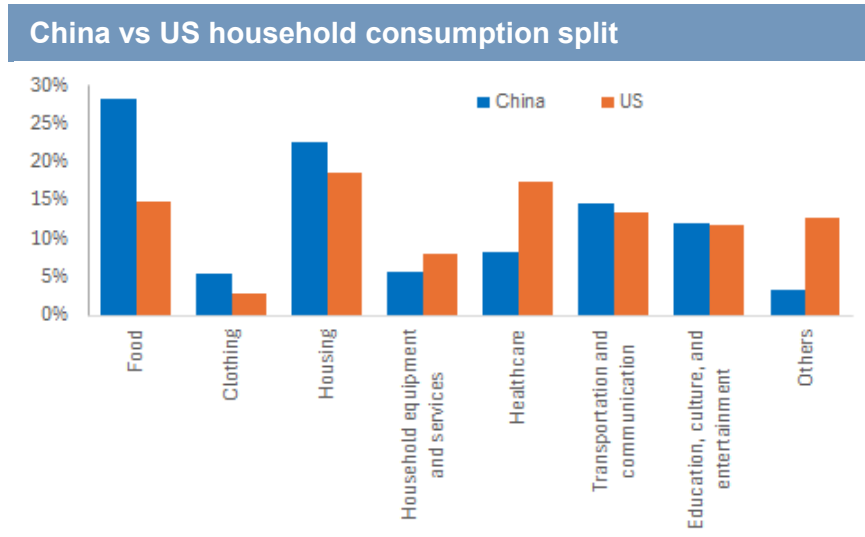


Source: CEIC, J.P. Morgan

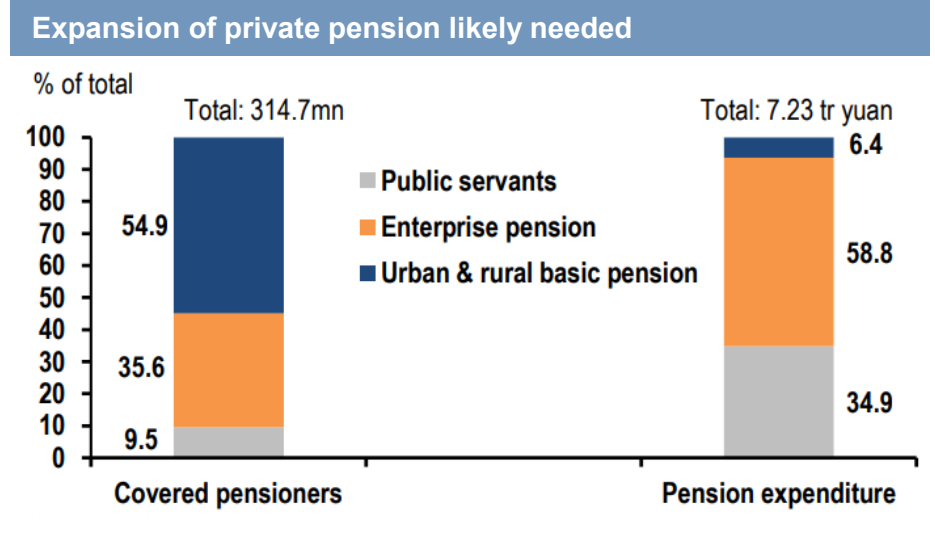
OW China: How to Fix Consumption?



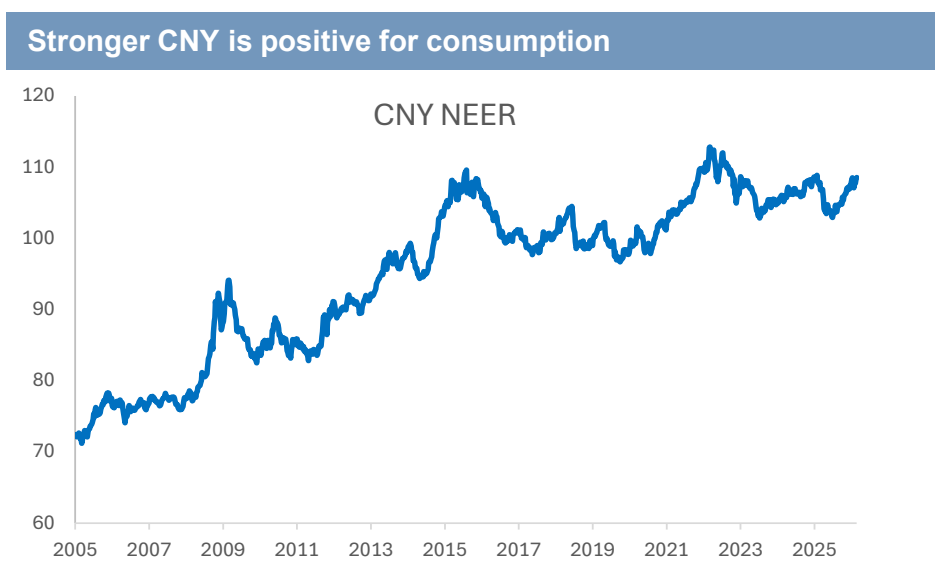
Source: NBS, J.P. Morgan



Source: NBS, J.P. Morgan



Source: PBOC, J.P. Morgan

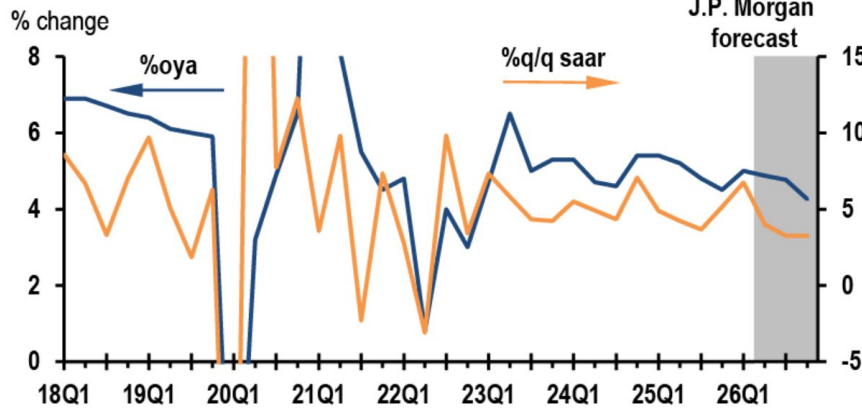


Source: Wind, J.P. Morgan

OW China: Good start with green shoots in property

Upbeat 1Q26 GP

China: Real GDP growth

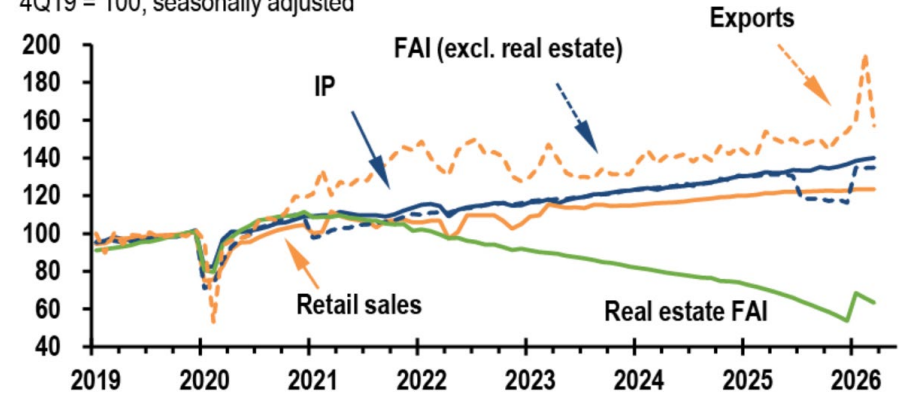


Source: NBS, J.P. Morgan

..... mainly from export

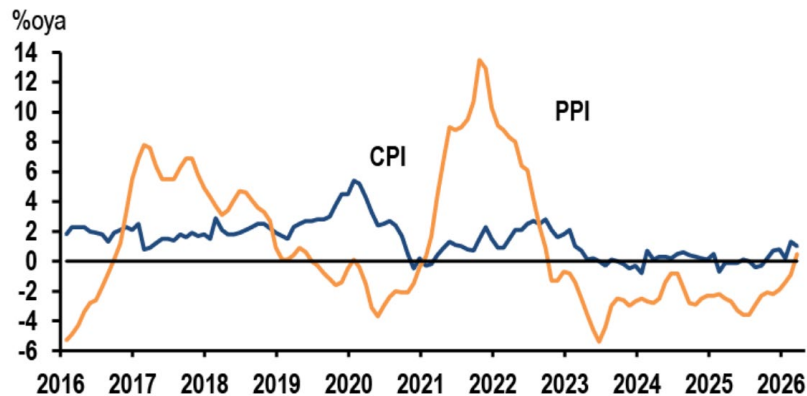
Key economic indicators in China

4Q19 = 100, seasonally adjusted



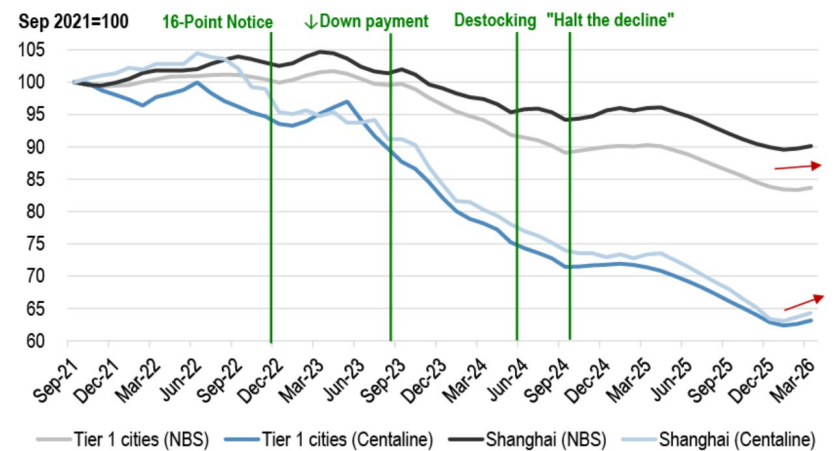
Source: NBS, China Customs, J.P. Morgan

PPI deflation pause after 41 months, but CPI still soft



Source: NBS, J.P. Morgan

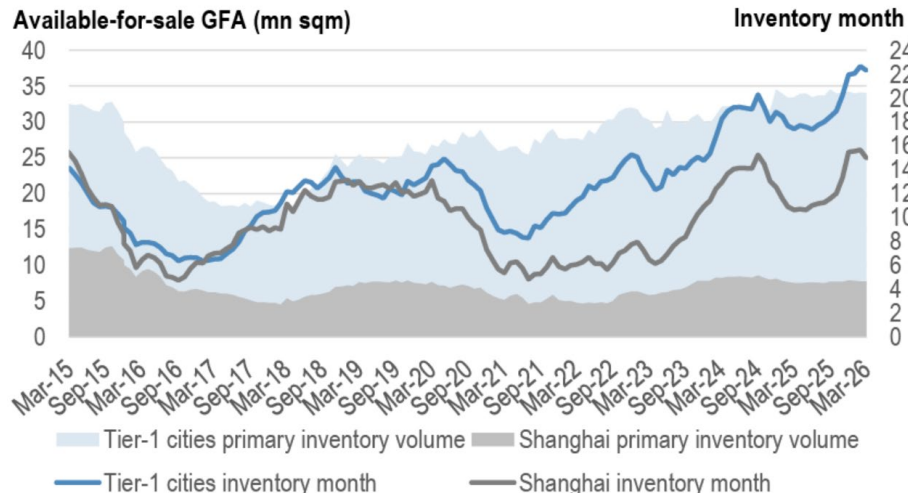
Green shoots in home prices for T1 cities



Source: NBS, Centaline, J.P. Morgan

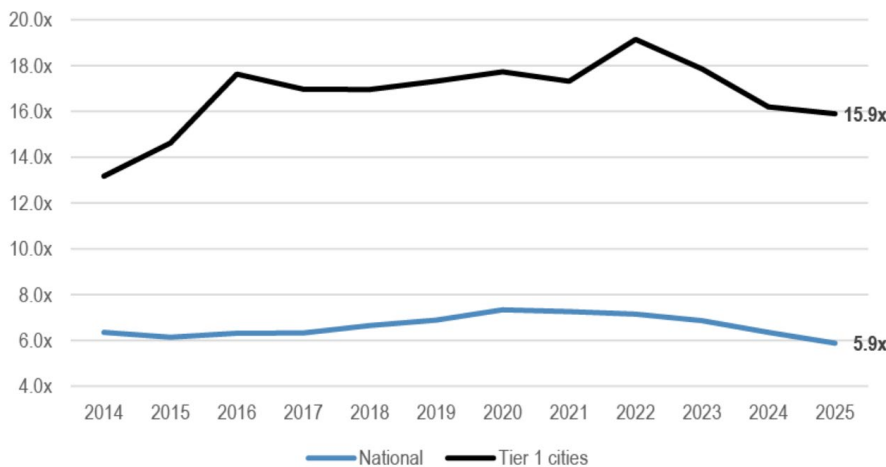
OW China: Property may just be testing soft stabilization

Primary inventory volume and inventory months



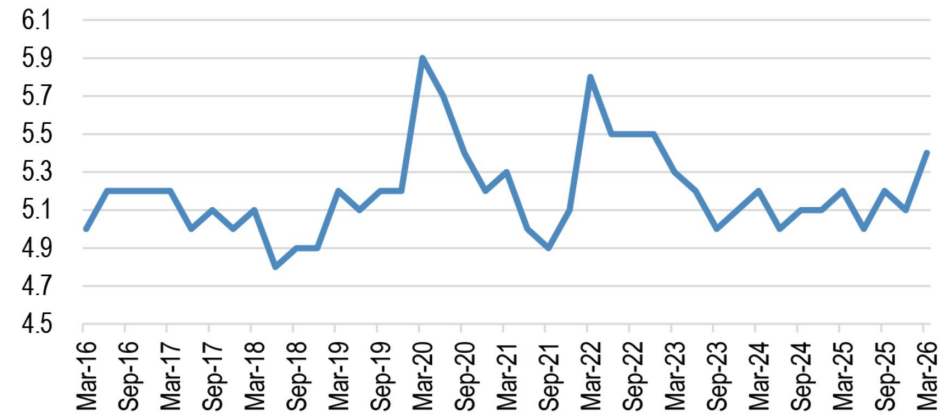
Source: CREIS, J.P. Morgan

Affordability: Home price-to-income multiple



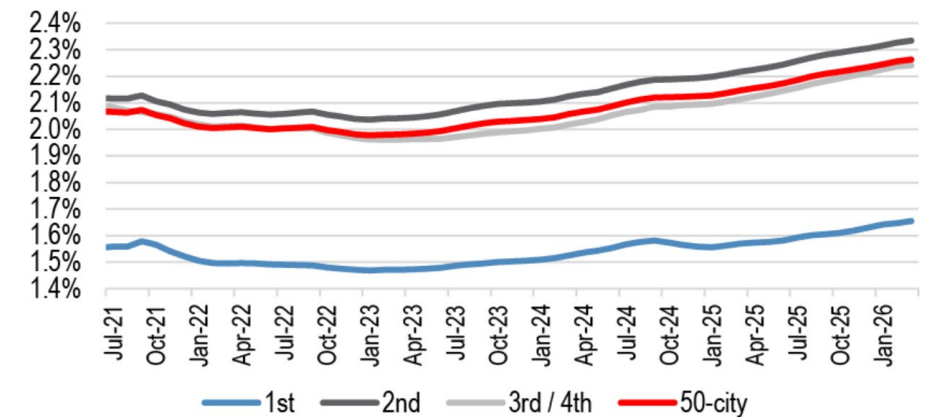
Source: CEIC, NBS, J.P. Morgan

Affordability: Unemployment rate



Source: NBS

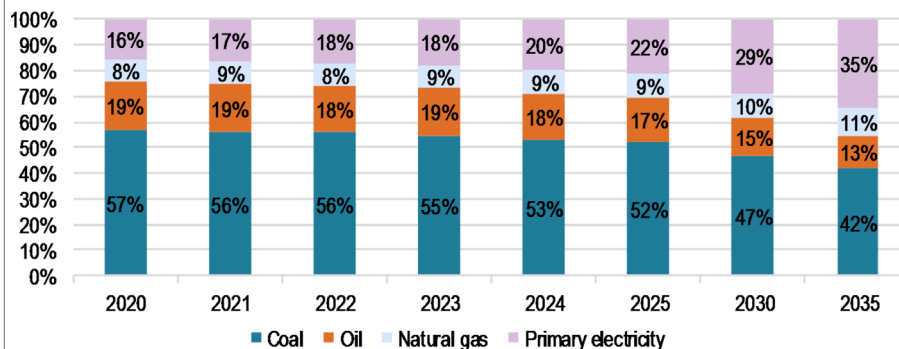
Rent yield still low



Source: CREIS J.P. Morgan

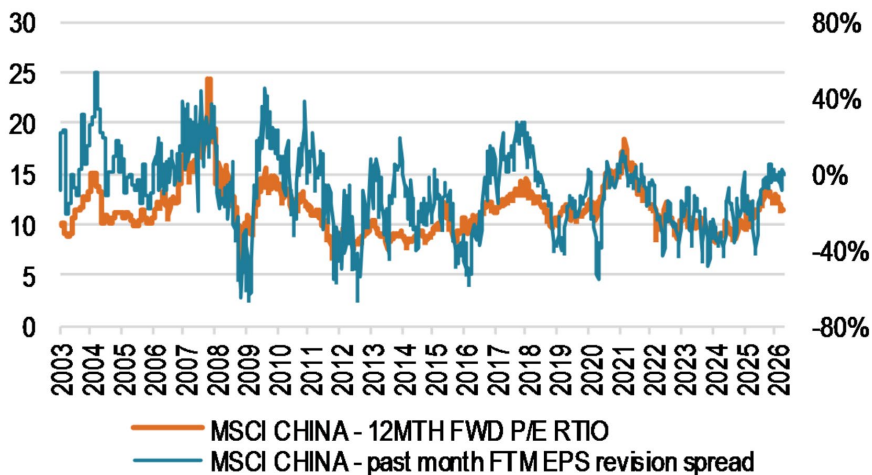
OW China: Resilience in oil shock

Energy consumption breakdown



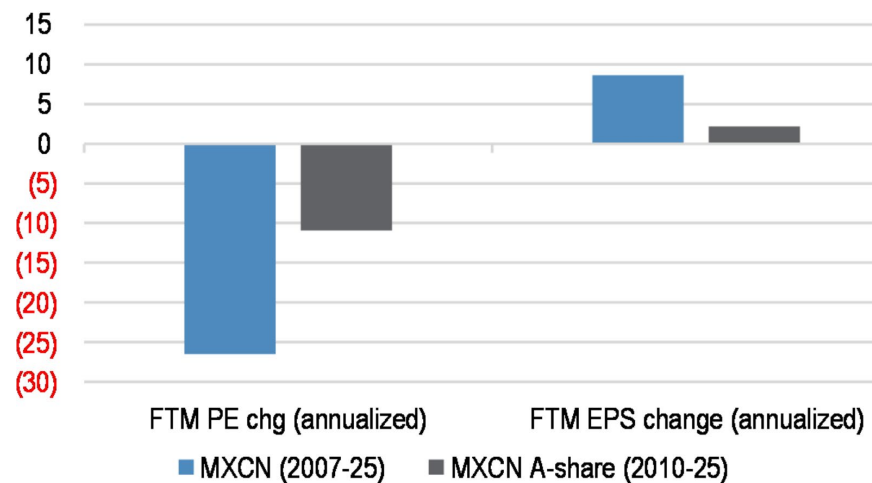
Source: China Energy Group Technology and Economics Research Institute

Earnings revision breadth



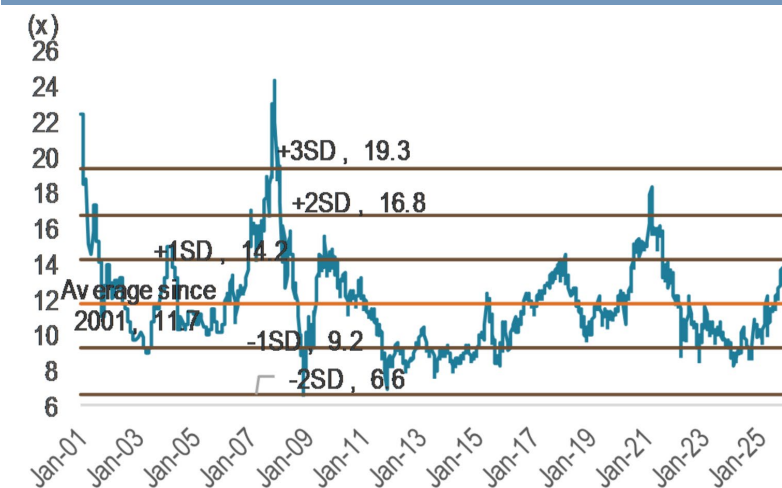
Source: Wind

Valuation and earnings changes during expensive oil periods



Source: LSEG, IBES. Note: "expensive oil" = oil price > US\$80/bbl

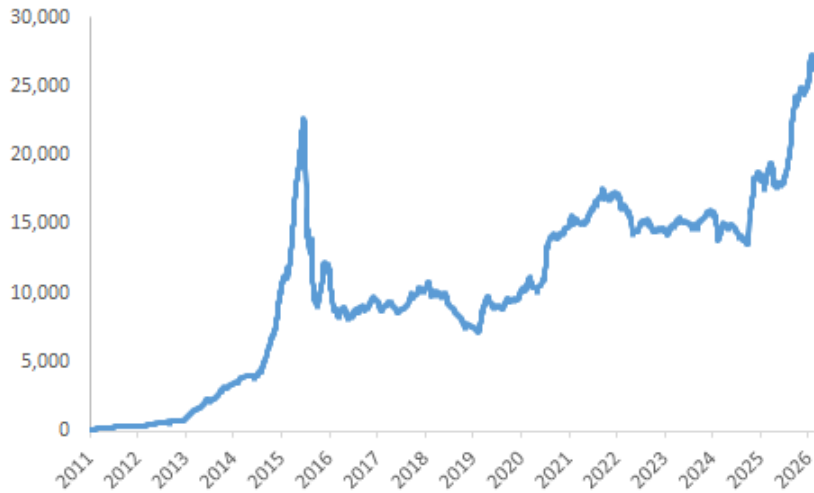
Valuation in reasonable range now



Source: Wind

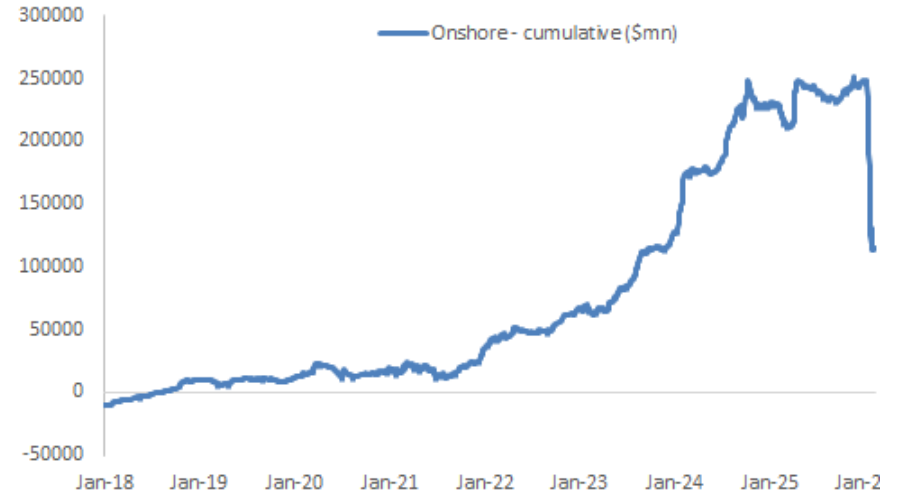
OW China: Many Channels of Inflows (1)

Retail leverage likely to pick up further



Source: NBS, J.P. Morgan

National Team selling is likely done



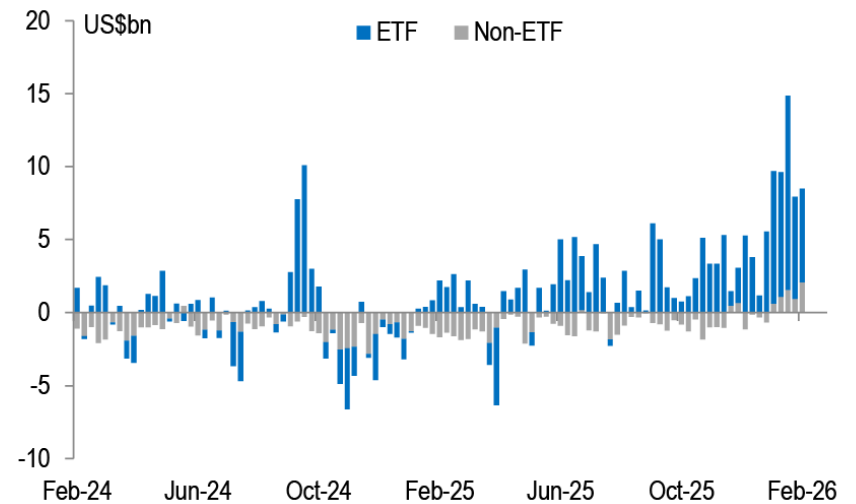
Source: PBOC, J.P. Morgan

HFs in JPM Prime book are quite short



Source: NBS, J.P. Morgan

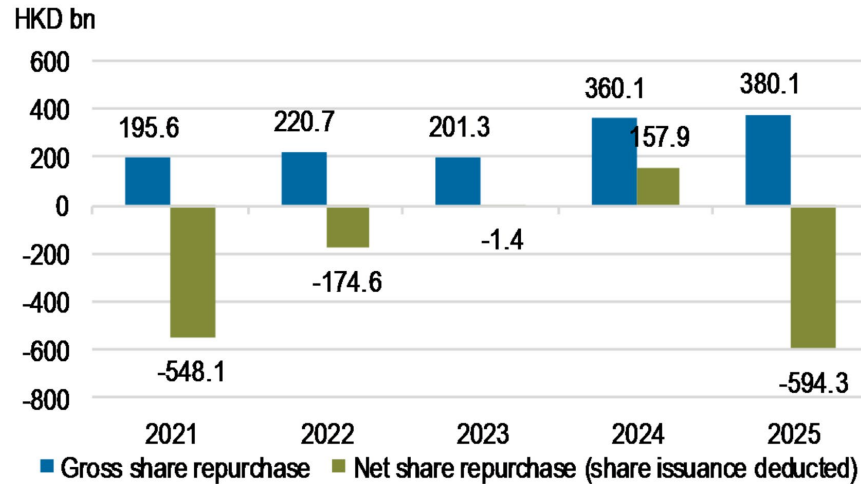
Wall of liquidity into EM will also make its way to China



Source: Wind, J.P. Morgan

OW China: Many Channels of Inflows (2)

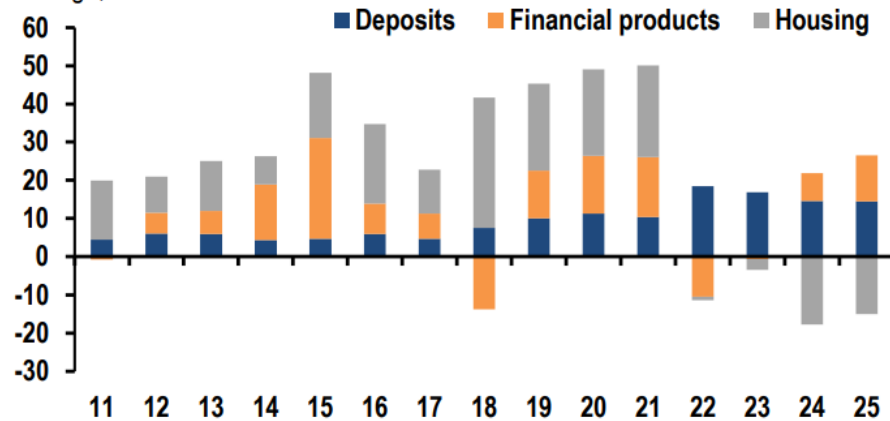
Aggregate share repurchase by MSCI China constituents



Source: Wind, J.P. Morgan.

Potentially large flow from household allocation shift

Household asset change, RMB tr



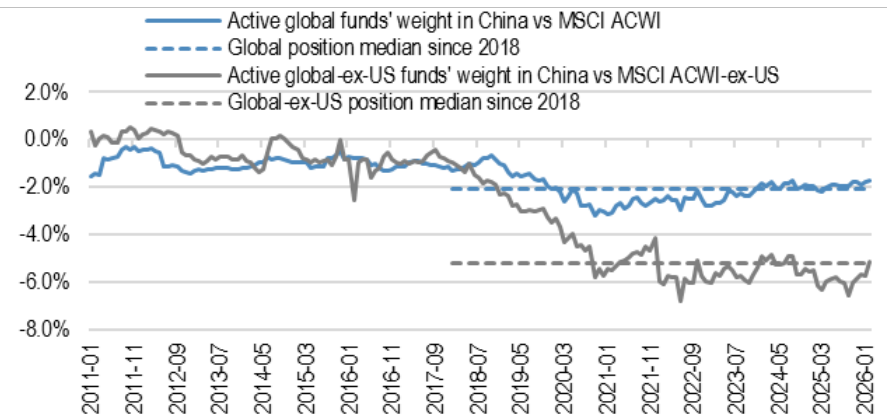
Source: Wind, J.P. Morgan

Household potential shift in asset allocation

		% of term deposits maturing in 2026 shifting into higher-yield WMPs/insurance products				
		1%	2%	3%	4%	5%
Higher-yield WMPs and insurance products' % invested in equity	10%	0.2	0.4	0.6	0.7	0.9
	20%	0.4	0.7	1.1	1.5	1.9
	30%	0.6	1.1	1.7	2.2	2.8
	40%	0.7	1.5	2.2	3.0	3.7
	50%	0.9	1.9	2.8	3.7	4.6

Source: Wind, J.P. Morgan estimates

Global funds' positioning is very light



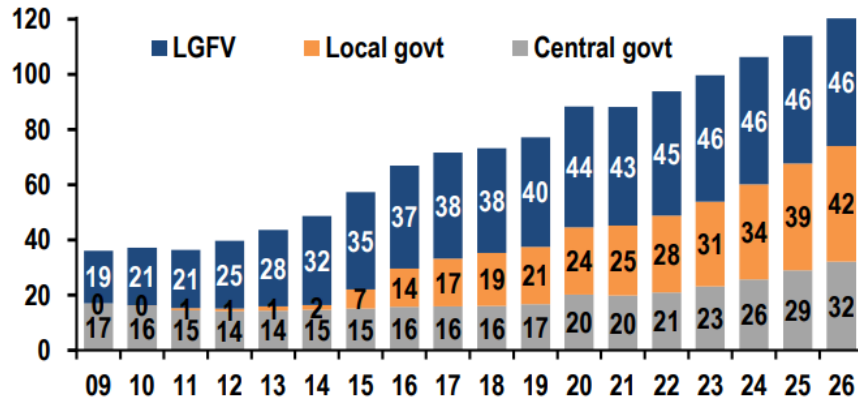
Source: Wind, J.P. Morgan

OW China: Some Structural Issues Persist

Government debt in China remains high

China government debt breakdown

% of GDP

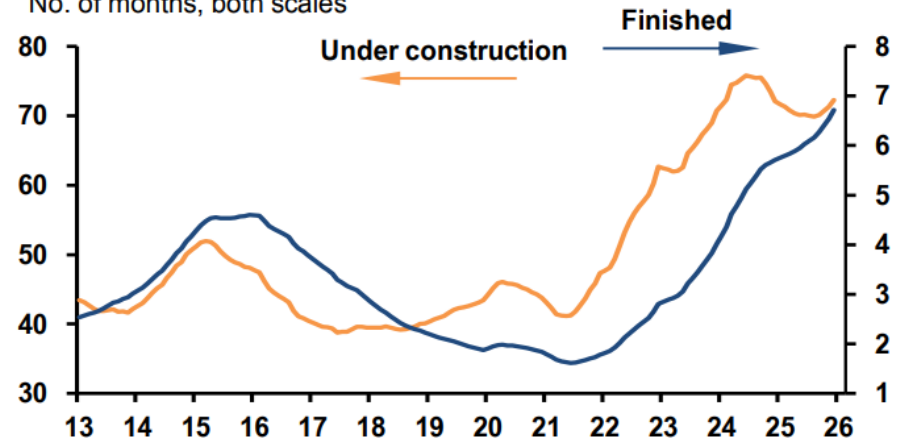


Source: NBS, J.P. Morgan

Property hasn't been solved yet

China housing inventory months

No. of months, both scales

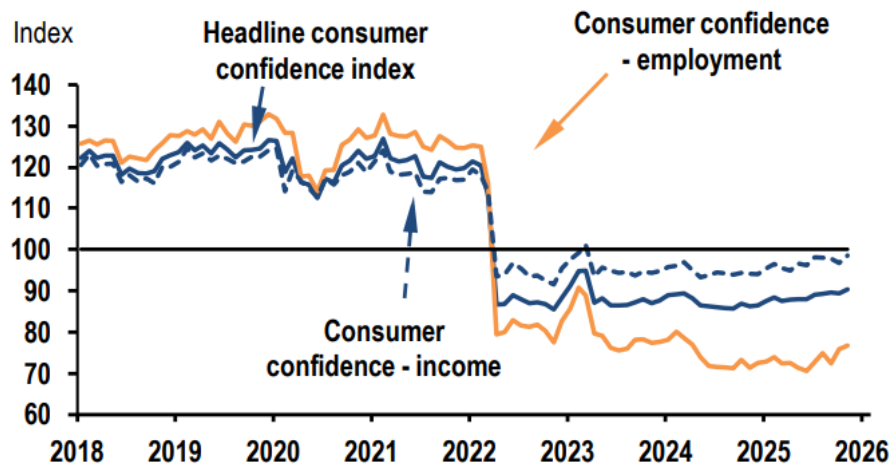


Source: PBOC, J.P. Morgan

Low consumer confidence

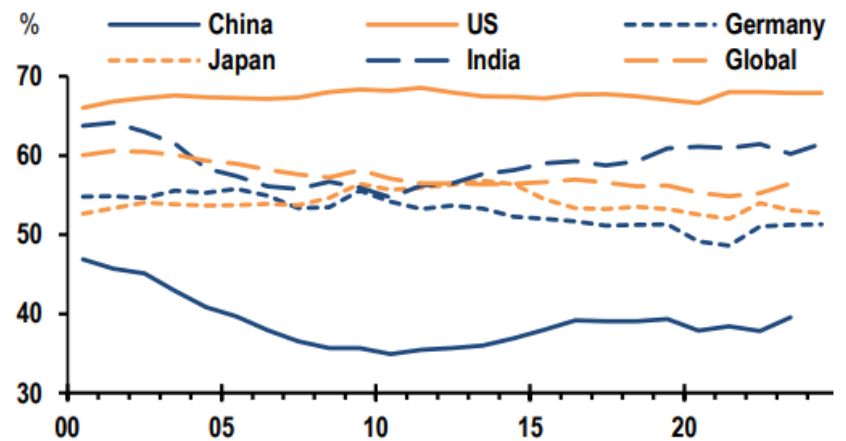
China consumer confidence index

Index



Source: NBS, J.P. Morgan

Consumption of Services remains very low

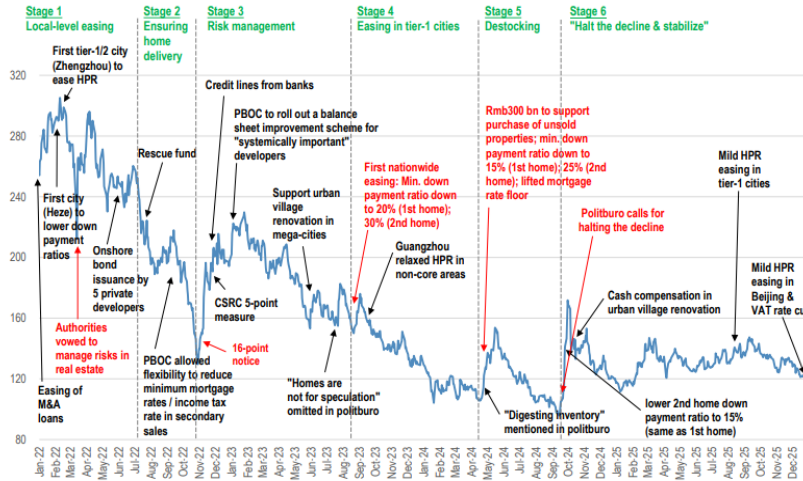


Source: Wind, J.P. Morgan

OW China: But Policy Easing to Stay

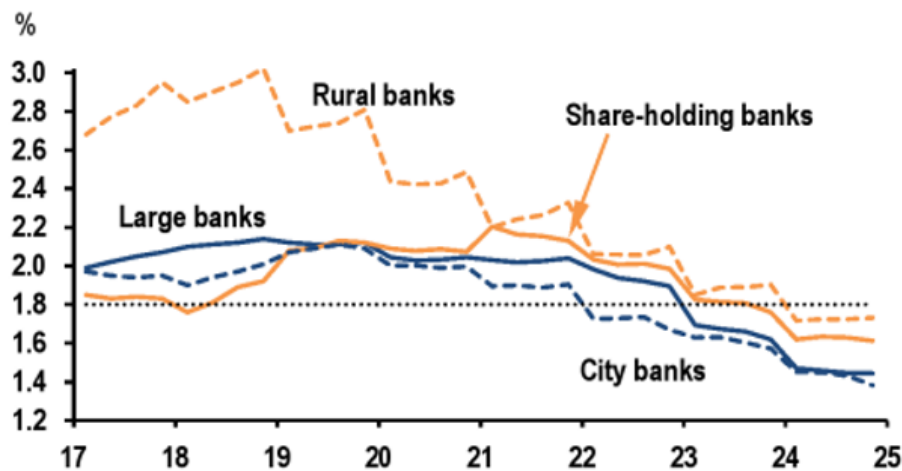
Property policy easing further

Figure 1: MSCI China Real Estate since 2022 (with major policies and policy stages)



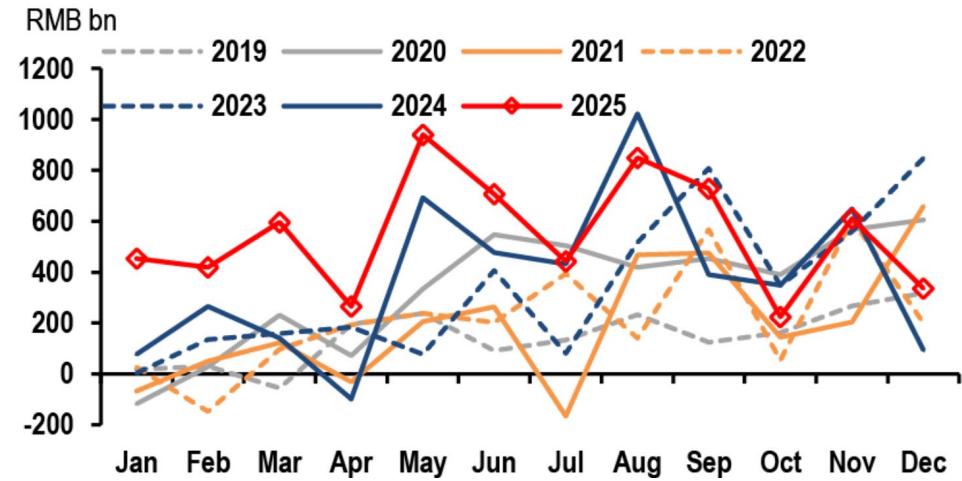
Source: MOF, Wind, J.P. Morgan estimates.

Commercial banks' net interest margin



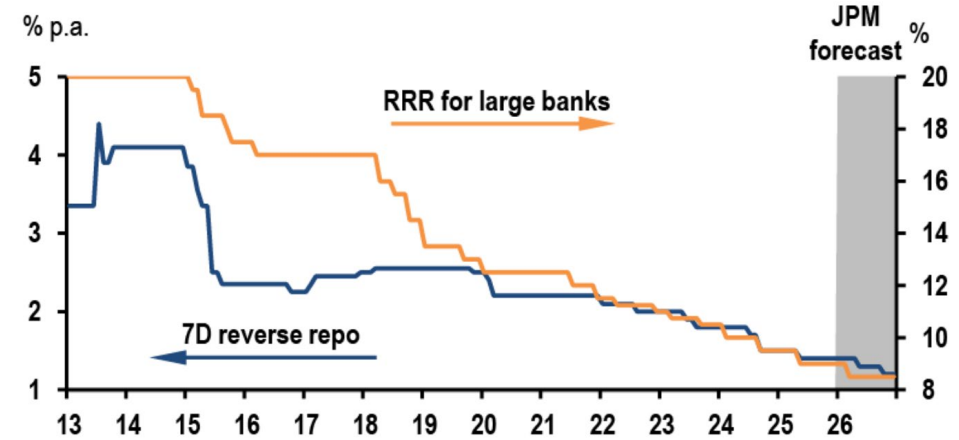
Source: NFRA, J.P. Morgan

China GCB net issuance



Source: MOF, NBS, J.P. Morgan

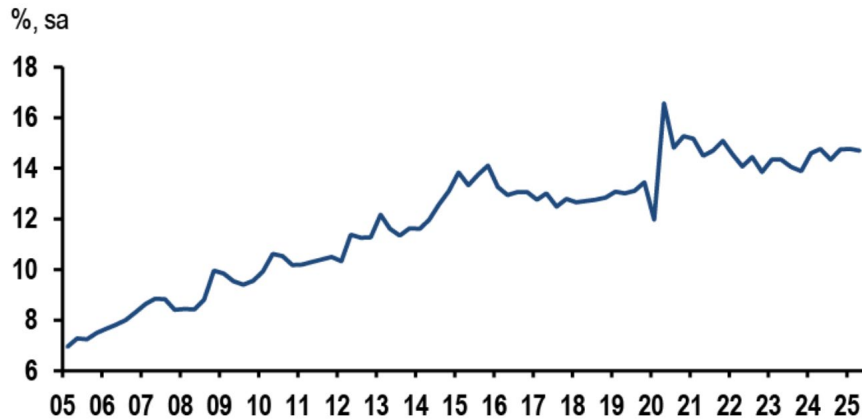
China policy rates and RRR



Source: PBOC, J.P. Morgan

OW China: Strategies to Counter Headwinds

China's share in global exports

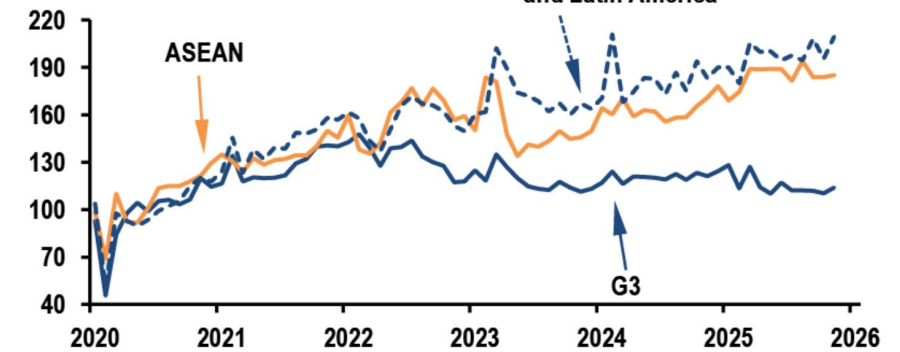


Source: China Customs, J.P. Morgan

China exports by destination

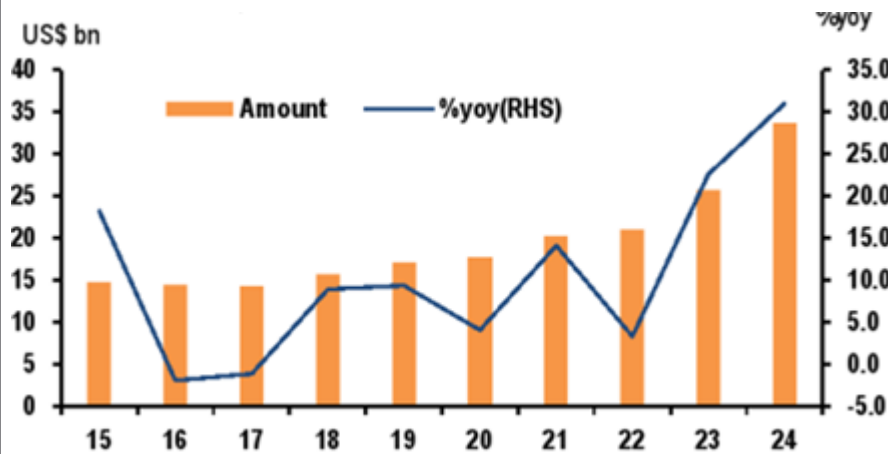
China's exports by destination

Index, sa, 2019 = 100



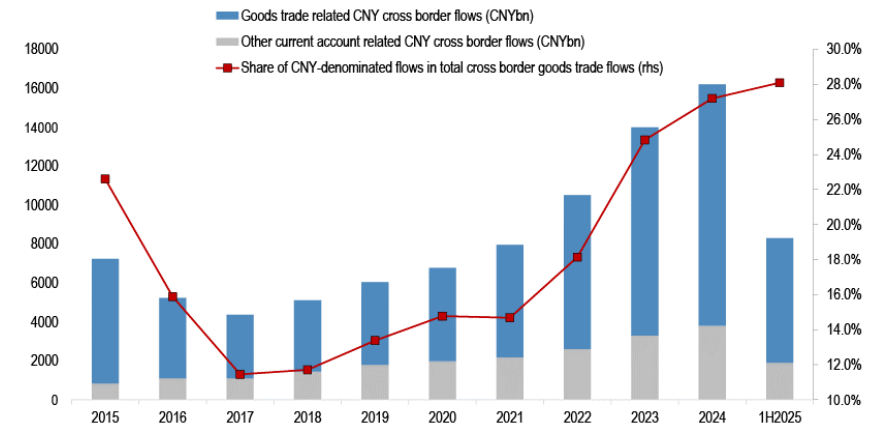
Source: China Customs, J.P. Morgan

China ODI for Belt and Road (non-financial)



Source: Ministry of Commerce, J.P. Morgan

Rising RMB Internationalization



Source: MIT, J.P. Morgan. Estimates are MIT's.

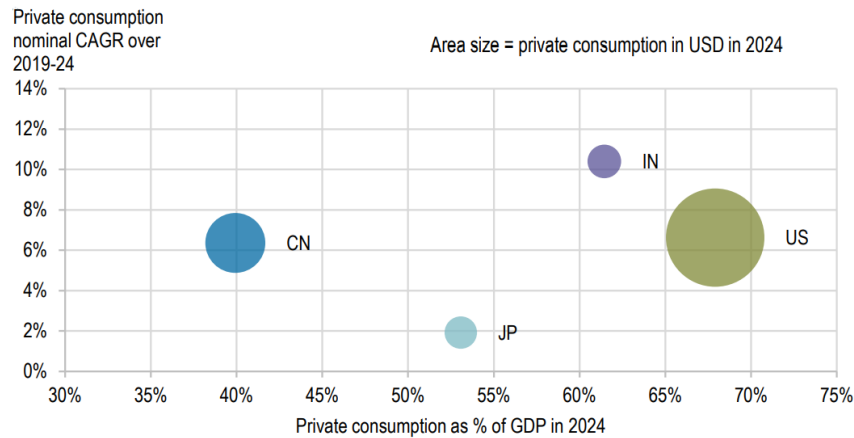
OW China: “Value-up” initiatives introduced by government since late 2023

Key guidelines on “China Value-Up” from CSRC, SASAC, and exchanges			
Aspect	Date	Details	
Market value management	Feb-24	CSRC held seminar on promoting the investment value of listed companies. CSRC stressed that listed companies should actively enhance investor returns, actively maintain market stability, and jointly boost investor confidence.	Link
	Apr-24	The State council promoted the “9-measures” for capital market development and set a high-level guidance for “China’s Value up”. The regulator highlighted the 5-year goal includes improving investor protection mechanism and optimizing the quality of listed companies.	Link
	Nov-24	On Nov 15th, CSRC released the final rules on listed companies market value management. This rule requires listed companies to focus their efforts on enhancing company quality, boosting operational efficiency and increasing profitability.	Link
	Dec-24	On Dec 17th, SASAC released guidelines on central state-owned enterprises aimed at improving the corporate development and market value management of their listed subsidiaries.	Link
SBB and Dividend	Dec-23	CSRC revised the Rules for share repurchases of listed companies. The revised rules focused on improving the convenience of share repurchase and further improving the repurchase restraint mechanism.	Link
	Dec-23	CSRC launched the guideline for listed companies’ cash dividend. CSRC encouraged cash dividends, promoted to improve the distribution level and encouraged the interim dividend.	Link
	Apr-24	SSE and SZSE revised the listing rule. The exchanges introduce “special treatment” (ST) measures for listed companies with no/low dividend payout for multiple years, with the purpose of urging the company to return investors with stronger constraints.	Link
	Oct-24	PBOC launched a special lending facility for banks to grant loans to eligible listed companies and major shareholders for their share buybacks and shareholding increases.	Link
Corporate governance	Mar-24	CSRC issued Opinions on Strengthening the Supervision of Listed Companies. “Strengthen information disclosure supervision and strictly punish performance fraud” was highlighted.	Link
	Apr-24	SSE, SZSE and BSE released the Guidelines on ESG Sustainability Report for Listed companies. It required the companies that were included in the SSE 180, STAR50, SSE100, and the ChiNext Index, as well as companies that are dual-listed, to disclose the ESG Report in line with international standards, but also keep China characteristics.	Link
	Nov-24	SSE and SZSE issued detailed guidelines in assisting the listed companies to prepare high-quality ESG reports.	Link
Tightening on Listing and Delisting	Mar-24	CSRC aims to tighten the IPO criteria in certain segments and for unprofitable companies and enhance the on-site inspection and target the inspection ratios of no less than one-third of the IPO applications. Opinion for Strictly Controlling the IPO Approvals and for Further Improving the Quality of Listed Companies (Trial), along with other three new guidelines were released on March 15.	Link
	Apr-24	SSE and SZSE revised the listing rules. They have lifted the financial threshold in terms of net profits, operating income and net operating cash flow from operating activities for main board IPO cases.	Link
	Apr-24	CSRC released the Opinions of Strictly Implementing the Delisting System, aiming at tightening the mandatory delisting standards and further unlocking multiple delisting channels, such as M&A. On the same date, SSE and SZSE revised the delisting rules on the main board. Two exchanges enlarged the scope/scenarios and raised the minimum market cap (for main boards only) for delisting.	Link
M&A	Feb-24	CSRC held a seminar on promoting M&A between listed companies. The regulator stated the next step would be to promote strong supervision and risk prevention, and to take multiple measures to activate the merger, acquisition and restructuring market, and support the implementation of outstanding typical cases to achieve results.	Link
	Sep-24	CSRC released Opinions on Deepening the Market Reform of Mergers and Acquisitions of Listed Companies. The regulator aimed to actively support M&A around strategic emerging industries and to strengthen industrial integration and further improve resource allocation efficiency.	Link

Source: CSRC, SSE, SZSE, BSE, SASAC, J.P. Morgan.

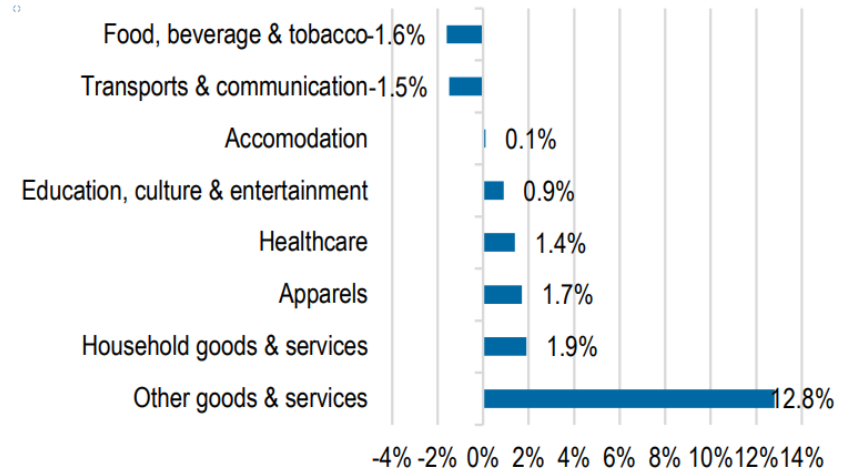
OW China: K-shaped recovery in consumption?

Private consumption in China vs other countries



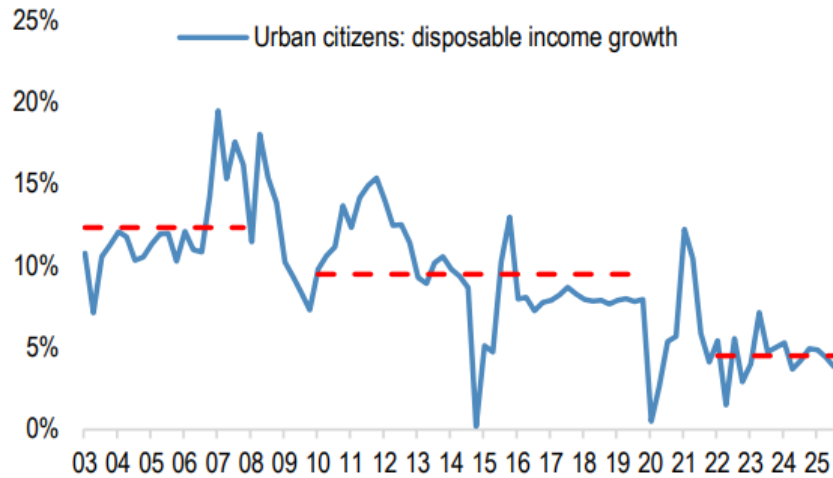
Source: Wind, J.P. Morgan.

China CPI breakdown



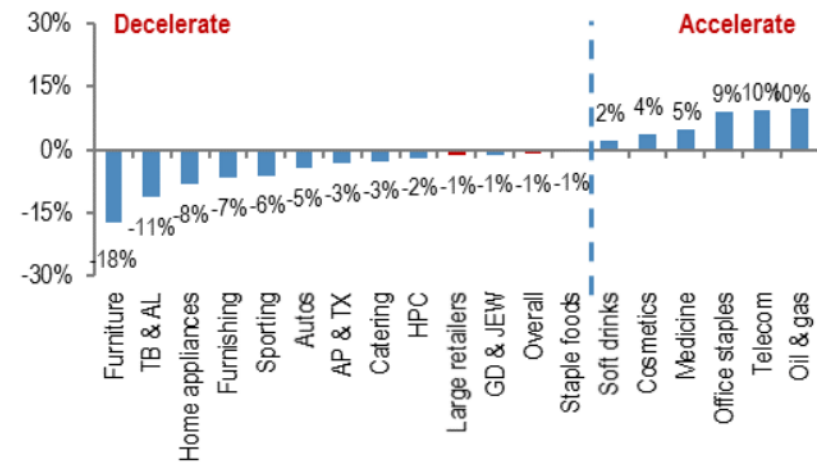
Source: Wind

China disposable income growth slowed since 2022



Source: Wind

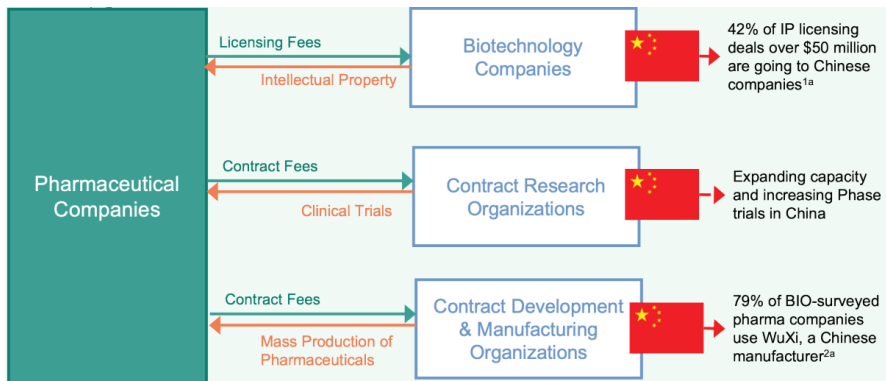
Change in yoy growth by category (Mar 26 vs 2M26)



Source: NBS

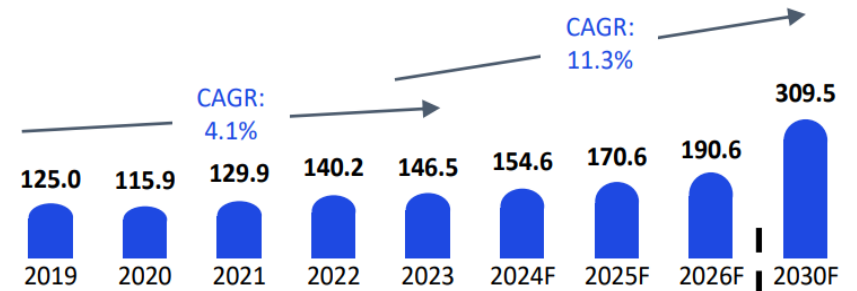
OW China: Biotech as another innovation driver

China is capturing the biopharmaceutical value chain



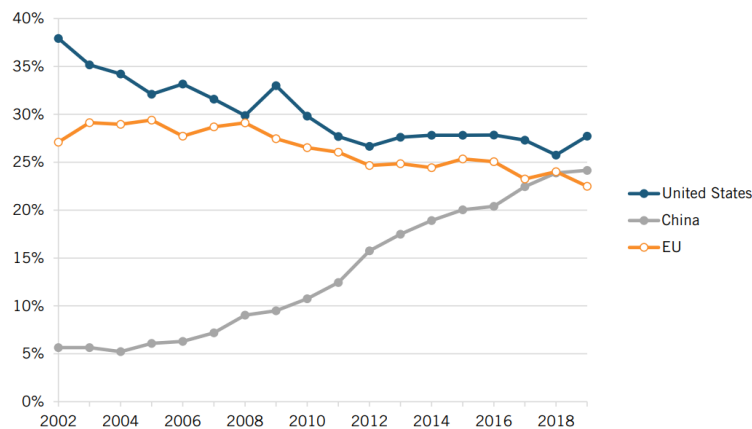
Source: US Senate

Innovative drug market size in China



Source: KPMG, Desk research. Unit in US\$ bn

Global share of value added in pharmaceuticals



Source: Information Technology & Innovation Foundation

Ahead of a catalyst-heavy 2026

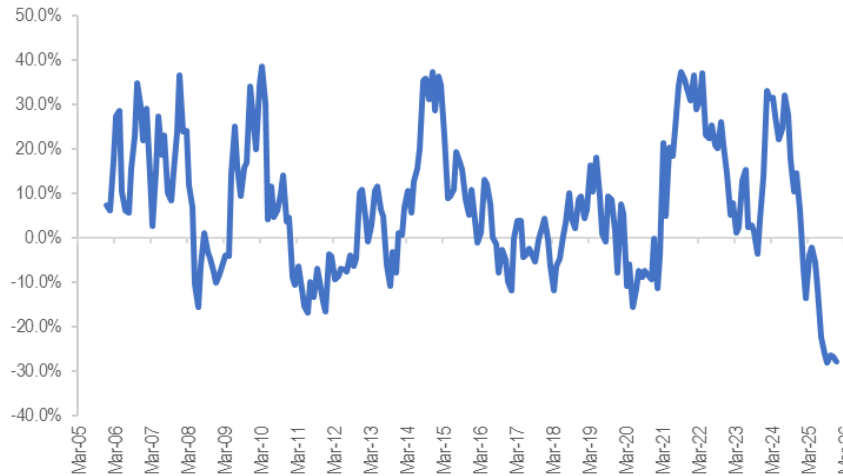
Stock Name	Why Do We Like It	Key Therapy/Drug	Next Catalyst/Event
Innovent (1801.HK) OW, PT HK\$111	Potential Rmb20bn products sales in 2027. Comprehensive pipeline covering 4 key disease areas. Large BD deal with Takeda, and reasonable valuation. Top pick in biotech	Mazdutide (GLP-1/GCGR), IBI363 (PD-1/IL-2), sintilimab (PD-1)	IBI363 1L NSCLC PoC Ph1 data at ASCO26 and registrational H2H data against Keytruda in 1L melanoma in 2H26; Oral GLP-1 Ph1 data at ADA26; BI302 H2H Ph2 data vs. faricimab in DME mid-2026
Kelun Biotech (6990.HK) OW, PT HK\$535	Purest ADC play in our coverage. Sac-TMT partnered with Merck across 17 global Ph3 trials and could be best-in-class TROP2 ADC globally. Abundant stock-moving clinical catalysts from sac-TMT this year. Top pick in biotech	Sac-TMT (TROP2 ADC), SKB500 (B7-H3 ADC)	Sac-TMT+pembro Ph3 PFS in 1L PD-L1+ NSCLC at ASCO26; Sac-TMT+pembro combo's Ph3 PFS in 1L PD-L1- NSCLC might be reported at ESMO26; First global Ph3 data of sac-TMT in 2H26, Ph2 data of SKB500 at ASCO26
Akeso (9926.HK) OW, PT HK\$162	Leader in bispecific antibodies. Ivonescimab has the most near-term, highest-impact NSCLC catalysts, with HARMONI-6 interim OS data to be presented at ASCO26	Ivonescimab (PD-1/VEGF), cadonilimab (PD-1/CTLA-4)	HARMONI-6 interim OS in 1L sqNSCLC at ASCO26; HARMONI-3 interim PFS in 2Q26; HARMONI-2 final OS potentially in 2H26; FDA approval decision in Nov. 2026

Source: J.P. Morgan

India: Taking stock

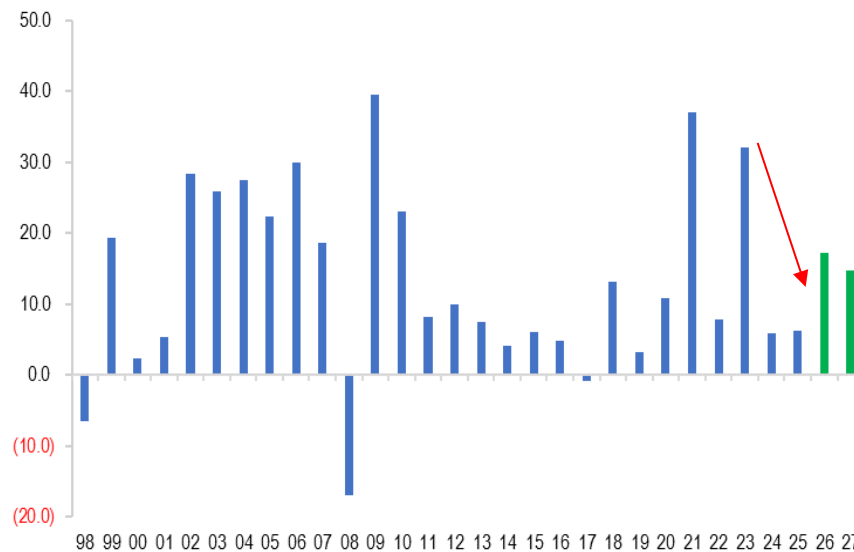
Relative performance to EM is getting worse

Relative 12m rolling performance



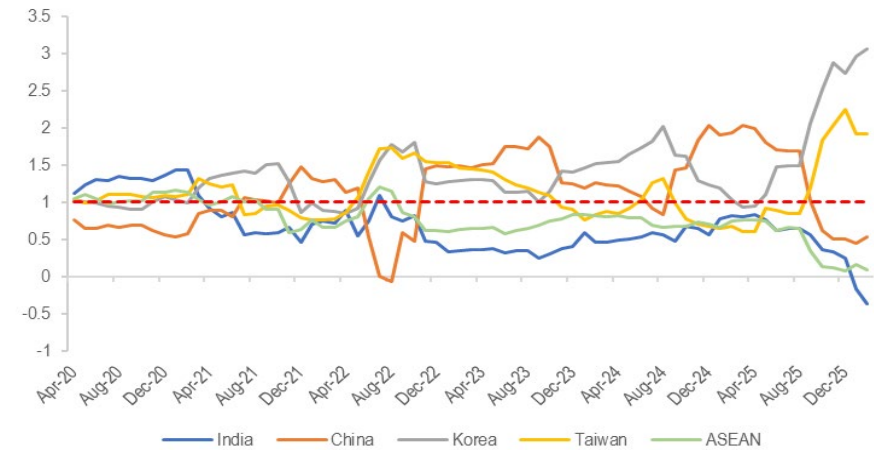
Source: Bloomberg Finance L.P., J.P. Morgan; Note Rebased the TR index to 100 for 31st Dec 2004

Collapse in earnings growth (MSCI India, in %)



Low beta play since COVID-19

12m rolling Beta of MSCI indices (\$) vs MSCI EM Index



Source: Bloomberg Finance L.P., MSCI, J.P. Morgan

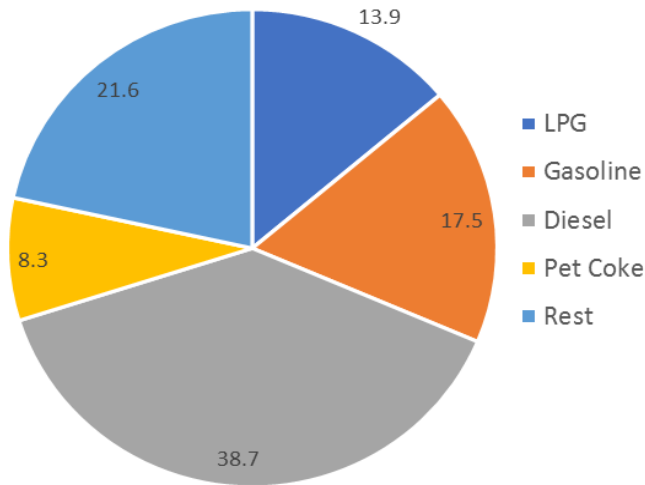
DII are bearing the burden of FIIs outflows and Capital Issuances

Net flows in \$mn; Capital issuances include IPOs and Additional rights

Month	FIIs	DIIs	Retail	Capital issuances
Jan-25	(8,418)	10,031	1,420	1,600
Feb-25	(5,353)	7,450	1,246	1,780
Mar-25	234	4,325	(1,893)	2,221
Apr-25	1,271	3,290	(584)	1,280
May-25	1,738	7,923	(507)	6,332
Jun-25	2,373	8,465	(382)	8,378
Jul-25	(2,852)	7,051	1,110	6,650
Aug-25	(4,314)	10,816	149	6,930
Sep-25	(2,132)	7,393	(184)	2,955
Oct-25	1,255	5,972	(1,564)	5,325
Nov-25	40	8,672	(1,370)	7,918
Dec-25	(2,633)	8,850	(1,271)	6,193
Jan-26	(3,260)	7,614	516	1,762
Feb-26	1,688	4,228	(1,111)	2,582
Mar-26	(14,218)	15,400	205	1,788
Apr-26	(3,050)	3,811	535	575

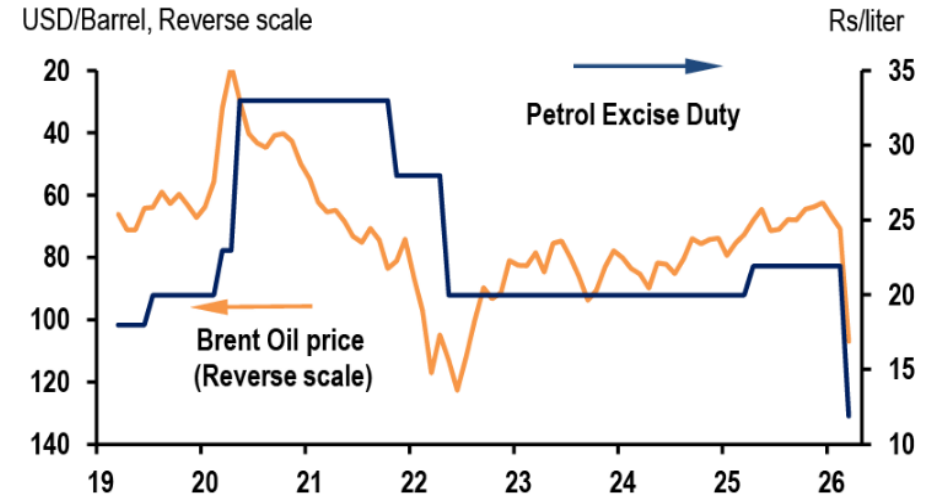
India: Energy vulnerability

India Petroleum products consumption (%)



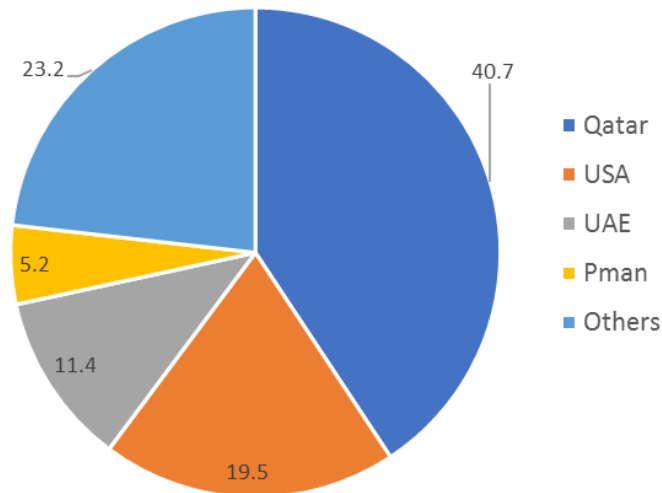
Source: PPAC

Crude oil prices and Petrol excise duty



Source: Bloomberg Finance L.P., PPAC

India gas imports by country (CY2024)



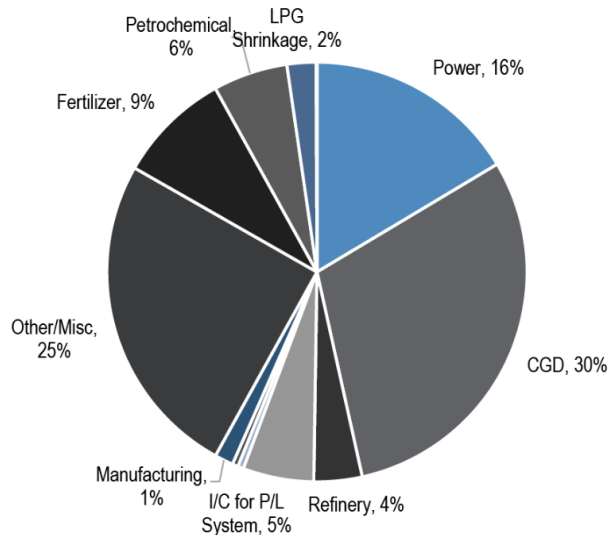
Changes in macroeconomic variables under various scenarios

Remittance & Exports fall by *2,**5 and ***10%

Changes in Macro-variables	Scenario 1 Manageable (Oil: \$80)*	Scenario 2 Pressure (Oil: \$100)**	Scenario 3 Extreme(Oil: \$120)***
Current account balance (% of GDP)	-0.5	-1.6	-2.4
GDP (%oya)	-0.5	-0.9	-1.3
CPI (%oya)	0.1	0.8	1.3

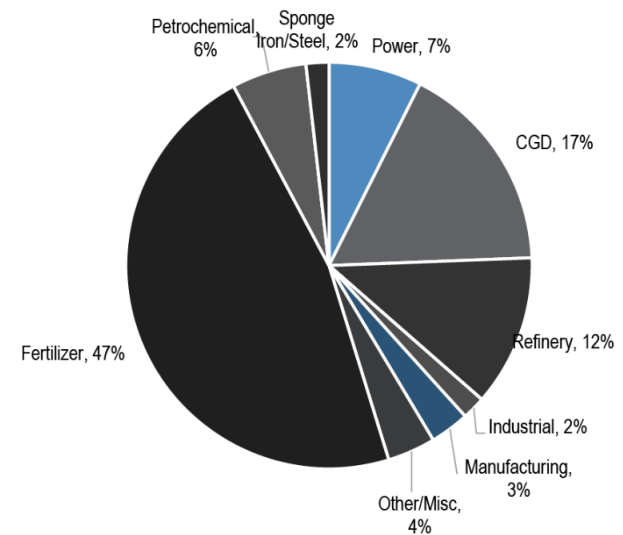
India: Sectoral breakdown of LNG and Diesel consumption

Sectoral consumption of domestic LNG for FY26TD



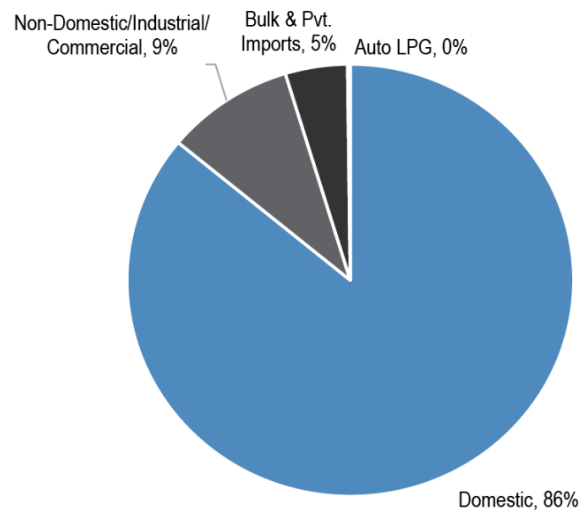
Source: PPAC; Data labels for sectors using <1% have been removed

Sectoral consumption of imported LNG for FY26TD



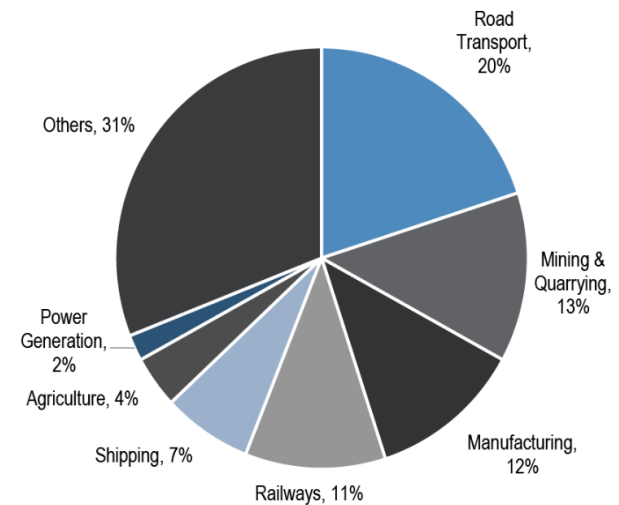
Source: PPAC; Data labels for sectors using <1% have been removed

LPG usage breakdown for FY26TD



Source: PPAC

Sectoral consumption of diesel for FY26TD



Source: PPAC

India: Mapping critical import vulnerabilities

List of critical imports from Middle Eastern countries, impacted by the Strait of Hormuz closure

Commodity (in kT)	Bahrain	Iran	Iraq	Kuwait	Oman	Qatar	Saudi Arabia	UAE	Imported from Middle East	Total Imports	% of total imports
Crude oil	-	-	41,659	7,730	2,076	2,896	30,393	23,709	108,463	223,468	49%
Gaseous Hydrocarbons	161	-	298	2,739	1,988	13,800	2,562	10,025	31,572	41,996	75%
Limestone	-	-	-	-	5,104	-	-	21,936	27,040	28,028	96%
Mineral/chemical fertilizers	164	-	-	-	1,645	794	3,361	666	6,630	25,209	26%
Gypsum/Plasters	-	366	-	-	5,992	-	-	88	6,446	6,918	93%
Pet coke	-	323	364	132	1,012	-	2,421	1,553	5,805	14,972	39%
Petroleum oils	24	1	1,294	260	420	602	247	1,575	4,424	15,498	29%
Coal and solid fueis	2	-	-	-	0	-	8	4,061	4,072	208,322	2%
Methanol, ethylene glycol, other acyclic alcohol	227	0	-	411	1,435	278	1,053	56	3,461	4,795	72%
Iron ores and concentrates	-	0	-	-	2,840	-	-	-	2,840	10,410	27%
Dolomite	-	0	-	-	944	-	-	1,823	2,767	5,415	51%
Ammonia	13	-	-	-	872	84	719	39	1,726	2,186	79%
Ferrous products/scrap	311	-	0	137	360	8	60	840	1,716	9,356	18%
Sulfur	0	2	-	116	481	135	160	562	1,456	1,816	80%
Ethylene and derivatives	2	0	-	56	115	182	476	530	1,361	2,657	51%
Propylene and derivatives	3	-	-	30	48	1	298	484	864	1,696	51%
Cyclic hydrocarbons	0	-	-	317	29	-	469	11	827	2,521	33%
Calcium phosphates	-	-	-	-	-	-	15	803	818	9,536	9%
Quick lime/slaked lime	7	-	-	-	329	-	-	451	786	846	93%
Manganese Ores	-	-	-	-	-	-	-	547	547	5,474	10%
Halogenated hydrocarbons	-	-	-	-	33	361	137	12	543	1,113	49%
Aluminium products/scrap	46	-	1	31	7	45	138	239	508	2,176	23%
Aromatic hydrocarbons	-	-	-	-	2	29	153	8	192	256	75%
Electrical resistors/capacitors	-	-	-	-	-	0	-	181	181	379,485	0%
Soyabean oil	-	-	180	-	-	-	-	-	180	4,696	4%
Carboxylic acid derivatives	0	-	-	-	7	-	165	6	178	2,072	9%
Polyacetals/polyethers/epoxy resins	0	-	-	0	7	0	123	13	143	1,518	9%
Alumina and aluminium compounds	2	-	-	-	-	-	120	0	122	2,088	6%
Salt	-	49	-	-	-	0	-	71	120	140	86%
Coking coal	1	-	-	-	-	1	1	101	103	3,355	3%
Copper wire	-	-	-	-	-	0	0	96	96	146	66%
Carbonate compounds	-	0	-	-	0	0	-	90	90	1,349	7%
Acyclic hydrocarbons	2	-	-	0	7	13	39	27	88	1,562	6%
Copper products/scrap	2	-	-	10	0	0	48	25	85	654	13%
Amine compounds	0	-	-	-	1	-	64	9	75	854	9%
Sodium hydroxide	-	-	-	-	37	0	-	0	37	91	41%
Silica/quartz sands	-	-	-	-	-	-	35	0	35	148	23%
Copper ore/concentrates	-	-	-	-	9	-	22	-	32	1,348	2%
Fluoride compounds	15	-	-	-	1	6	-	6	28	83	33%
Magnesium carbonate	-	4	-	-	-	0	10	9	23	496	5%
Glass Fibres	14	-	-	0	-	-	0	0	14	315	4%
Chromium ores/concentrates	-	0	-	-	12	-	-	0	13	195	6%
Glass beads	-	3	-	-	4	-	0	2	9	111	8%
Grand Total	996	748	43,796	11,970	25,817	19,234	43,298	70,653	216,512		

India: Shutdowns, disruptions & at-risk sectors

List of shutdowns across various industries/companies in India

Company/Area	Details
Hindustan Organic Chemicals Ltd	Shutdown at Kochi's phenol plant due to discontinuation of bulk LPG by BPCL
Andhra Petrochemicals Ltd	Shutdown at Visakhapatnam plant due to suspension of propylene supply by HPCL
Manali Petrochemicals Ltd	Shutdown at Chennai units due to suspension of propylene supply by CPCL
Enlight Metals	Downstream steel coating facility in Pune has been shut down due to lack of gas
Small stainless steel units	40-50% of smaller units are either shut or operating intermittently, while others are running at low utilizations
Morbi Ceramic Units	About 550 units have shut down due to propane shortage
Kirloskar Ferrous	Halted plant operations at Solapur due to LPG disruptions
Tamilnadu Petroproducts	Shutdown at Manali propylene oxide plant due to shortage of propylene. Also produces LABs
IFGL Refractories	Temporarily halted operations at its Kandla plant due to LPG shortage
Borosil	Temporary suspension of operations at Jaipur borosilicate plant
IFFCO	Either halted or started routine upkeep at some of their facilities for urea production
Dyeing/printing industry in Japur	Many units have temporarily shut down due to LPG shortages, while some are at risk of complete closure

Source: BBC, CNBC, Economic Times, NDTV, Hindu Businessline, ETV, Financial Express, [link](#); List is not exhaustive.

List of disrupted/at-risk industries/companies across India

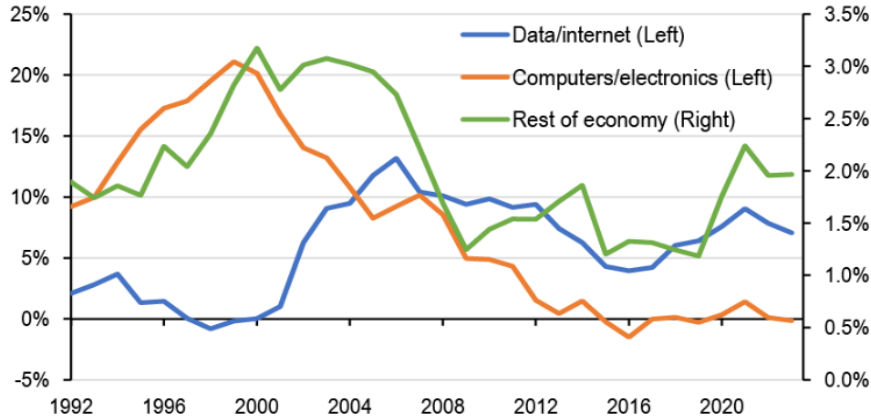
Company/Area	Details
Navi Mumbai-Panvel-Uran industrial belt	Shortage/high prices of raw materials has put a large chunk of the 4,500 factories at risk
Punjab-based MSMEs	Shutdowns of MSMEs that support engineering goods, auto components, metal industries; export-oriented players reporting stalled shipments, inventory buildup and delayed payments
Uttar Pradesh MSMEs	Raw material shortages/high prices, cancellation/postponement of orders leading to slowdown/partial shutdowns
Glass industry	AGI Greenpac and HNGIL highlighted potential shutdowns and operational/safety risks due to gas shortage
Fine Art Glass Works	40% production cut at glass bottle-making factory due to gas shortages
ONGC Petro Additions Ltd	Complete cut-off of gaseous feed and limited liquid feedstock
JSW Steel	Disrupted operations at some steel plants with a potential shutdown at one of the plants
Jindal Stainless	Plants operating at reduced capacity due to LNG/propane shortages
Chemical clusters in Gujarat	Various chemical clusters affected by gas supply cuts by Gujarat Gas and Adani Total Gas
Gujarat Narmada Valley Fertilizers & Chemicals	RLNG allocation reduced to 60% of daily contracted quantity; impact on production of Neem Urea
Yelahanka Power Plant	Gas supply by GAIL halted at the plant, risking possible power disruptions
PG Electroplast	Curtailment of gas supply from its gas suppliers
Pune/Pimpri-Chinchwad MSMEs	Thousands of medium/small enterprises operating at lower utilizations and facing shutdowns
Hotels/restaurants across India	Facing potential closures as most restaurants depend on commercial LPG for their operations
Automotive sector	Suppliers to Mahindra, Maruti Suzuki, Tata Motors are facing gas shortage, reducing production

Source: Company reports, CNBC, The Hindu, Reuters, Business Standard, Telangana Today, [link](#); List is not exhaustive.

India: Global AI impact

Labor productivity growth in US sectors

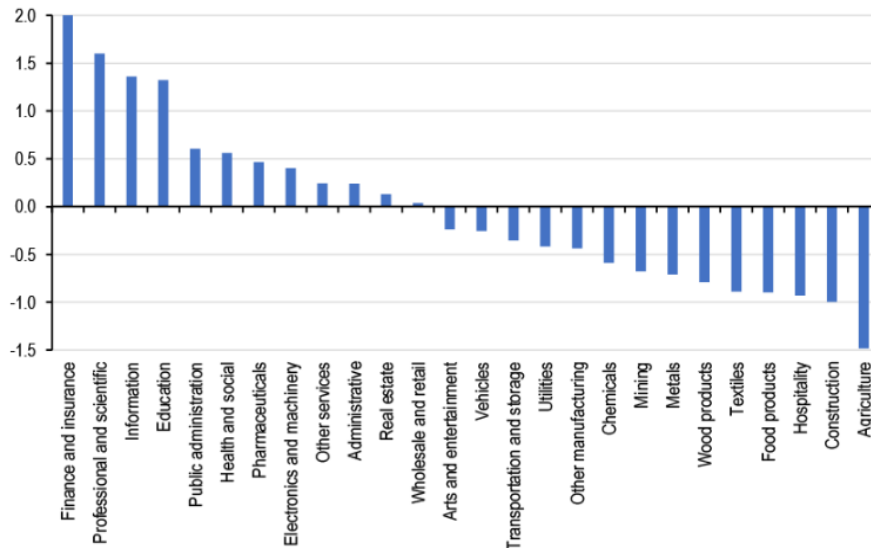
%, 1990-2023, annual. Average annual growth in output per hour worked in the preceding five-years. Rest of the economy based on value added-weighted labor productivity growth of remaining sectors.



Source: J.P. Morgan, BLS, BEA.

AI exposure of global industries

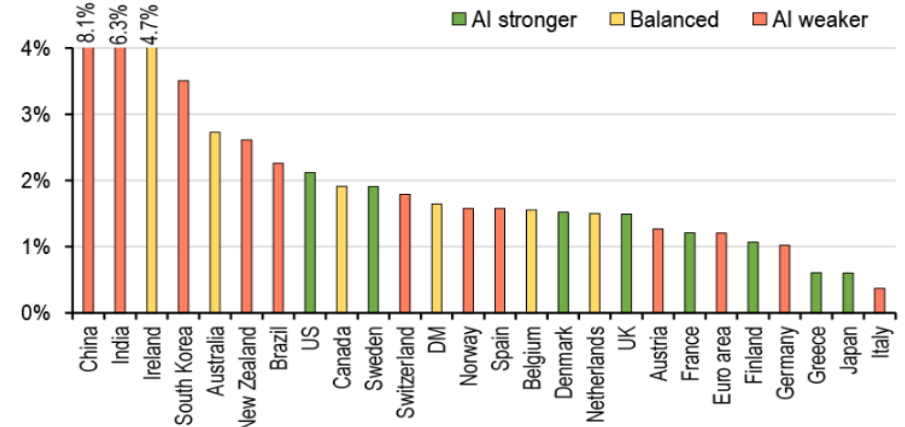
Higher scores indicate greater AI exposure. Based on unweighted average exposure of constituent sub-industries reported in Felten et al. (2021).



Source: J.P. Morgan, US Census Bureau, Felten et al. (2021).

Annualized real GDP growth from 2000 to 2024 and future balance of demographics and AI

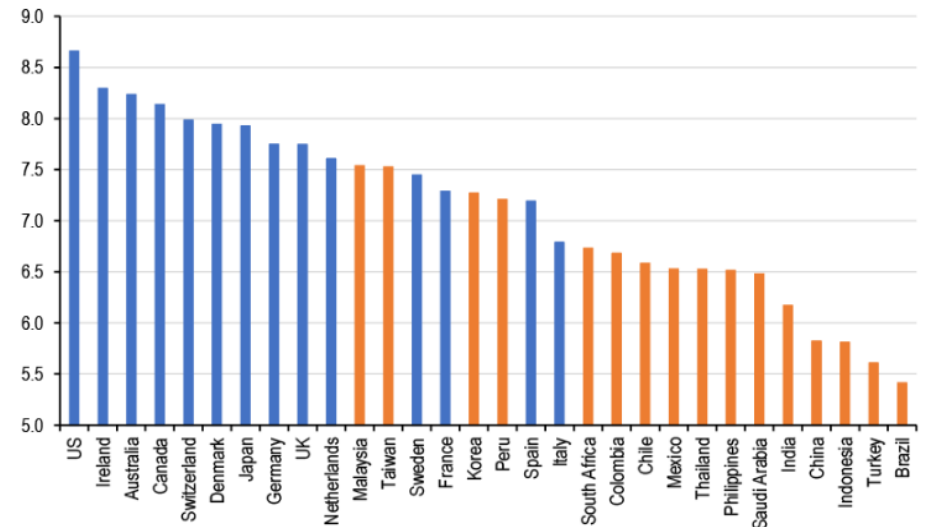
% pa, 2000-2024. Classes assigned by judgment on basis of demographic and AI forecasts. GDP at constant 2015 US dollars. South Korea growth only through 2023.



Source: J.P. Morgan, World Bank.

Index of regulatory burden

2022. Scores are on a 0-10 scale, with higher scores indicating more liberal regulation. Orange indicates EM countries per MSCI definition.



Source: J.P. Morgan, Fraser Institute, Gwartney, Lawson and Murphy (2024). Note: Any long-form nomenclature for references to China; Hong Kong; Taiwan; and Macau within

India: What it means for Indian IT...

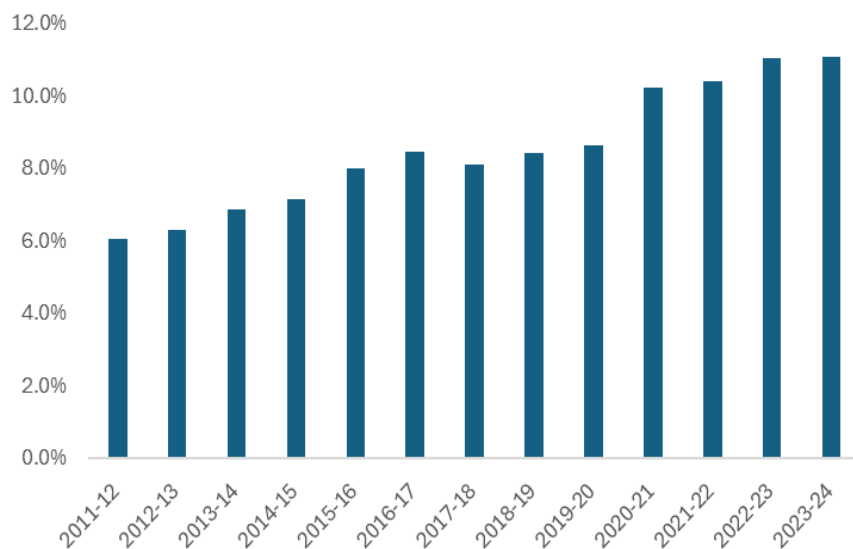
Employment in IT and related sectors

Employees	IT & ITES	Total	% of Total
2016-17	2,700,370	135,399,754	2.0%
2017-18	3,402,385	147,953,045	2.3%
2018-19	2,318,691	151,789,975	1.5%
2019-20	1,812,943	151,578,135	1.2%
2020-21	1,929,220	140,913,725	1.4%
2021-22	2,226,529	142,898,748	1.6%
2022-23	2,516,547	145,339,238	1.7%
2023-24	3,331,503	160,551,928	2.1%
2024-25	4,053,703	173,418,570	2.3%

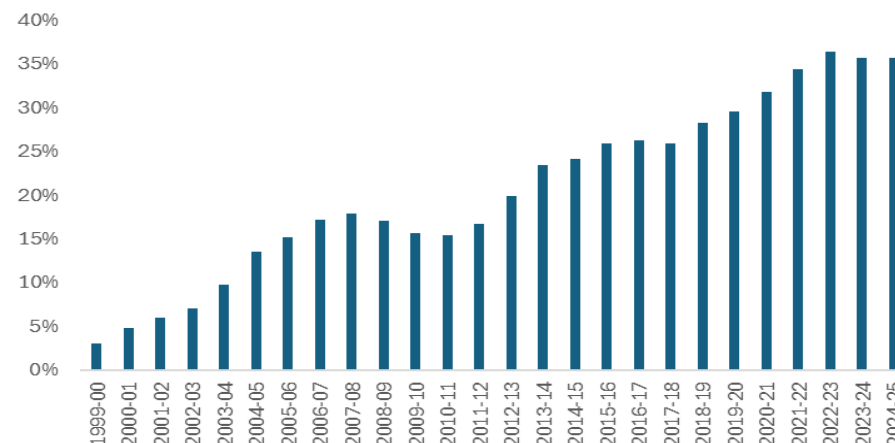
Source: CMIE, J.P. Morgan; Note: CMIE's CPHS Survey does not capture data related to formal/informal employment

IT sector's contribution to India's GVA

Note: GVA of IT sector is available as per the old base year series for up to the FY 2023-24

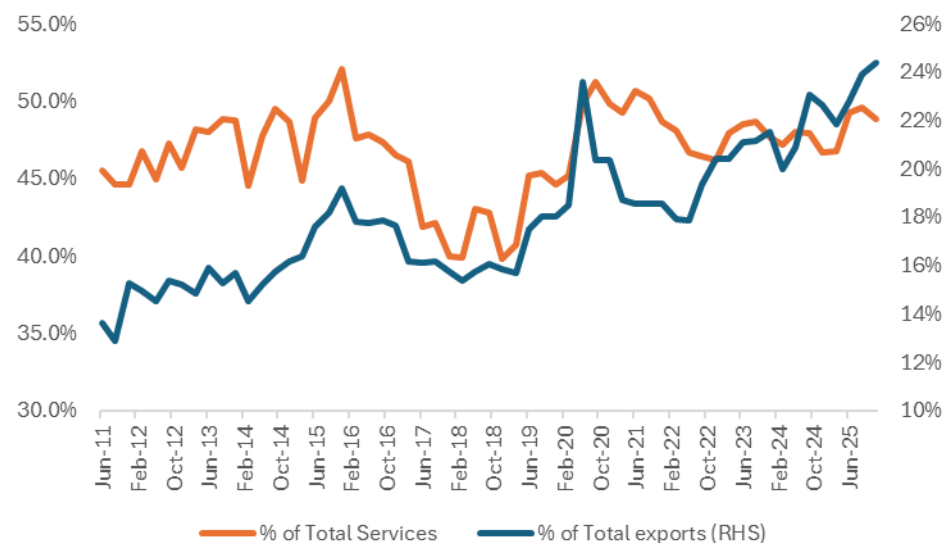


Contribution of the IT services sector to the total salaries across sectors



Source: CMIE Prowess IQ, J.P. Morgan

Contribution of TMT sector to India's exports

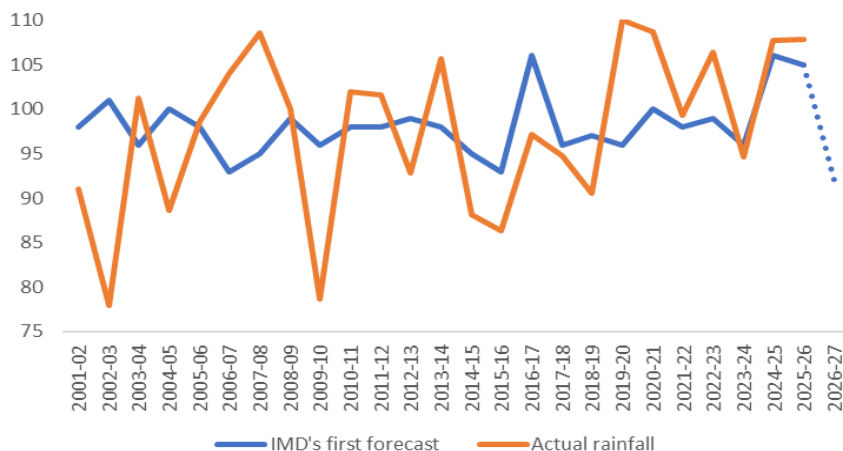


Source: CMIE, J.P. Morgan

India: An eye on El Nino

Monsoon rains: Actual vs official forecast

India's annual monsoon rainfall from June 1 to Sept. 30; % above/below LPA



Source: CMIE, IMD, J.P. Morgan

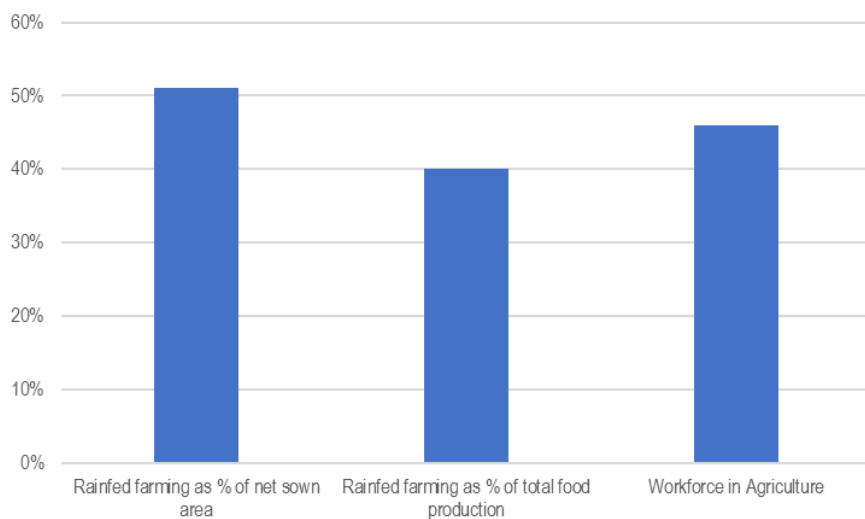
Food still contributes a significant weight in CPI

CPI divisions with their weights (new vs old)

CPI Division	Old Weight	New Weight	Difference
Food and beverages	45.9	36.8	-9.1
Fuel and light	6.8	5.4	-1.5
Core	47.3	57.9	10.6
Paan, tobacco and intoxicants	2.4	3.0	0.6
Clothing and footwear	6.5	6.4	-0.1
Housing	10.1	12.3	2.2
Furnishings, household equipment and routine household maintenance	3.8	4.5	0.7
Health	5.9	6.1	0.2
Transport	6.4	8.8	2.4
Information and communication	2.2	3.6	1.4
Recreation, sport and culture	1.68	1.5	-0.2
Education services	4.46	3.3	-1.1
Restaurants and accommodation services	-	3.3	-
Personal care, social protection and MISC. goods and services	3.89	5.0	1.1
Total	100.0	100.0	

Source: MoSPI, J.P. Morgan Economics

India & Agriculture dependency



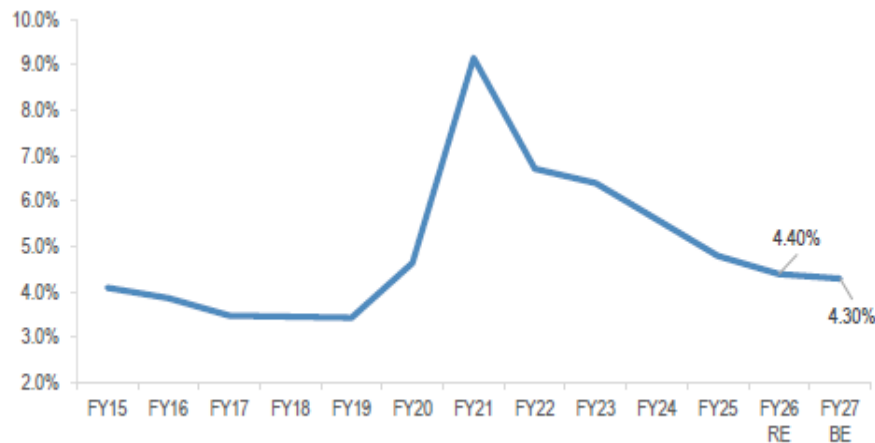
El Nino's risk to India's growth and inflation

- IMD's first-stage forecast pegs the 2026 southwest monsoon at 92% of the Long Period Average (LPA), with the shortfall expected to intensify in the second half of the season (August–September). Since 1950, India has experienced 16 El Niño years; in seven of those, monsoon rainfall has been below normal.
- While agriculture contributes about 15% of GDP, it supports livelihoods for nearly 46% of the workforce, underscoring the economy's sensitivity to agrarian incomes.
- A rainfall deficit therefore poses downside risks to rural growth, which has shown signs of revival in recent years. As a reference point, in 2023, when rainfall was 6% below LPA, agriculture GVA growth slowed from 4.5% oya in 2Q23 to 2.3% in 3Q23 and further to 1.4% in 4Q23.
- Deficient rainfall also adds upside risk to the inflation outlook, mainly through higher food prices

Source: CMIE, J.P. Morgan Economics

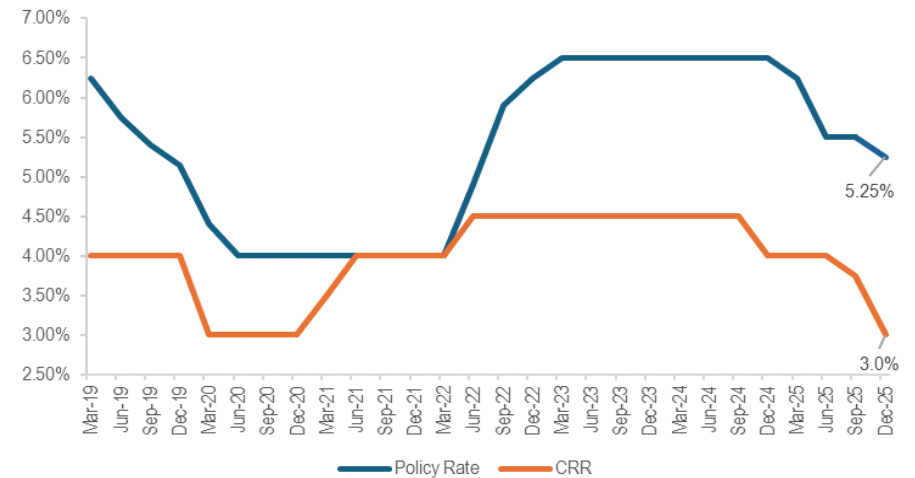
India: 'Wait-and-watch' mode after undertaking policy stimulus

Fiscal deficit continues to consolidate (% of GDP)



Source: CMIE, Budget documents

Stimulative monetary policy



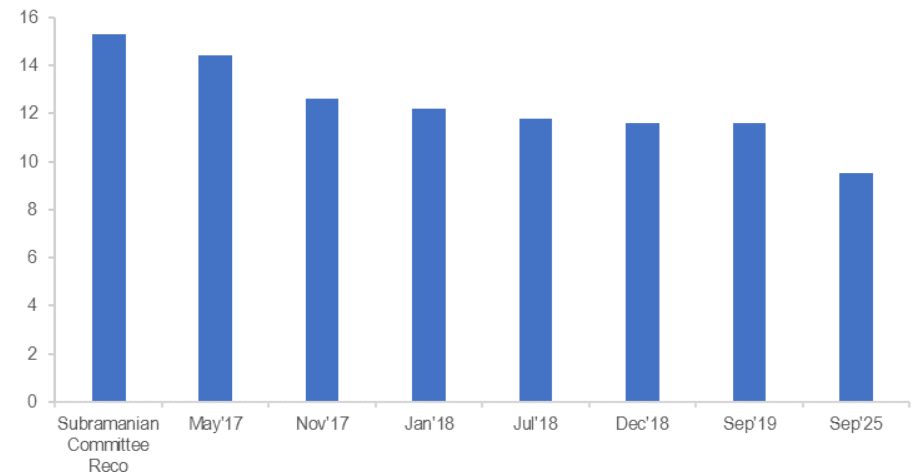
Source: Bloomberg Finance L.P., J.P. Morgan

Tax relief announced in FY26 Union Budget

Tax savings in different income slabs (in INR, 1mn =10lac)

Income	Tax on Slabs and rates		Benefit of Rate /Slab	Rebate benefit Full upto Rs 12 lacs	Total Benefit	Tax after rebate Benefit
	Present	Proposed				
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

Significant reduction in weighted average GST rates over time



Source: RBI State Finance report, J.P. Morgan

India: Start of De-regulation – measures announced by RBI during Oct MPC

Measures for Banks

Description	Impact on Banks	Impact on Customers/Market	Implementation Timeline
Stricter international standards for risk management and money handling	Requires banks to upgrade systems and processes; phased adjustment	Greater stability and resilience in banking sector	April 2027 – March 2031
Lower capital requirements for home and small business loans	Frees up capital for banks; easier lending	Easier and cheaper access to loans	Immediate/As per RBI notification
Banks can choose their own business focus	More strategic flexibility for banks	Potential for more tailored services	Immediate/As per RBI notification
Lower insurance premiums for banks with good risk management	Incentivizes better risk practices	Safer banking environment	Immediate/As per RBI notification

Source: RBI, J.P. Morgan

Ease of doing business

Description	Impact on Banks/NBFCs	Impact on Companies/Market	Implementation Timeline
Indian banks can help Indian companies buy other businesses, providing more funding options for corporate growth	Expands lending opportunities; supports M&A	Easier access to acquisition funding; boosts corporate growth	Immediate/As per RBI notification
Increased borrowing limits against shares and IPO financing; lifted limits on borrowing against listed bonds	Enables higher-value lending; more flexibility	Individuals and companies can access larger loans; increased market activity	Immediate/As per RBI notification
Banks can lend more freely to large companies (borrowing above Rs 10,000 crore)	Removes lending restrictions; increases loan portfolio	Large companies have more funding options for expansion	Immediate/As per RBI notification
NBFCs can fund infrastructure projects more cheaply	Lower funding costs; more infrastructure lending	Better infrastructure (roads, bridges, facilities); economic growth	Immediate/As per RBI notification
RBI may allow new urban cooperative banks to start after 20 years	Opportunity for new entrants; increased competition	More banking options for urban customers; financial inclusion	Under consideration by RBI

Source: RBI, J.P. Morgan

Strengthening INR

Description	Impact on Banks/Financial Institutions	Impact on Businesses/Market	Implementation Timeline
Indian banks can lend INR to people and businesses in Bhutan, Nepal, and Sri Lanka for cross-border trade	Expands cross-border lending; promotes INR usage	Facilitates trade with neighboring countries; increases INR adoption	Immediate/As per RBI notification
RBI will provide transparent exchange rates for currencies of major trading partners	Enhances transparency in currency conversion	Makes rupee-based international trade easier; reduces forex risk	Immediate/As per RBI notification
Special Rupee accounts for international trade can invest in corporate bonds and commercial papers	Increases investment options for trade accounts	Boosts global utility of the rupee; attracts international investors	Immediate/As per RBI notification

Source: RBI, J.P. Morgan

Easier Loans

Description	Impact on Banks/NBFCs	Impact on Companies/Individuals/Market	Implementation Timeline
Indian banks can help Indian companies buy other businesses, providing more funding options for corporate growth	Expands lending opportunities; supports M&A	Easier access to acquisition funding; boosts corporate growth	Immediate/As per RBI notification
Borrowing limit against shares increased to Rs 1 crore (from Rs 20 lakh); IPO financing limit raised to Rs 25 lakh (from Rs 10 lakh); limit on borrowing against listed bonds lifted	Enables higher-value lending; more flexibility	Individuals and companies can access larger loans; increased market activity	Immediate/As per RBI notification
Banks can lend more freely to large companies (borrowing above Rs 10,000 crore), removing earlier restrictions	Removes lending restrictions; increases loan portfolio	Large companies have more funding options for expansion	Immediate/As per RBI notification
NBFCs can fund infrastructure projects more cheaply	Lower funding costs; more infrastructure lending	Better infrastructure (roads, bridges, facilities); economic growth	Immediate/As per RBI notification
RBI may allow new urban cooperative banks to start after 20 years	Opportunity for new entrants; increased competition	More banking options for urban customers; financial inclusion	Under consideration by RBI

India: De-regulation (...continued)

Other Financial reforms

- **SEBI has introduced a wide range of reforms** to expand market participation, simplify processes, increase investor protection, and enhance India's global competitiveness. It also plans to implement additional reforms aimed at attracting foreign investors.
- **Simplification of Compliance:** The government and regulators have streamlined compliance requirements for banks, NBFCs, and fintechs, reducing paperwork and automating reporting processes
- **Easing Foreign Investment Rules:** Limits on foreign direct investment (FDI) in sectors like insurance and defense have been relaxed, making it easier for global investors to participate in the Indian market

Industrial and business deregulation

- **Labor Law Reforms:** The government has consolidated 29 labour laws into four comprehensive Labour Codes. Labour reform streamlines compliance, modernizes outdated provisions, and creates a simplified, efficient framework that promotes ease of doing business while safeguarding workers' rights and welfare ([link](#)).
- **Enhancing Single-Window Clearance:** India is expanding its single-window systems, primarily through the National Single Window System (NSWS), to reduce the time and complexity of business approvals for new investments and project launches.

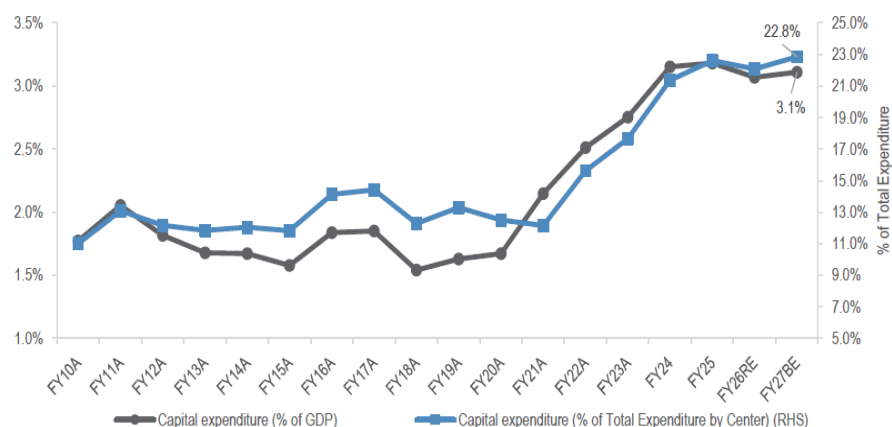
Other reforms

- **GST Simplification:** The Goods and Services Tax (GST) regime has seen further simplification, with fewer rate slabs and easier filing procedures for small businesses.
- **Customs and Export Procedures:** Digitalization of customs and export documentation has reduced turnaround and improved transparency for exporters.
- **Credit and Registration:** Simplified registration and easier access to credit for micro, small, and medium enterprises (MSMEs), including digital onboarding and collateral-free loans.

India: Focus back on capex and manufacturing in budget

While capex growth has moderated...

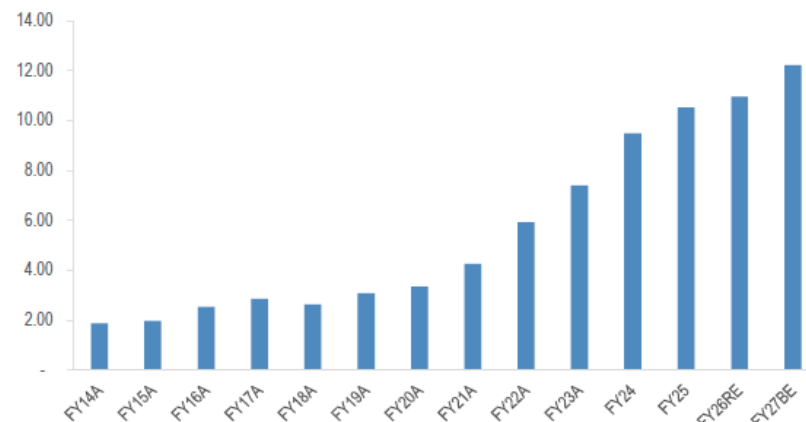
GDP at current prices



Source: CMIE, India Budget, J.P. Morgan

... absolute capex is still getting higher allocation

in Rs trillion



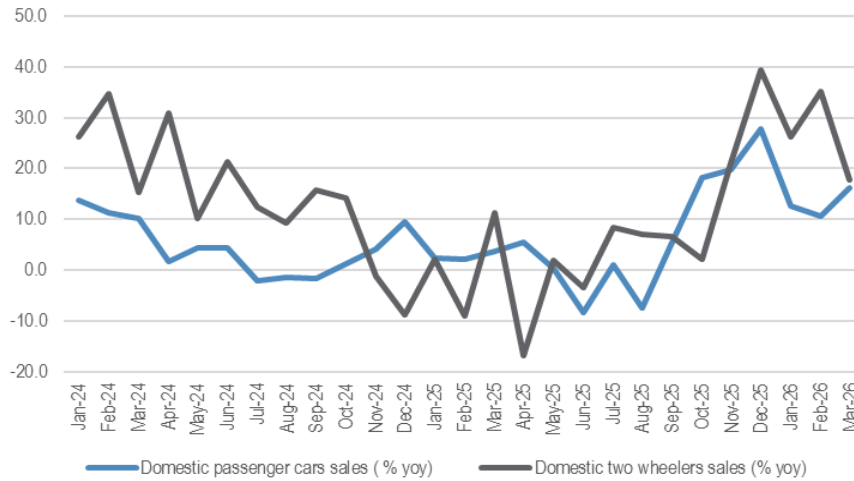
Source: CMIE, India Budget, J.P. Morgan

Budgetary allocation and spending of government capex (in INR cr, 1cr=10mn)

Allocation sector	FY25A	FY26 BE	FY26 RE	Spent	Spent as a % of FY26RE	Spent till	FY27 BE	FY27BE/FY26BE	FY27BE/FY26RE
Road & Highways	285,344	272,241	272,051	229,000	84%	Dec-25	294,167	8.1%	8.1%
Railways	251,947	252,000	252,000	204,400	81%	Dec-25	277,830	10.3%	10.3%
Defence	159,768	180,000	186,454	111,600	60%	Nov-25	219,306	21.8%	17.6%
Transfer to States	165,701	170,595	174,953	-	-	-	226,382	32.7%	29.4%
Dept of Telecom	73,846	51,785	23,916	18,032	75%	Nov-25	47,275	(8.7%)	97.7%
Economic Affairs	10,051	46,614	70,800	-	-	-	16,309	(65.0%)	(77.0%)
Ministry of Housing and Urban Affairs	31,623	37,623	32,978	-	-	-	34,808	(7.5%)	5.5%
Others	73,672	110,231	82,603	-	-	-	105,743	(4.1%)	28.0%
Total ex Economic Affairs	1,041,902	1,074,476	1,024,955	-	-	-	1,205,512	12.2%	17.6%
Total	1,051,953	1,121,090	1,095,755	787,900	72%	Dec-25	1,221,821	9.0%	11.5%

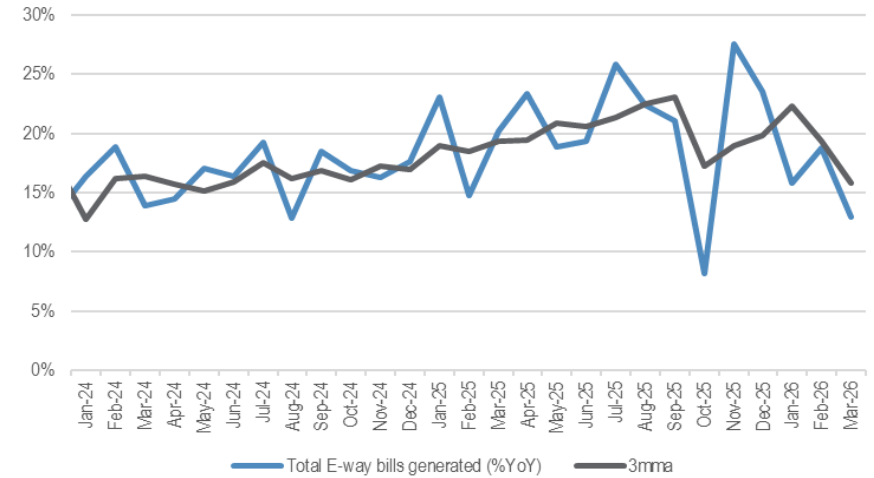
India: Macro momentum was improving before the Middle-East conflict

Domestic auto sales in top gear post GST cuts...



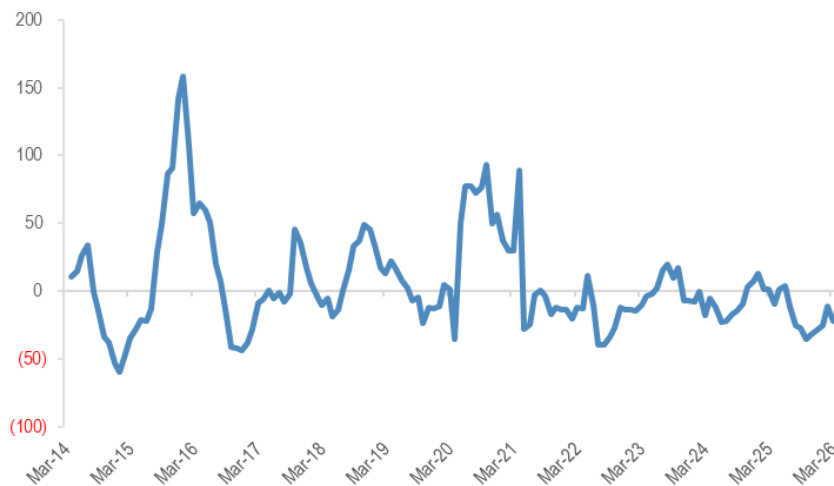
Source: FADA, J.P. Morgan

E-way bills generation continuing to pick-up

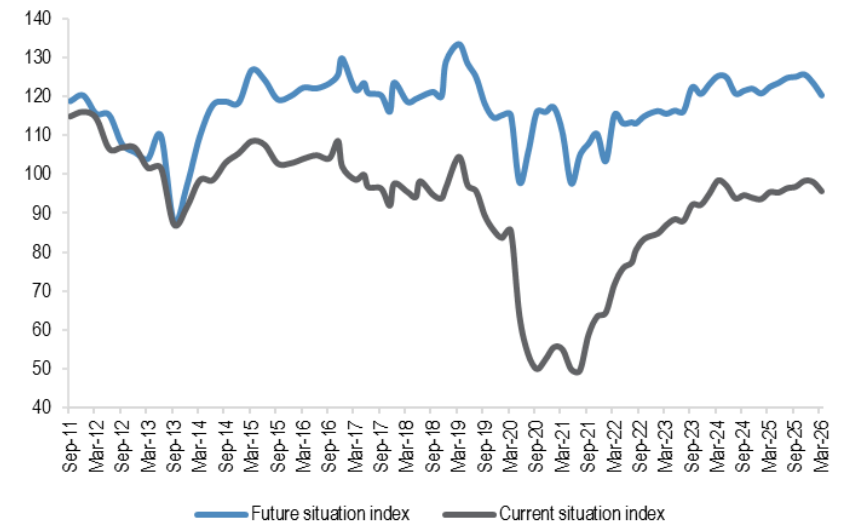


Source: CMIE, J.P. Morgan

Low MGNREGA work demanded (%YoY)

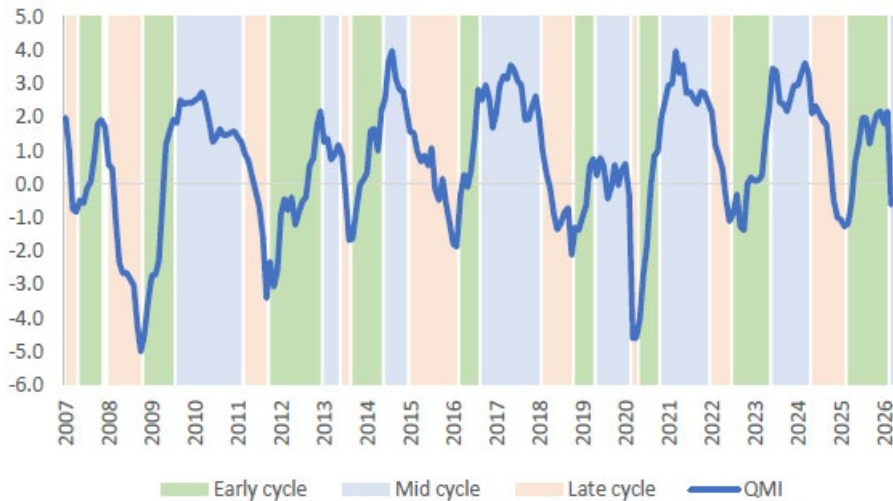


RBI Consumer Sentiment survey suggests improvement



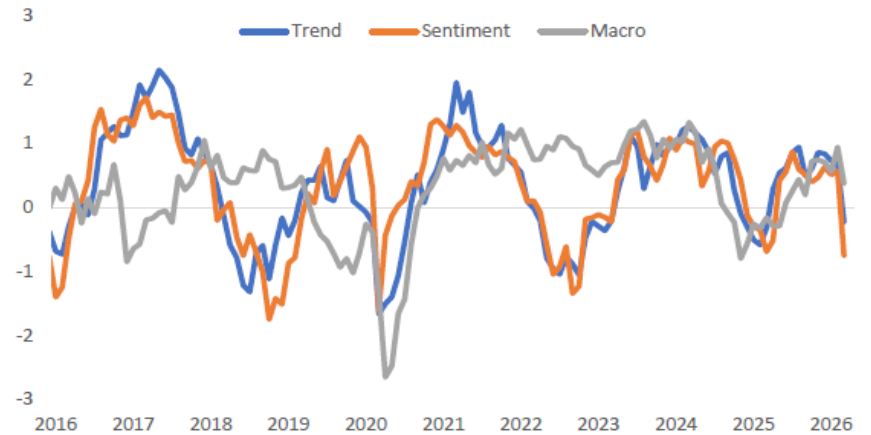
India: From the Quant lens...

QMI is in 'Mid' cycle



Source: Bloomberg Finance L.P., J.P. Morgan Equity Macro Research

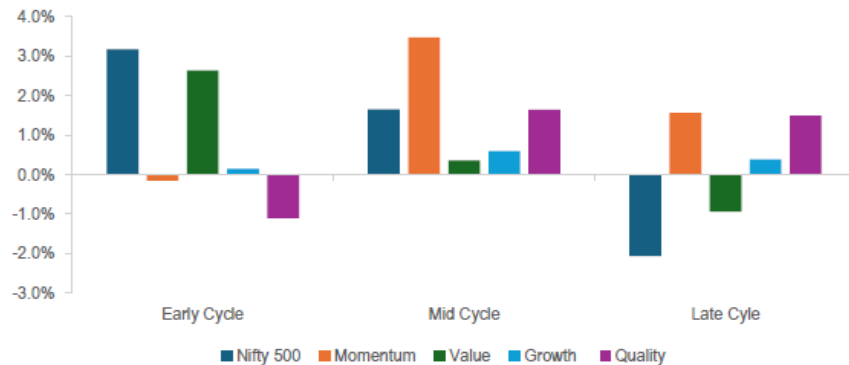
'Sentiment' drives QMI down



Source: Bloomberg Finance L.P., J.P. Morgan Equity Macro Research

Avoid 'Value', prefer 'Quality'

L/S decile performance



Source: Bloomberg Finance L.P., J.P. Morgan Equity Macro Research (for Nifty 500)

Value has started to underperform recently...

Factor L/S	Performance (in %)			
	Mar-26	Last 3m avg	Last 6m avg	Last 12m avg
Momentum	0.9%	3.3%	3.1%	1.0%
Value	-3.6%	1.4%	0.7%	0.9%
Growth	3.3%	-0.6%	-0.7%	-0.2%
Quality	3.7%	0.4%	0.6%	-0.6%
All-Weather	2.4%	3.3%	3.2%	1.6%

Source: Bloomberg Finance L.P., Factset, IBES, J.P. Morgan Equity Macro Research (Nifty 500; L/S factor perf)

India: Earnings expectations trimmed

Earnings tracking GDP more closely



Source: MSCI, LSEG Workspace, CMIE, J.P. Morgan Economics

Earnings Revision breadth turning positive after two years



Source: MSCI, IBES, Refinitiv, J.P. Morgan; Note: the chart shows 3mma for MSCI India

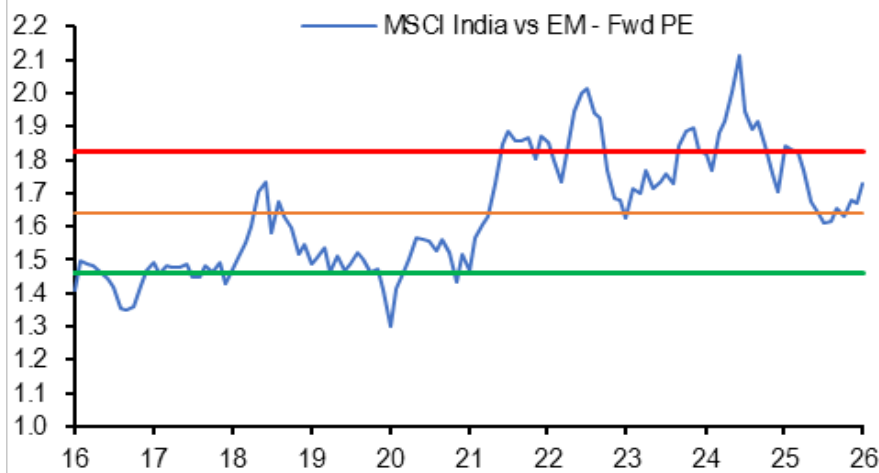
Consensus EPS revisions by sector - MSCI India

Sector	Performance				2026 EPS Revision				2027 EPS Revision				EPS Growth (%)		
	1M	3M	6M	12M	1M	3M	6M	12M	1M	3M	6M	12M	2025	2026	2027
Information Technology	9.0	(20.0)	(13.2)	(14.2)	0.5	1.0	3.1	0.1	0.1	0.3	2.0	(0.0)	10.4	10.3	7.9
Materials	7.1	(0.5)	2.3	9.9	0.3	5.2	7.3	3.5	0.7	5.6	8.7	152	34.7	33.1	14.1
Health Care	(0.8)	(1.2)	(8.3)	(6.3)	(0.3)	(1.5)	(5.3)	(9.3)	(0.0)	(0.6)	(2.6)	-	6.2	7.8	16.9
Banks	0.6	(9.3)	(12.6)	(11.4)	(0.3)	(1.0)	(0.6)	(3.6)	(0.3)	(0.8)	0.0	1.7	4.4	16.8	16.5
Real Estate	9.4	(9.8)	(20.1)	(14.2)	(0.4)	(2.2)	(0.6)	(3.7)	(0.0)	(3.8)	(3.9)	-	21.7	25.4	24.5
Communication Services	0.6	(11.2)	(11.9)	(10.1)	(0.4)	0.1	0.5	-	0.0	1.5	(0.0)	-	NM	NM	35.3
Utilities	6.7	14.2	3.8	(0.3)	(0.5)	(1.9)	(4.3)	(3.2)	(0.4)	(1.3)	(2.8)	11.5	5.5	13.6	10.4
Consumer Staples	4.8	(6.1)	(12.6)	(14.6)	(0.5)	(3.4)	(6.3)	(10.5)	(0.3)	(3.3)	(5.8)	(13.0)	6.2	9.3	12.4
Insurance	0.6	(9.1)	(9.4)	(6.1)	(0.6)	(1.1)	(0.9)	(1.7)	(0.7)	(1.5)	(1.6)	0.6	19.6	21.8	20.3
Energy	(1.9)	(7.3)	(7.0)	(1.3)	(0.8)	(1.5)	(1.2)	(4.7)	0.3	(0.3)	(2.0)	-	26.7	1.8	8.5
Financial Services	5.9	(3.3)	(5.9)	0.5	(0.9)	(6.9)	(13.2)	(13.6)	(0.8)	(6.5)	(11.5)	(0.7)	19.8	18.4	18.1
Industrials	9.5	8.3	2.4	14.0	(1.3)	(2.3)	(3.4)	(3.8)	(0.6)	(1.0)	(1.9)	(3.6)	9.4	24.2	18.5
Automobiles & Components	4.2	(7.6)	(10.4)	11.4	(1.5)	(0.7)	(5.8)	(6.4)	(1.2)	0.3	(1.3)	9.4	(19.9)	31.8	17.9
Consumer Discretionary	5.7	(6.1)	(12.1)	3.3	(1.6)	(1.2)	(8.3)	(10.7)	(1.3)	(0.2)	(3.4)	8.9	(16.0)	35.6	21.8
India	4.1	(5.6)	(8.1)	(3.5)	(0.5)	(1.0)	(2.3)	(4.3)	(0.3)	(0.4)	(1.3)	10.2	11.0	17.4	15.4

(Note: JPM forecasts MSCI India to grow by 11%/13% in CY26/27 respectively)

India – Valuation is still a bit expensive?

India's valuations rel to EM is above avg levels



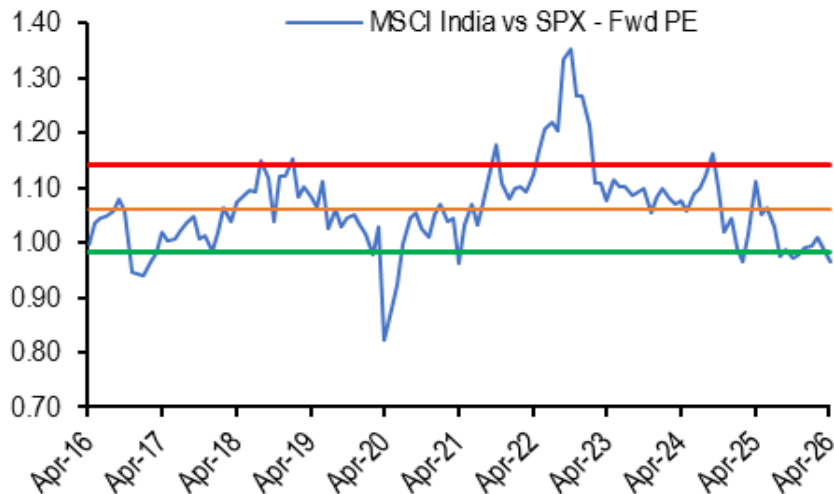
Source: Workspace LSEG., IBES, MSCI

India's ERP has shrunk, but is inching up



Source: MSCI, Workspace LSEG., J.P. Morgan

Relative to S&P500, now trading below at discount



However, half the sectors are still trading at a premium

	Current	Avg	+1SD	-1SD	Prem/Disc vs Avg
MSCI India	19.4	20.2	22.5	17.8	-3.6%
Nifty 50	18.7	19.1	21.1	17.0	-2.1%
Nifty Midcap 100	29.5	23.6	28.4	18.8	24.8%
Nifty Smallcap 100	23.8	17.3	21.4	13.1	37.9%
Real Estate	22.6	39.7	51.3	28.1	-43.0%
Comm. Services	33.3	46.2	79.9	12.5	-27.9%
Banks	13.5	17.9	20.6	15.2	-24.2%
IT	18.1	19.4	23.6	15.1	-6.5%
Cons. Staples	39.7	40.9	45.8	35.9	-2.9%
Div. Fin.	16.7	16.6	21.3	11.9	0.7%
Energy	13.3	13.8	15.9	11.7	-3.8%
Auto	20.9	20.5	24.6	16.4	1.9%
Materials	18.2	17.1	20.2	14.1	5.9%
Insurance	46.3	43.3	57.8	28.9	6.9%
Industrials	30.3	27.1	32.8	21.5	11.6%
Cons. Disc.	27.3	24.6	30.4	18.8	10.9%
Healthcare	30.1	25.0	29.7	20.4	20.0%
Utilities	16.2	12.9	16.3	9.6	25.7%

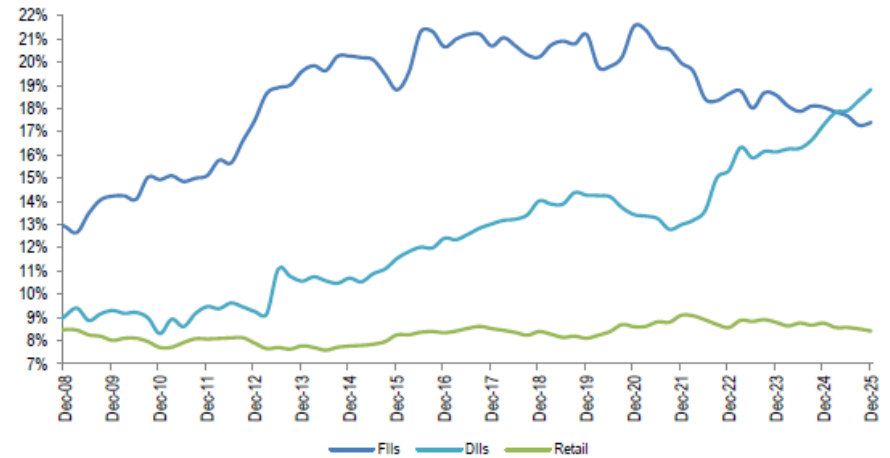
India – DMFs continue to be the dominant force

Mutual funds drive the major DII flows (\$mn)

Month	(Net Flows - \$mn)			
	Banks	Insurance	Mutual Funds	Others
Jan-25	(38)	1,749	6,599	1,720
Feb-25	(9)	938	5,366	1,156
Mar-25	(73)	2,273	1,379	746
Apr-25	(473)	(5)	2,432	1,336
May-25	(513)	(80)	6,742	1,775
Jun-25	(273)	712	5,651	2,375
Jul-25	(217)	76	5,714	1,479
Aug-25	35	689	7,824	689
Sep-25	(133)	(81)	5,837	(81)
Oct-25	(272)	276	3,498	276
Nov-25	(51)	874	4,385	874
Dec-25	(301)	1,236	5,020	1,236
Apr-26	39	700	2,395	700
Total	(2,279)	9,356	62,843	14,279

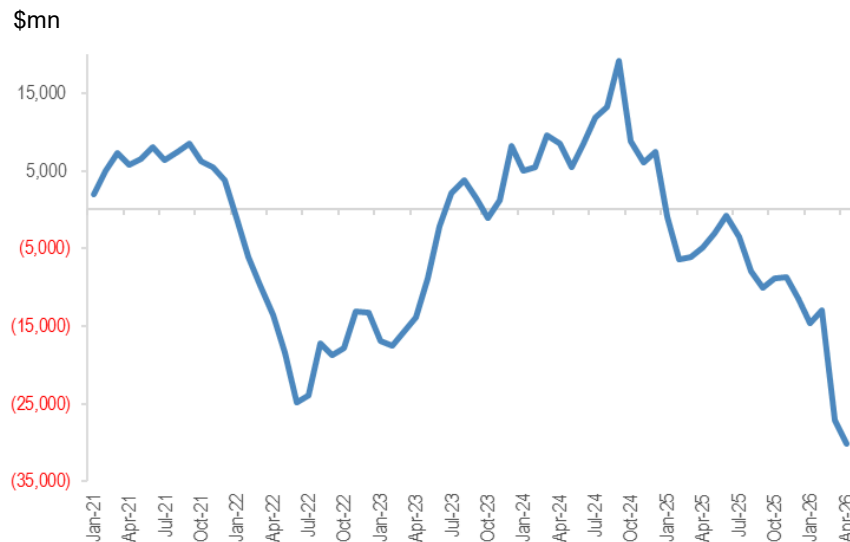
Source: SEBI, CMIE, Bloomberg Finance L.P., J.P. Morgan calculations

DII ownership at its all-time high, while FII ownership keeps falling

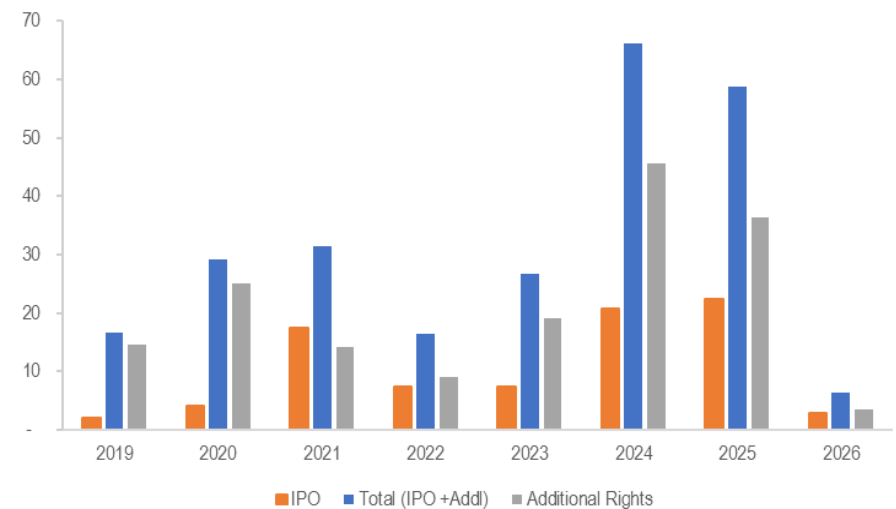


Source: CMIE, Bloomberg Finance L.P., J.P. Morgan calculations

Cumulative FII flow is in deep negative now, after Mar selling



Capital market activity run-rate has slowed in 2026 (\$bn)



India – Sector positioning by Institutions

FII sector positioning in Large-caps (in bps)

(UW/OW in bps)

Sector	Top 100	
	Sep-25	Dec-25
Communication Services	149	216
Consumer Discretionary	33	(7)
Consumer Staples	(171)	(179)
Energy	(45)	(18)
Financials	331	310
Health Care	57	(11)
Industrials	(134)	(94)
Information Technology	(21)	(39)
Materials	(215)	(188)
Real Estate	40	33
Utilities	(25)	(25)

Source: CMIE, Bloomberg Finance L.P., J.P. Morgan calculations (for BSE 500)

DMF sector positioning in Large-caps (in bps)

(UW/OW in bps)

Sector	Top 100	
	Sep-25	Dec-25
Communication Services	(47)	(36)
Consumer Discretionary	24	5
Consumer Staples	(155)	(118)
Energy	(83)	(118)
Financials	436	436
Health Care	(11)	7
Industrials	(48)	(55)
Information Technology	27	0
Materials	(91)	(86)
Real Estate	(37)	(31)
Utilities	(14)	(5)

Source: CMIE, Bloomberg Finance L.P., J.P. Morgan calculations (for BSE 500)

FII sector positioning in BSE 500 (in bps)

(UW/OW in bps)

Sector	Top 500	
	Sep-25	Dec-25
Communication Services	138	194
Consumer Discretionary	8	(34)
Consumer Staples	(135)	(128)
Energy	9	45
Financials	371	314
Health Care	(11)	(13)
Industrials	(184)	(161)
Information Technology	(22)	(29)
Materials	(226)	(221)
Real Estate	52	44
Utilities	(1)	(9)

DMF sector positioning in BSE 500 (in bps)

(UW/OW in bps)

Sector	Top 500	
	Sep-25	Dec-25
Communication Services	(36)	(18)
Consumer Discretionary	135	118
Consumer Staples	(124)	(83)
Energy	(60)	(89)
Financials	233	247
Health Care	67	65
Industrials	(84)	(76)
Information Technology	25	16
Materials	(125)	(155)
Real Estate	(18)	(18)
Utilities	(12)	(7)

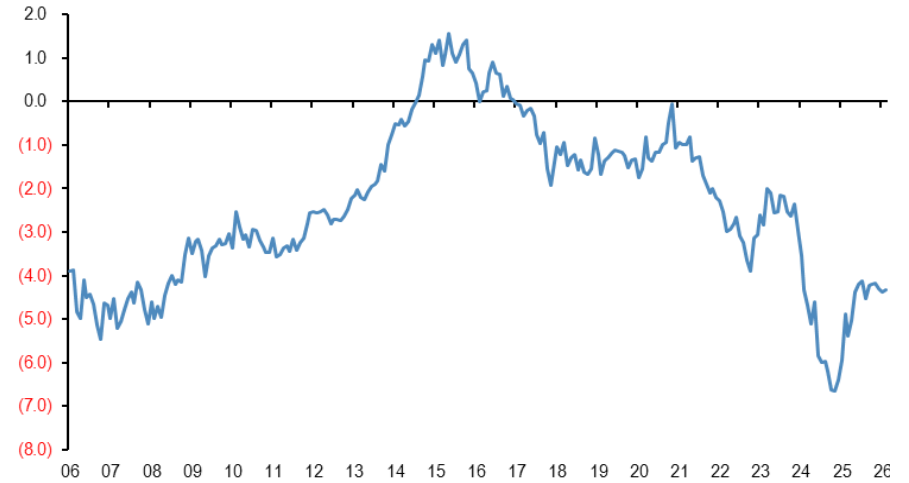
India – Positioning by foreign funds

India average weightings relative to MSCI benchmark in EM funds (%)



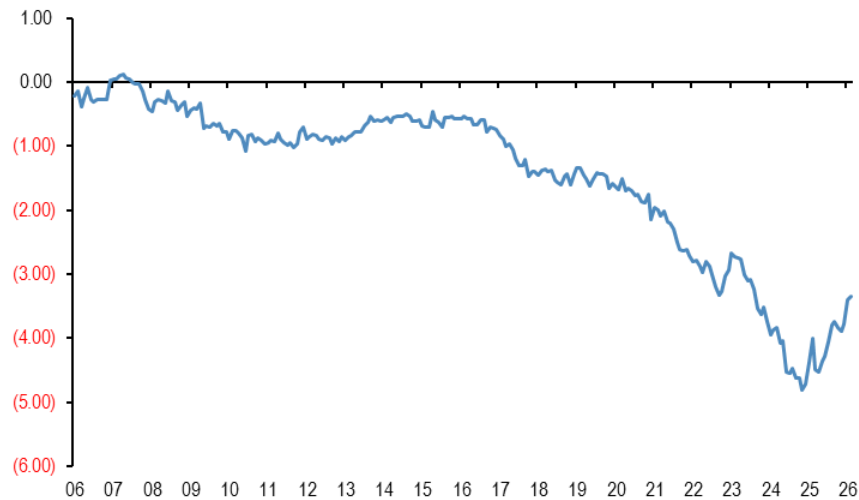
Source: MSCI, Refinitiv, EPFR Global, J.P. Morgan

India average weightings relative to MSCI benchmark in AxJ funds (%)

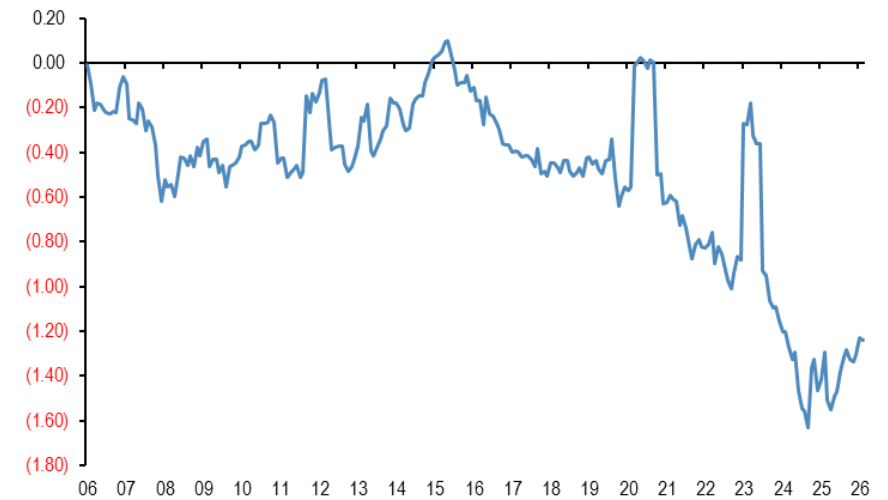


Source: MSCI, Refinitiv, EPFR Global, J.P. Morgan

India average weightings relative to MSCI benchmark in Global ex US funds (%)



India average weightings relative to MSCI benchmark in Global funds (%)



India – Foreign flows at sector level

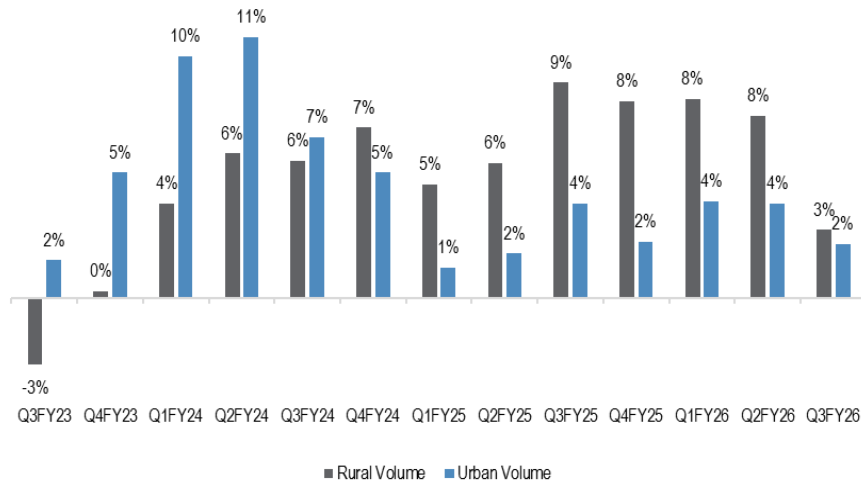
Heavy FPI selling in Financial Services and Autos this year

Sectors	2024	2025	1/31/2026	2/28/2026	3/31/2026
Automobile and Auto Components	(1934)	(1361)	(392)	394	(1333)
Capital Goods	4060	(289)	301	1336	343
Chemicals	484	706	16	28	(24)
Construction	(1802)	(754)	(167)	493	(975)
Construction Materials	(907)	(1056)	(94)	36	(336)
Consumer Durables	272	(2455)	(113)	(83)	(311)
Consumer Services	1993	(1887)	(603)	(459)	(225)
Diversified	(9)	(163)	(1)	0	(2)
Fast Moving Consumer Goods	(3543)	(4176)	(828)	(215)	(579)
Financial Services	(3935)	(1564)	(942)	928	(6488)
Forest Materials	104	(22)	0	4	(1)
Healthcare	4216	(2836)	(672)	(37)	(497)
Information Technology	1599	(8577)	(204)	(1866)	(202)
Media, Entertainment & Publication	(260)	35	(20)	8	(2)
Metals & Mining	277	510	1260	620	(332)
Oil, Gas & Consumable Fuels	(7062)	939	(104)	593	(443)
Power	(808)	(3035)	(204)	497	(23)
Realty	2783	(1438)	(291)	81	(501)
Services	1039	856	(218)	165	(275)
Telecommunication	1403	5539	(523)	(207)	(602)
Textiles	317	(136)	(31)	(11)	(34)
Utilities	106	(16)	(11)	(1)	(2)
Others	3201	2368	(110)	187	267
Total	1594	(18812)	(3951)	2491	(12577)

Source: NSDL, Bloomberg Finance L.P., J.P. Morgan

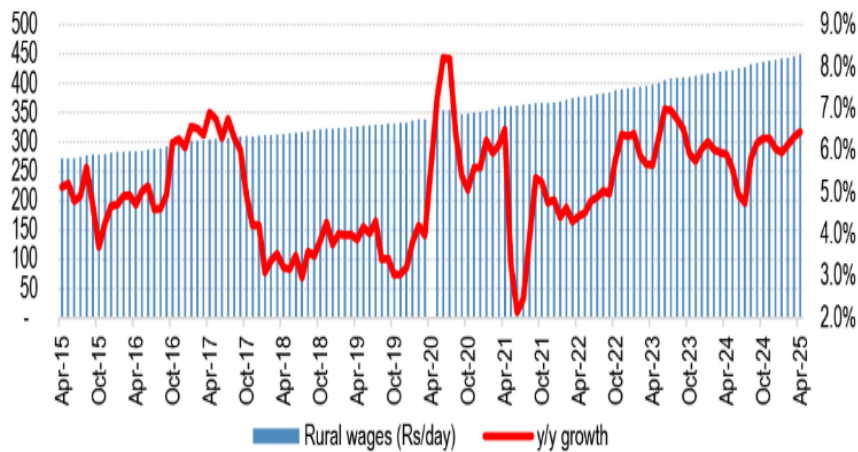
India: Revitalizing rural economy

Rural volume growth has been outpacing urban for 8 quarters now

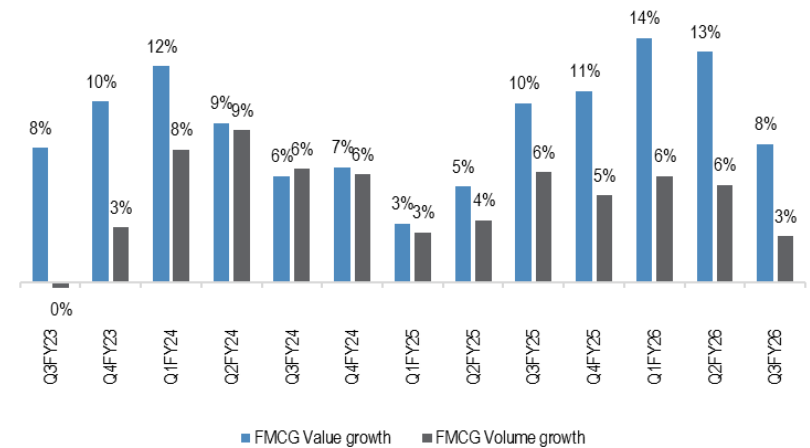


Source: NielsenIQ, J.P. Morgan

Rural wage growth has been healthy at 6% y/y

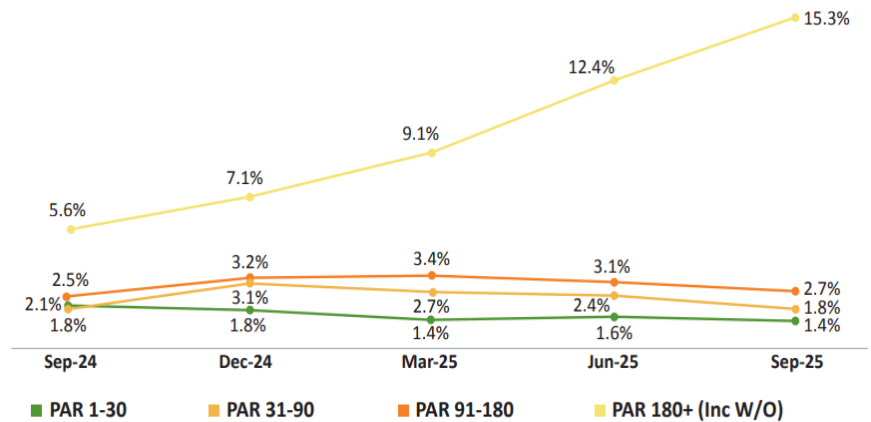


Overall FMCG sector Value and Volume growth



Source: NielsenIQ, J.P. Morgan

MFI Loans: Improvement seen in PAR1-180 buckets over last 1Y



India: Social Welfarism

Flagship schemes announced during recent state elections

Date	State	Flagship Scheme	Details	Estimated annual cost (\$bn)	As a % of State Budget	As a % of State GDP
Oct-24	Haryana	Lado Laxmi Yojana	INR 2,100 pm for women	0.6	2.6%	0.4%
Nov-24	Maharashtra	Ladki Bahin Yojana	INR 1,500 pm for women	4.1	5.9%	0.8%
Nov-24	Jharkhand	Gogo Didi Yojana	INR 2,100 pm for women	1.7	11.7%	2.9%
Feb-25	Delhi	Mahila Samridhhi Yojana	INR 2,500 pm for women	1.5	17.1%	1.9%
Nov-25	Bihar	Mukhyamantri Mahila Rozgar Yojana	INR 10,000 pm for women	3.7	10.4%	3.8%
Overall				11.5		

Keep an eye out for state elections in 2026

Note:

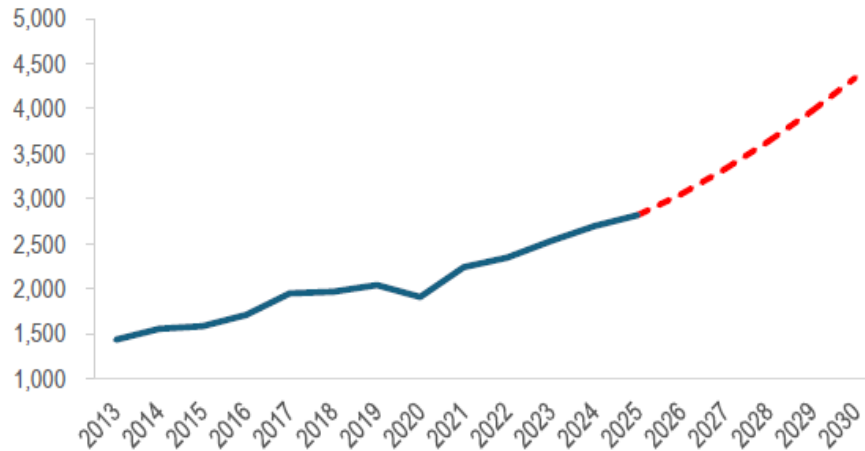
- Assam government transferred INR 9,000 to 4mn women under Arunodoi scheme in Mar 2026 (a total of INR 3,600cr or ~\$0.4bn ([link](#)))
- Tamil Nadu government transferred INR 5,000 to 13.1mn women under Kalaignar Magalir Urimai Thittam scheme (a total of INR 6,550cr or ~\$0.7bn in Feb 2026 ([link](#)))
- BJP has announced a direct bank transfer of INR 3,000 to each woman once it comes to power countering the current Lakshmir Bhandar scheme under which women in General category currently receive INR 1,500 each, while those belonging to the SC/ST receive INR 1,700 each per month ([link](#))

Date	Key State elections in 2026	FY26 Budget (\$bn)	FY25 State GDP (\$bn)
Apr-26	Assam	29.7	72.6
Apr-26	West Bengal	43.9	204.6
May-26	Tamil Nadu	49.5	194.3
Apr-26	Kerala	22.4	147.9
Total		145.4	619.3

Source for both: Election Commission of India, CMIE, J.P. Morgan

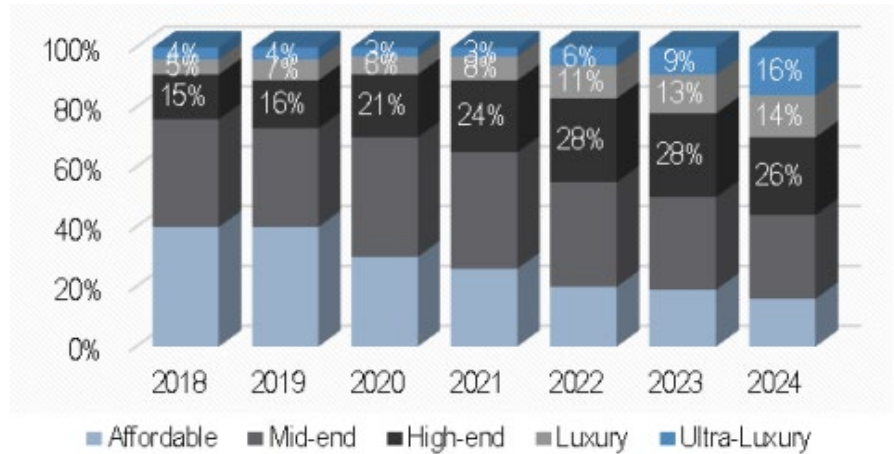
India – Premiumization

India's GDP per capita is projected to approach ~\$4350 by 2030 (in \$)



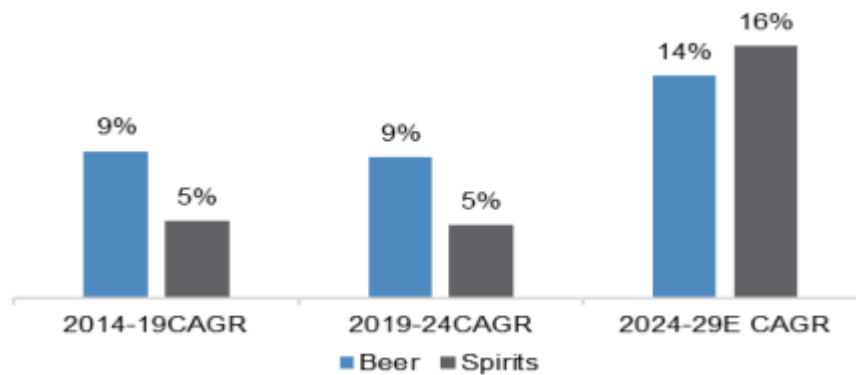
Source: World Economic Outlook, IMF

Share of high-end, luxury and ultra luxury residences has increased from 24% in 2018 to 56% in 2024

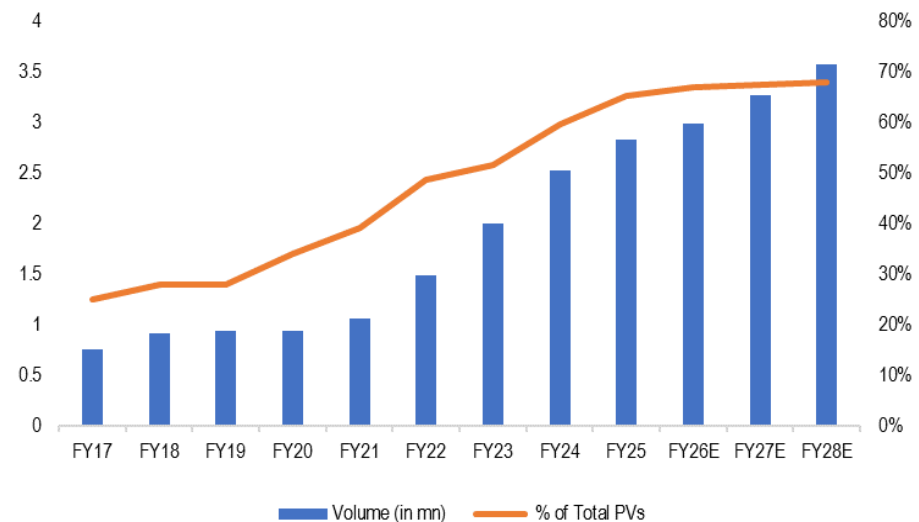


Source: J.P. Morgan Research, ANAROCK Affordable (> INR 40 Lakh), Mid-end (INR 40 Lakh - INR 80 Lakh), High-end (INR 80 Lakh - INR 1.5 Cr), Luxury (INR 1.5 Cr - INR 2.5 Cr), Ultra-luxury (> INR 2.5 Cr)

India beer and Spirits – Value growth trends



Rapid growth in SUV segment



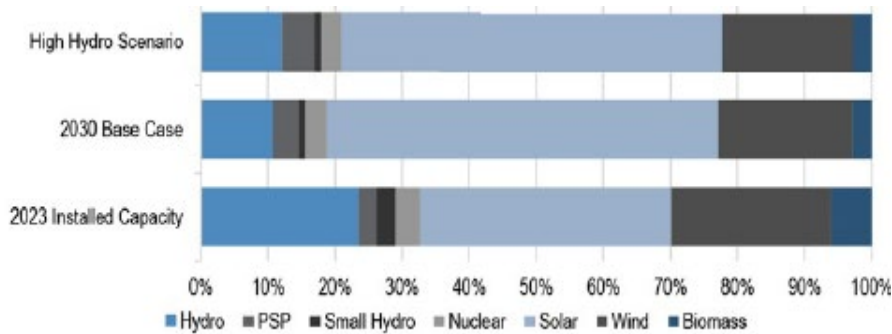
India: 8th Pay Commission

- The 8th Pay Commission, approved on October 28, 2025, is expected to submit its report within 18 months for the implementation from January 2026
- As per [media reports](#), the total annual cost to the center and state could be \$42bn-\$44bn (1.1%-1.2% of GDP). This may stimulate demand in consumer sectors such as automobiles, consumer durables, and potentially mid/low-income housing.
- The 6th Pay Commission in 2008 raised salaries by about 40% with a fitment factor from 1.74 to 1.86 and paid significant arrears, driving strong consumption in vehicles, real estate, and housing.
- In 2016, the 7th Pay Commission set the fitment factor at 2.57 and offered a smaller 23–25% salary hike with minimal arrears, leading to a more moderate boost in everyday spending.

India – Transitioning capex cycle

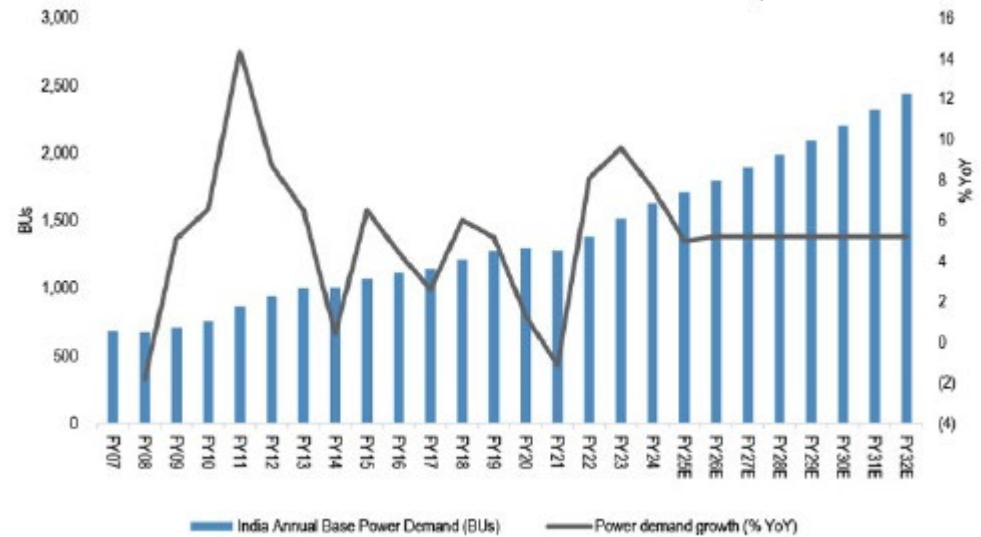
India's 500GW non-fossil fuel 2030 commitment will largely be met by more than tripling solar capacity

Share of non-fossil installed capacity (%)



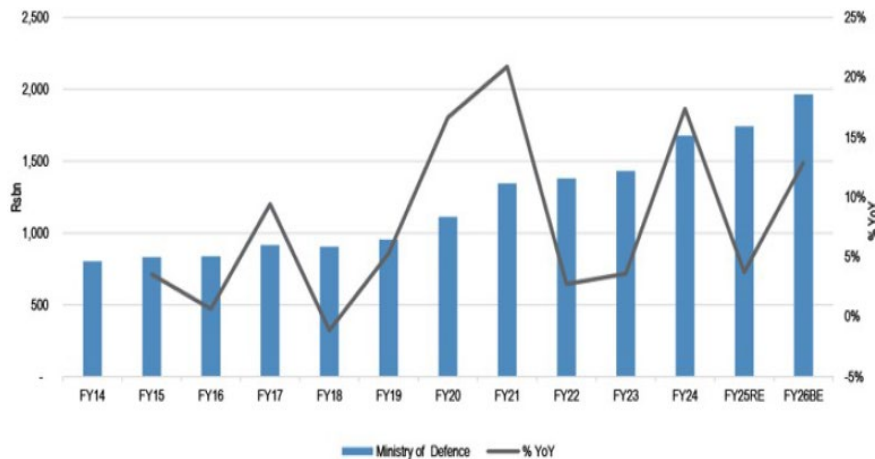
Source: CEA, J.P. Morgan.

India base power demand set to show a 5-6% CAGR long term



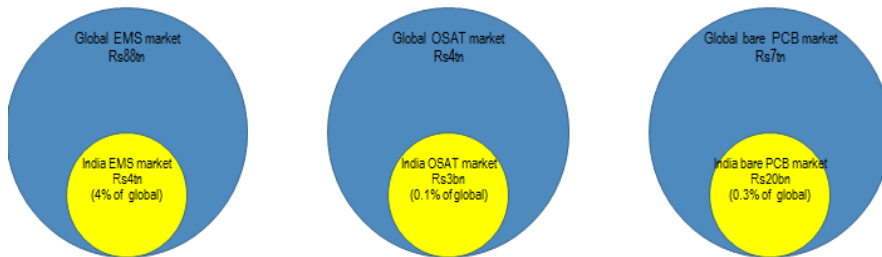
Source: Central Electricity Authority, J.P. Morgan estimates

India Defence Capex and Growth



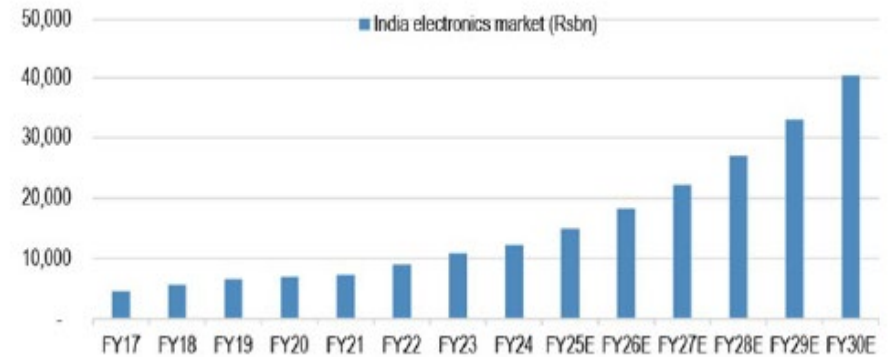
India – Transitioning capex cycle (..continued)

India's share of global EMS, OSAT and PCB is very low at 0-4%, hence the opportunity potential is significant, and can keep growth higher for longer



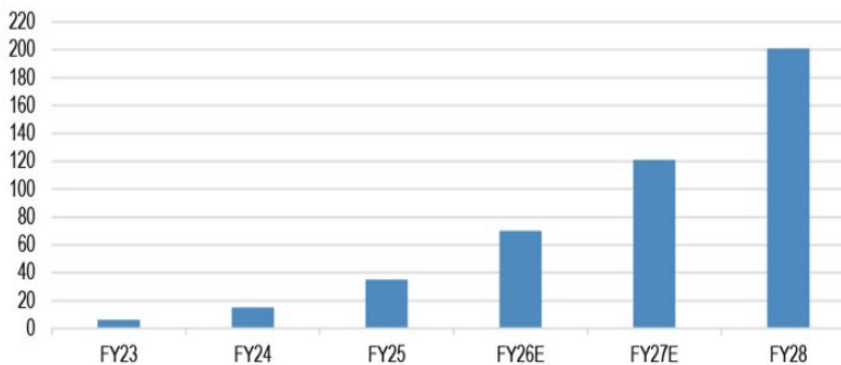
Source: Ministry of Electronics and Information Technology (MeitY), Kaynes QIP document; EMS and OSAT market size is for FY25, PCB is for FY23

India electronics industry – we estimate a 22% CAGR over FY25-30E



Source: Kaynes RHP, J.P. Morgan estimates

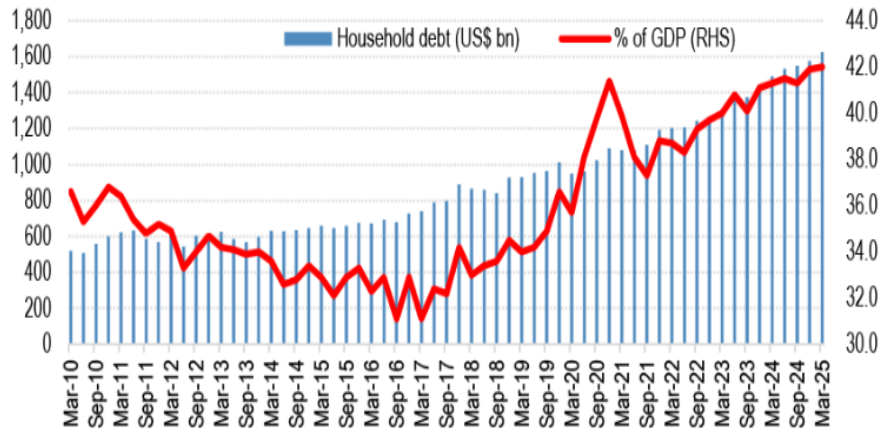
India OSAT market size and opportunity



Source: Kaynes QIP document, J.P. Morgan

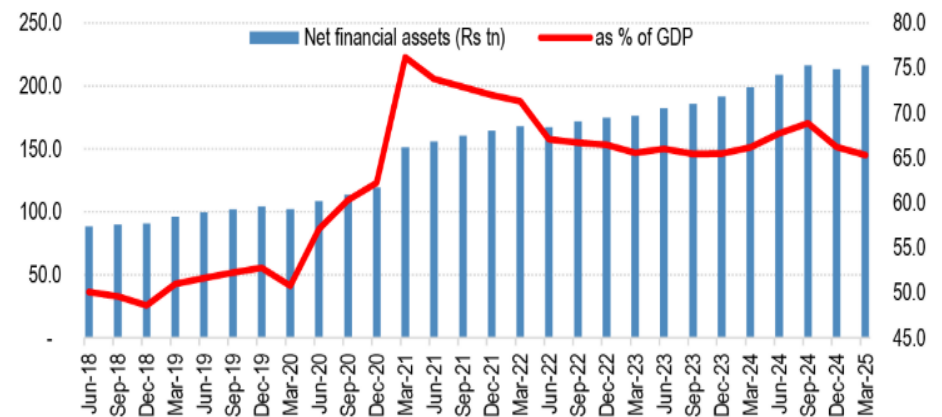
India – Indian household leverage has risen, but AQ trends benign

Household leverage has risen to multi-year highs...



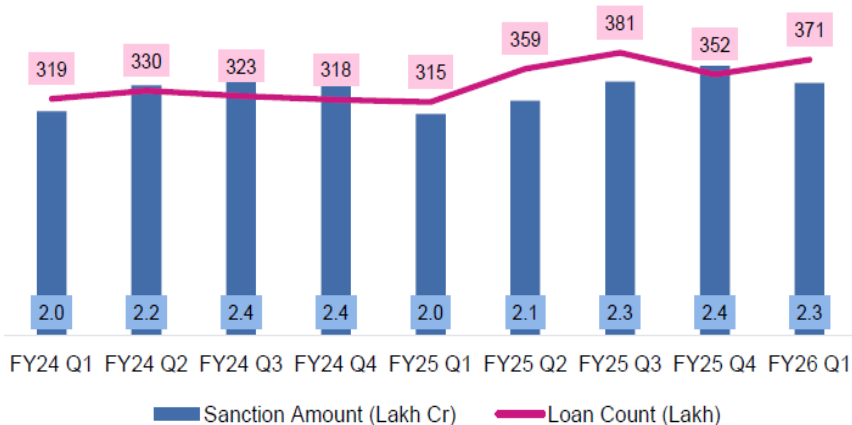
Source: BIS data

... but so have the assets, with net financial assets still at healthy levels



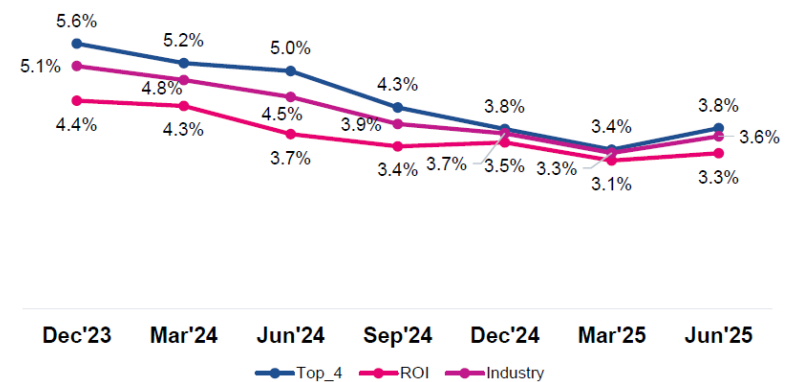
Source: RBI data

Personal loans: 30+ dpd book trends



Source: Experian Credit Bureau; Note: DPD = Days Past Due

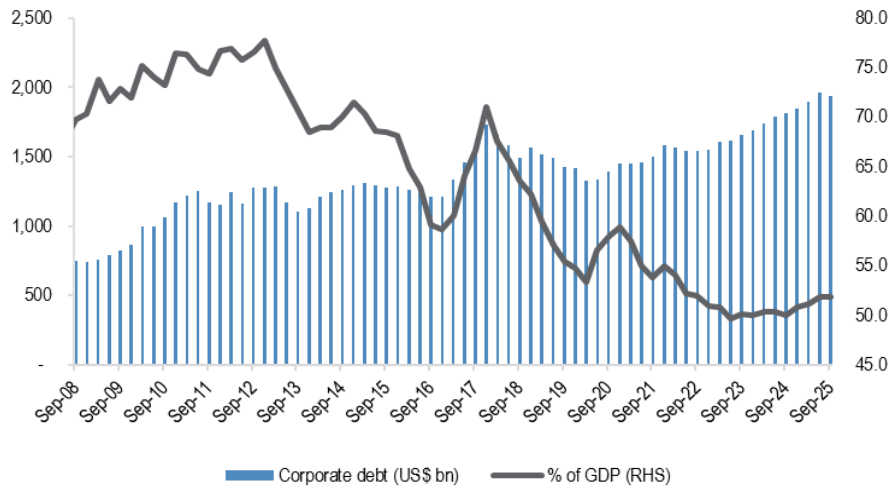
Credit card loans: 30+ dpd book trends



Source: Experian Credit Bureau; Note: DPD = Days Past Due

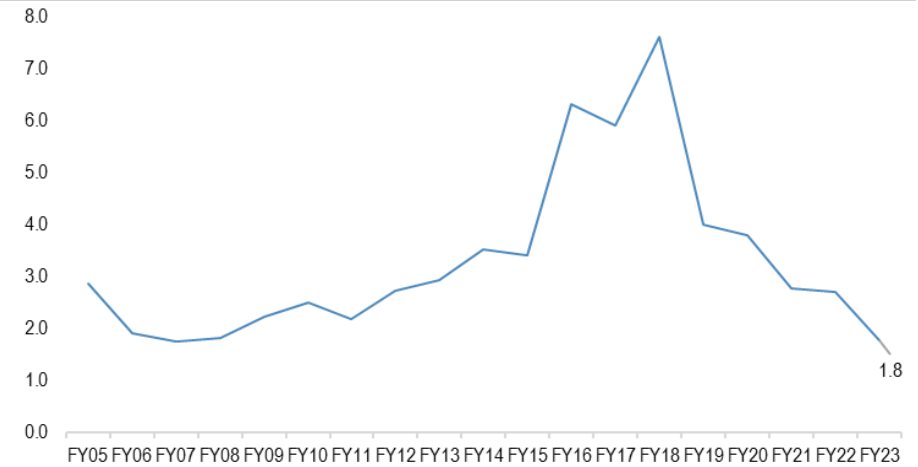
India – Low debt and high profit bodes well for corporate capex recovery

Corporate Debt to GDP



Source BIS, J.P. Morgan; Note: Credit to non-financial corporations from all sectors, adjusted for breaks, nsa.

Slippage ratio of Indian banks shows improving asset quality

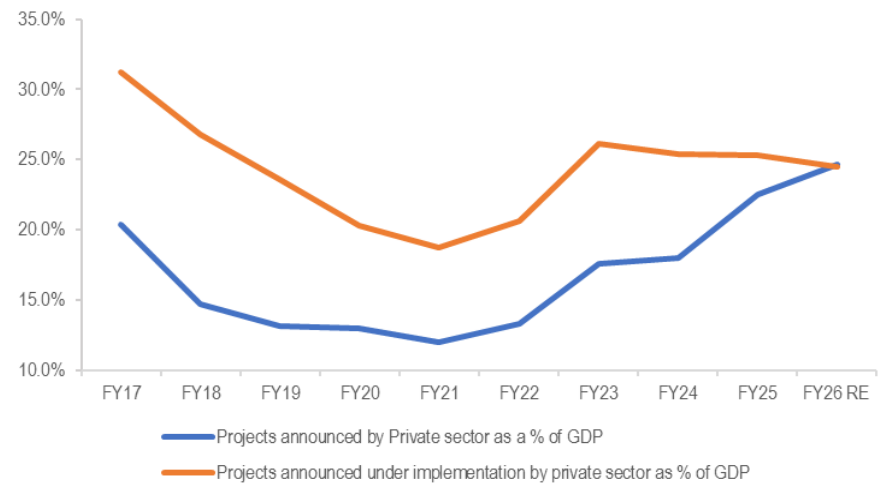


Source: RBI, J.P. Morgan

Corporate profits to GDP plateau over the last 18 months

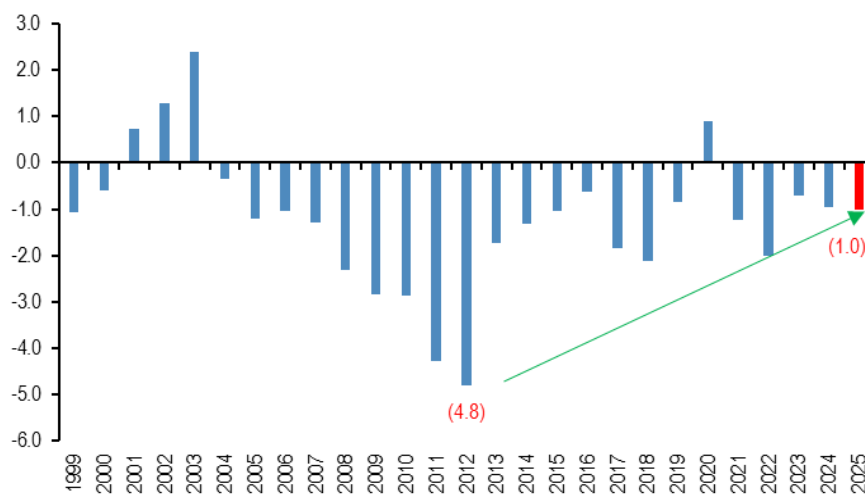


Capex cycle for India Inc



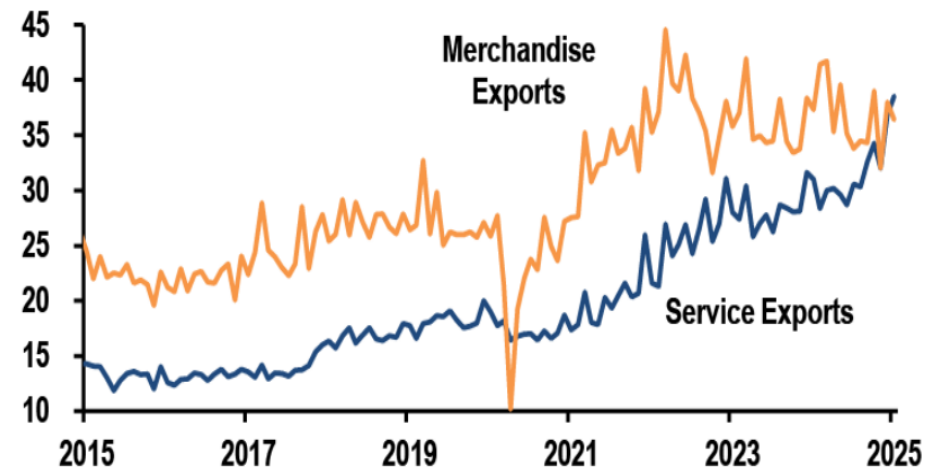
India – External sector resilient to tariff tantrums

CAD has averaged just 1.1% of GDP since 2014



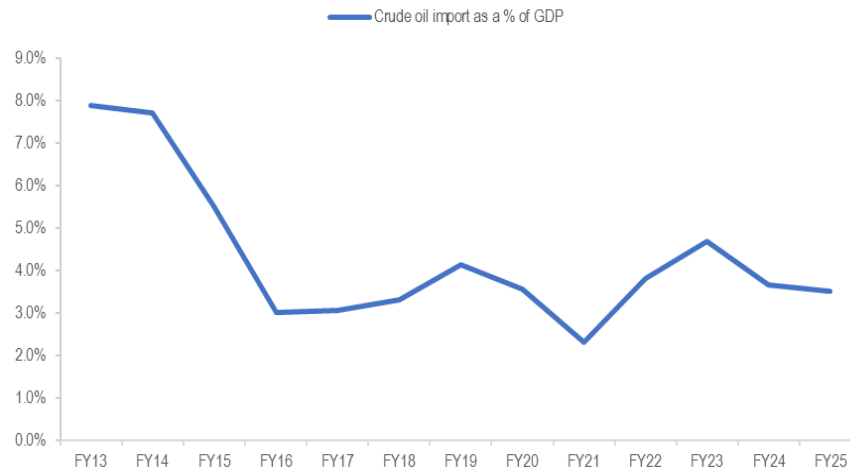
Source: Government of India, J.P. Morgan Economics

Service exports overtake merchandise export (in \$bn)

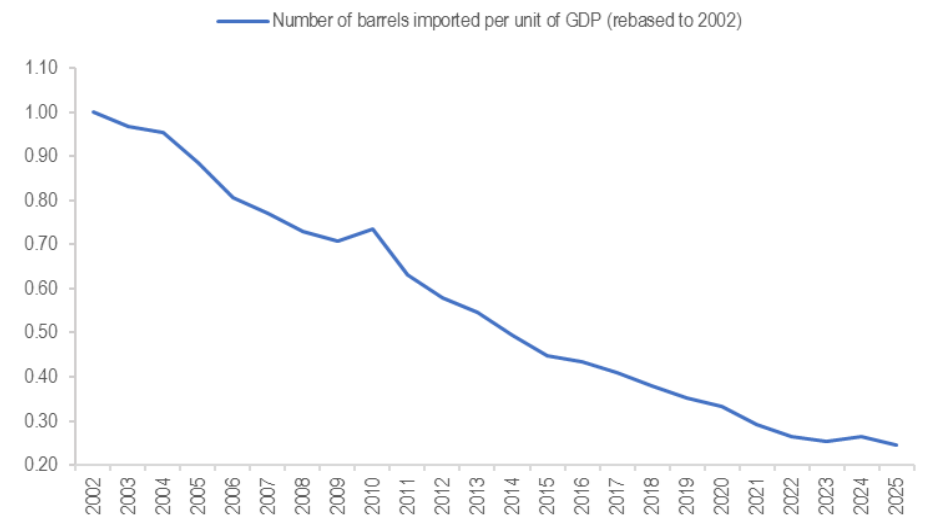


Source: RBI, J.P. Morgan

Crude Oil Import in India (% of GDP)

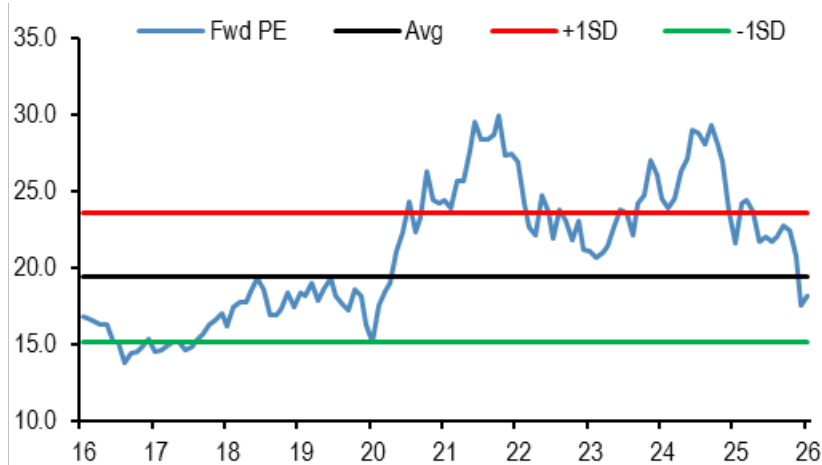


Decreasing oil import intensity



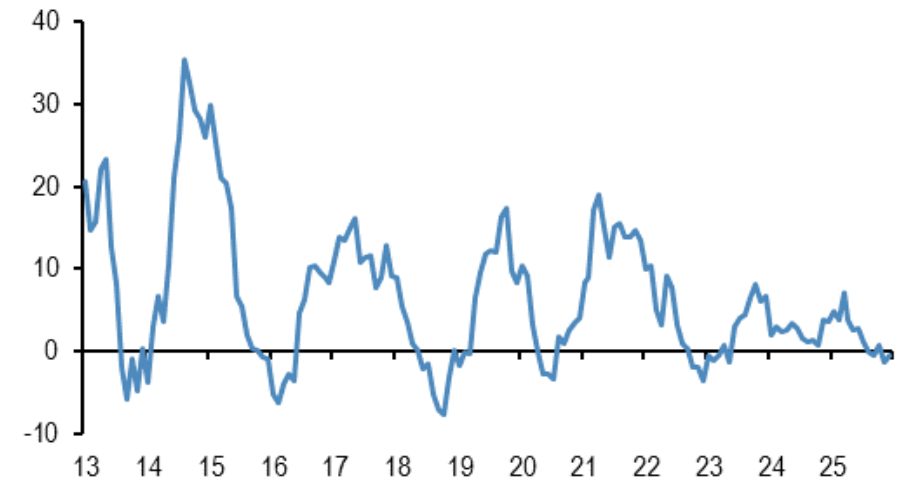
Why UW India IT?

IT valuations still near long-term average



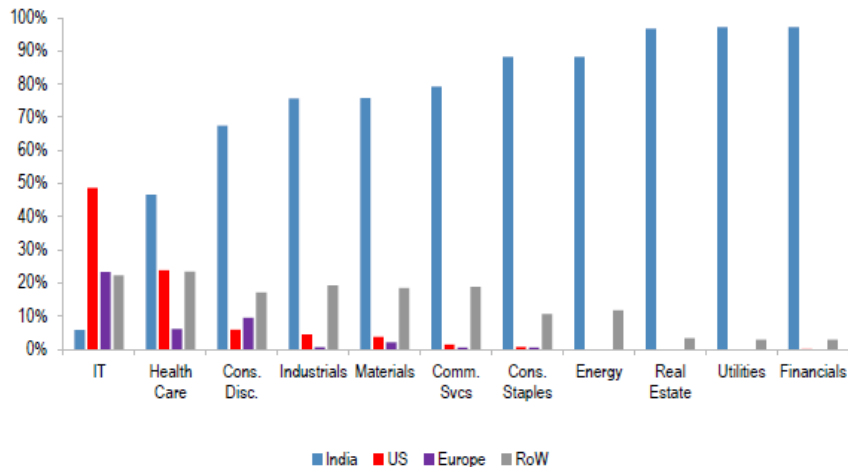
Source: Bloomberg Finance L.P., Datastream, LSEG Workspace, J.P. Morgan; Note: For MSCI India IT

Earnings growth continues to recede (%o/a)

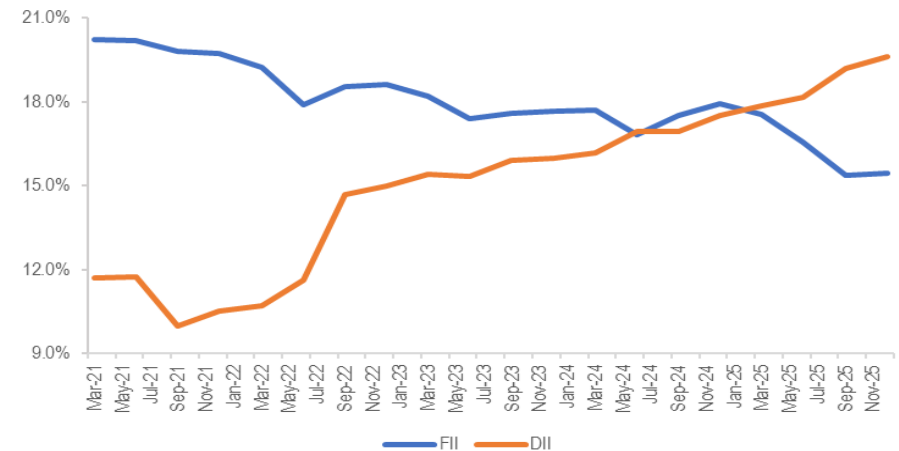


Source: Bloomberg Finance L.P., Datastream, LSEG Workspace, J.P. Morgan; Note: For MSCI India IT

Nifty 500 - Revenue exposure by sectors



DII ownership in IT has increased quite a bit over the years, while FIIs have continued to sell



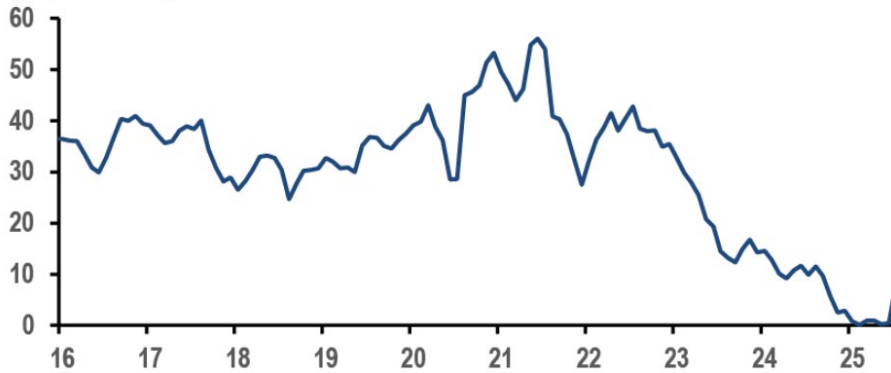
Source: Bloomberg Finance L.P., CMIE, J.P. Morgan; Note: For IT stocks in BSE 500

Risks to India

Failure of manufacturing base

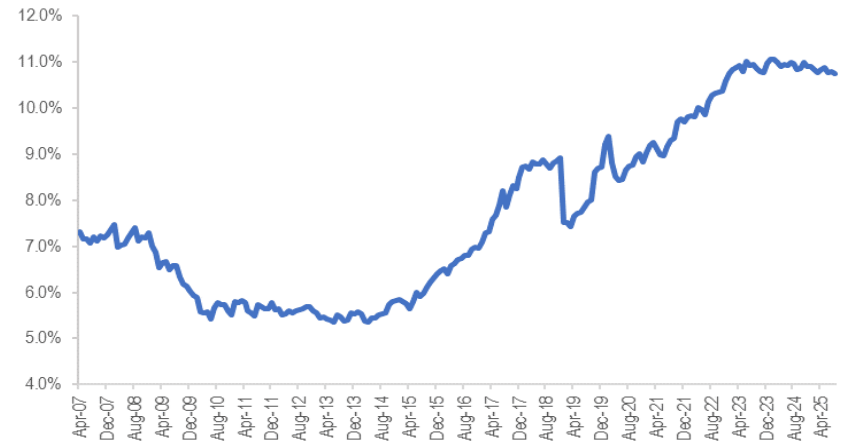
Net Foreign Direct Investments (FDI)

\$bn, 12m rolling



Source: RBI, J.P. Morgan

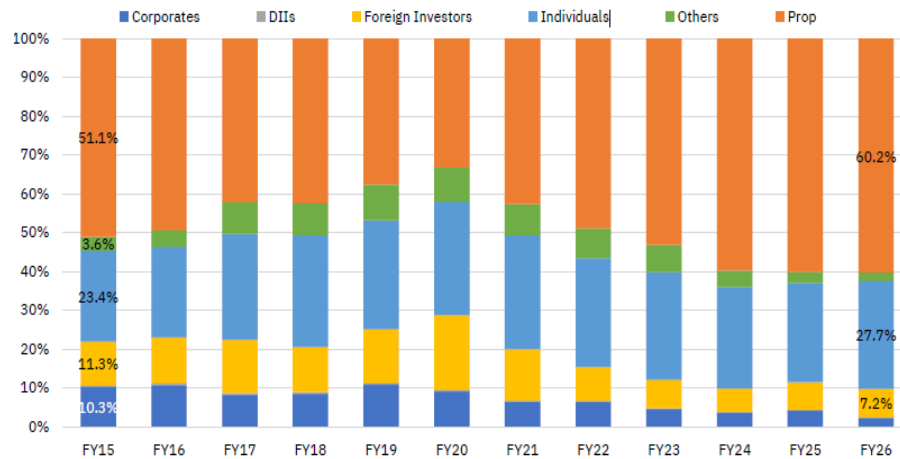
India banking system - Share of PL as a % of overall loans



Source: Bloomberg Finance L.P., J.P. Morgan; Note: PL includes Durables, CC, Education and other PLs

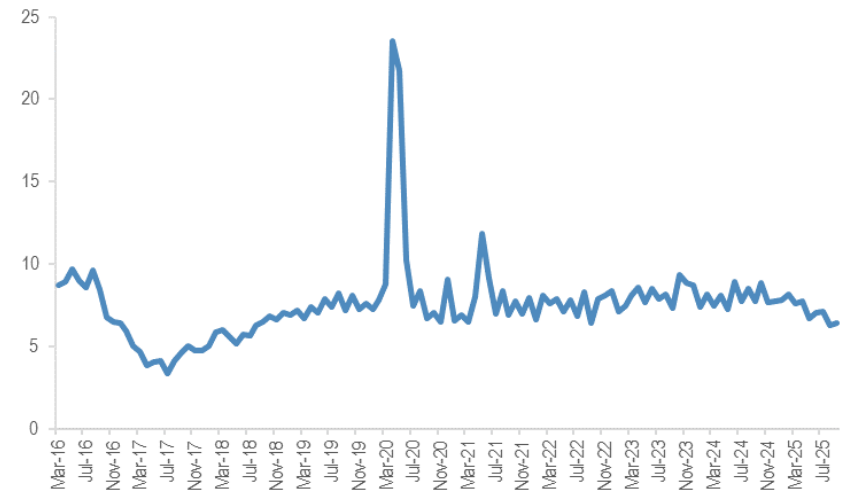
Derivatives market blow-up of prop. trading firms

Share of client participation in Equity Derivatives at NSE (%)



Source: EPFR, US TIC, Bloomberg Finance L.P., J.P. Morgan Asia Equity Macro Research

Widening unemployment

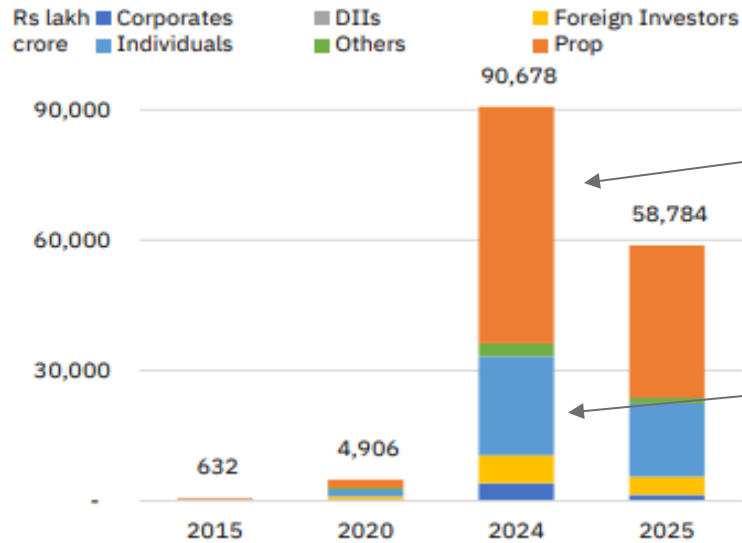


Source: CMIE, J.P. Morgan

India

The growth of India equity derivatives

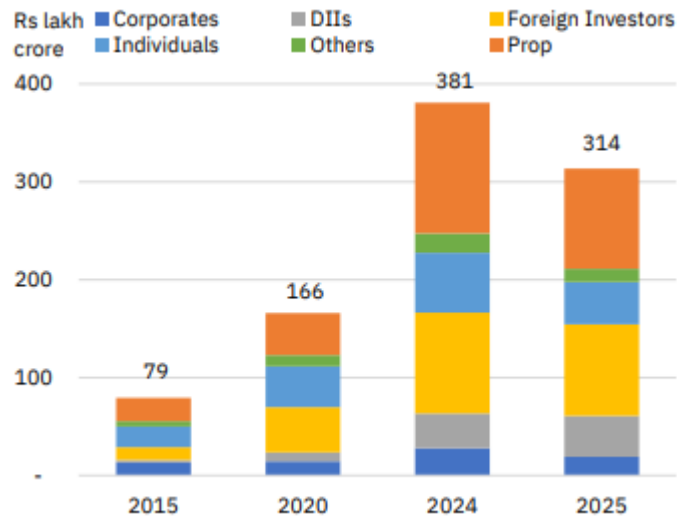
Who is trading equity derivatives (all)?



Prop trading share in equity derivatives market is at 60%, highest ever level

Retail has also discovered the market

Single Stock Futures (SSFs) at all time high, strong participation from foreign investors



Singapore

- **Tailwinds:**

- Resilience against energy crisis
- Government's Value-Unlock Initiatives to boost market valuation and trading liquidity
- "Safe haven" inflows from global investors, family offices, strong currency
- High dividend yield, low PB/ROE trade-off vs. Asia
- Room to deliver fiscal stimulus

- **Headwinds:**

- Low EPS growth relative to regional peers
- Banks' NIM compression due to low interest rates
- Tariffs & weakening external demand weighing on NODX and GDP growth
- US tariffs policies (pharmaceutical, semiconductor)

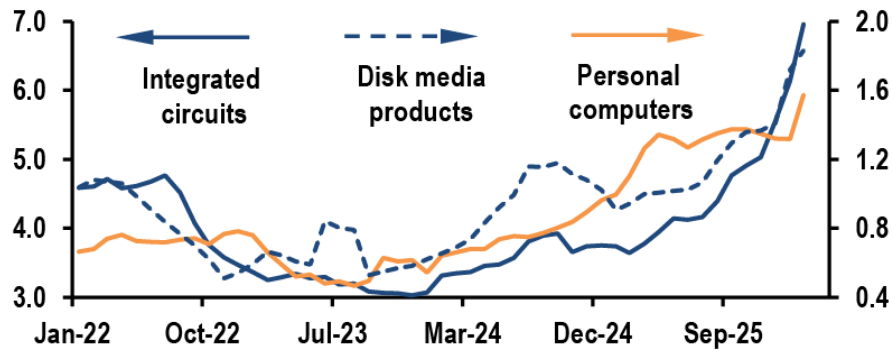
- **Themes and catalysts to watch:**

- Middle East conflict development and oil prices
- Deployment of S\$5bn EQDP funds within Government's Value-Unlock Initiatives.
- Corporate's plan to boost ROE via increasing payouts and asset recycling
- Interest rate movements (SORA)

Singapore

Tech demand cycle drove Singapore NODX

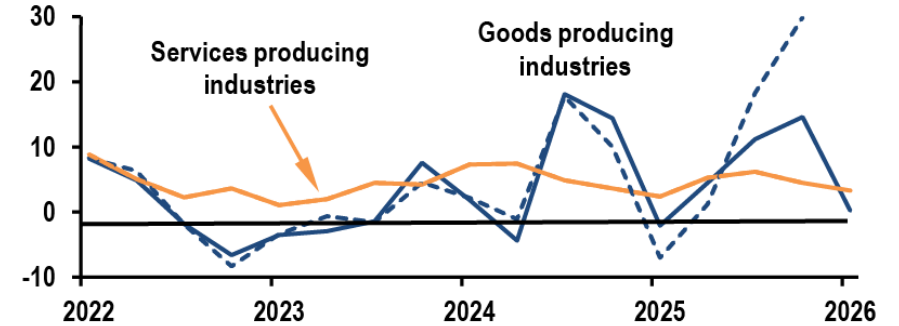
US\$bn, sa, 3m sum; both scales



Source: IES, Haver, J.P. Morgan

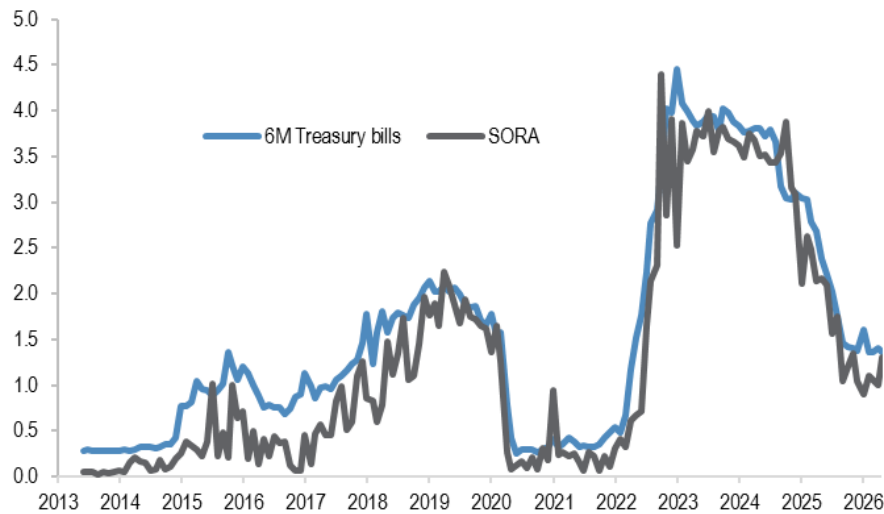
Risk of growth downgrade in the future

% change over 2q, saar; dotted lines show data before latest revisions



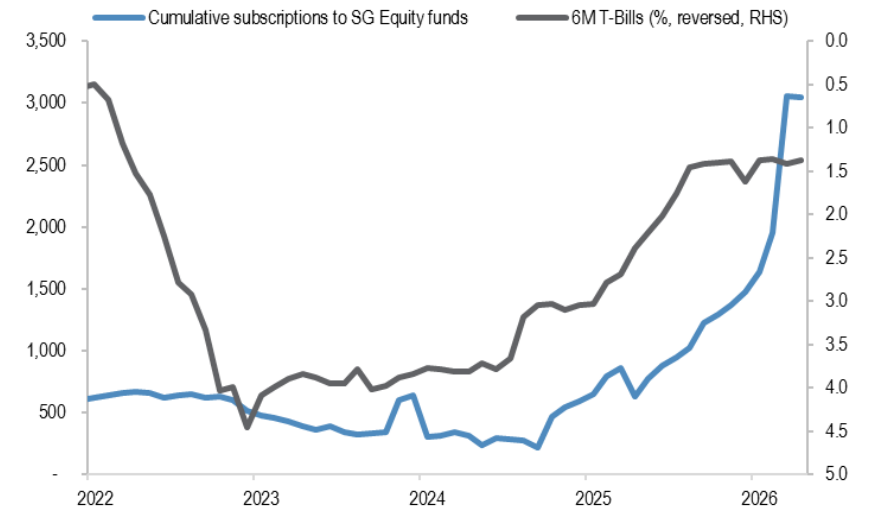
Source: DoS, Haver, J.P. Morgan.

Interest rates remain low...



Source: Bloomberg Finance L.P., J.P. Morgan.

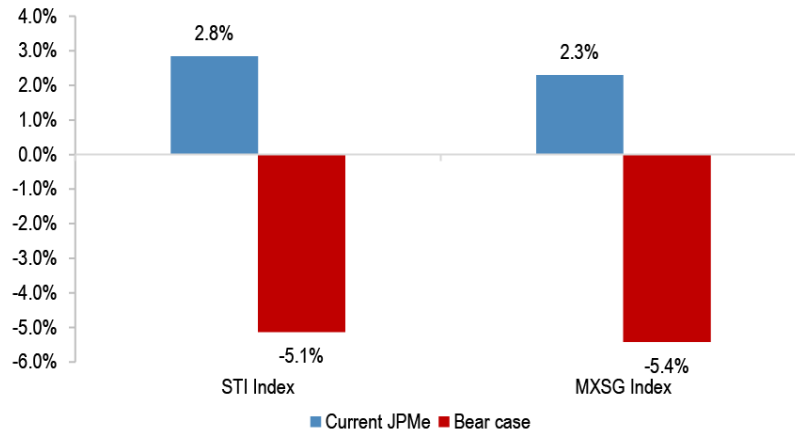
... spurring flows to SG equities funds



Source: Bloomberg Finance L.P., J.P. Morgan.

Singapore

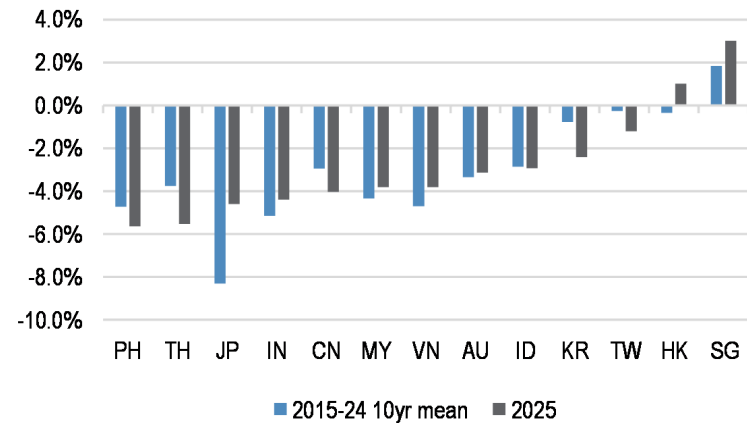
Risks of earnings downgrade if energy shock becomes a demand shock (2026E EPS growth)



Source: Bloomberg Finance L.P., J.P. Morgan.

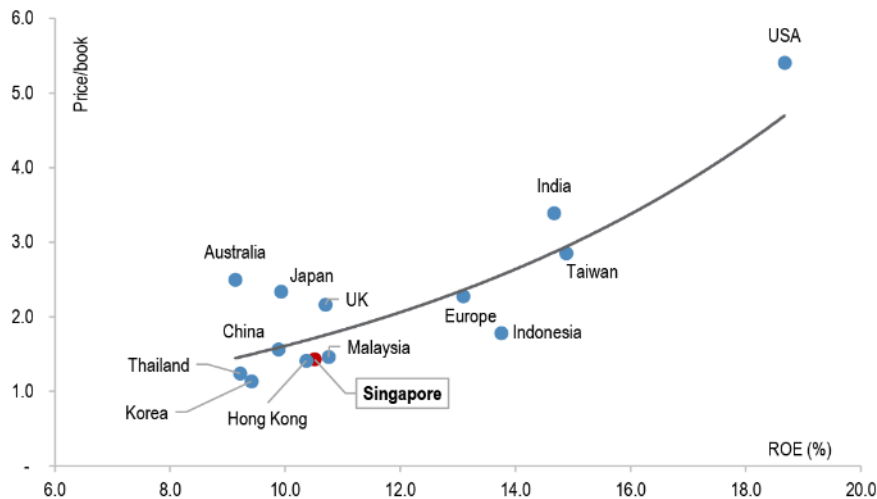
However, fiscal buffer should help stymie the impact

Fiscal balance as % of GDP by country



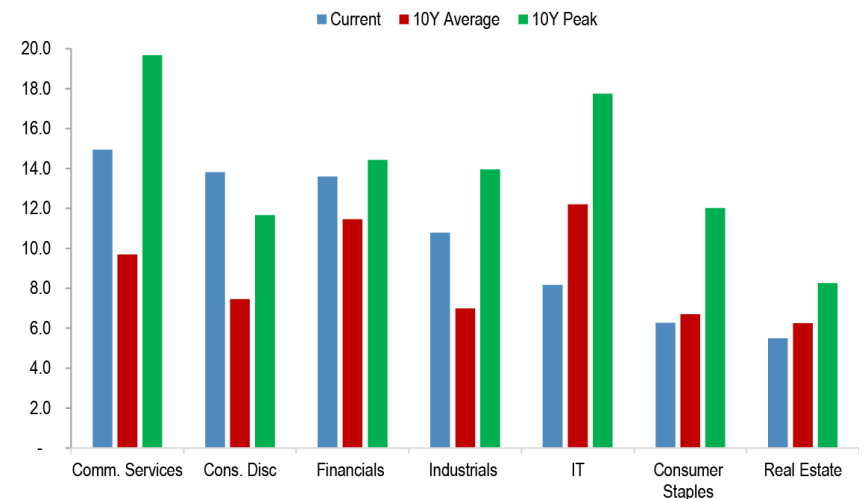
Source: Bloomberg Finance L.P.

Singapore equities still trade at a discount vs. global peers on a PB/ROE basis



Source: Bloomberg Finance L.P., J.P. Morgan.

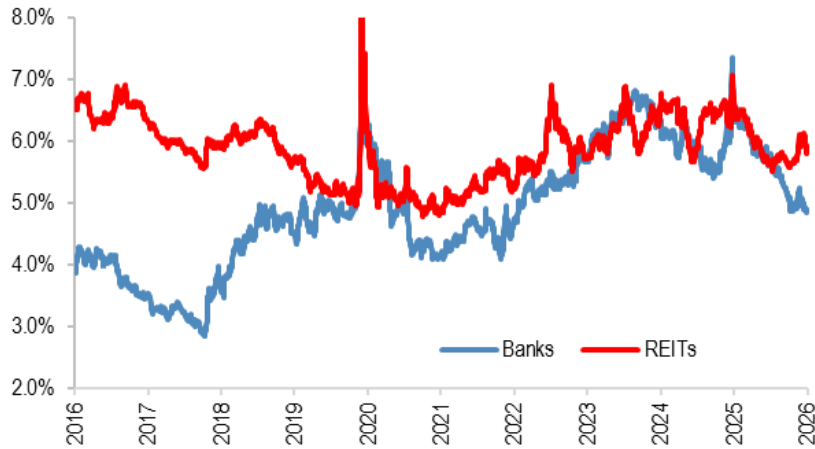
Sectors with ROE below the historical average – Real Estate, Consumer Staples, IT



Source: Bloomberg Finance L.P., J.P. Morgan.

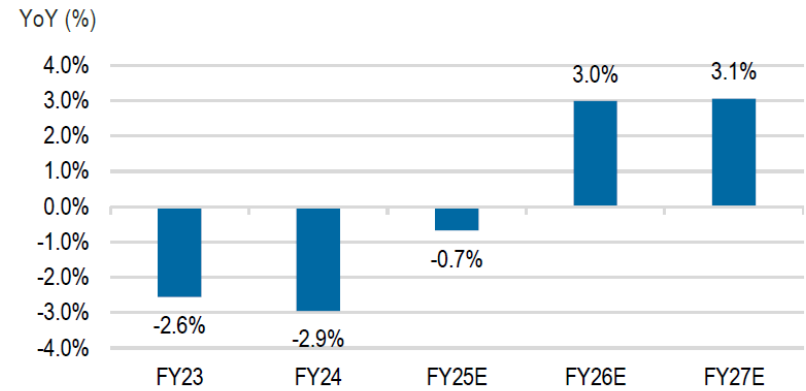
Singapore

S-REIT & banks yield (%)



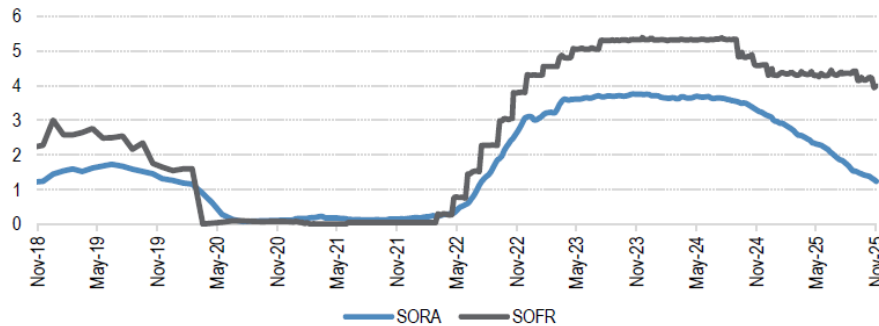
Source: Bloomberg Finance L.P., J.P. Morgan.

S-REIT DPU growth returning in 2026



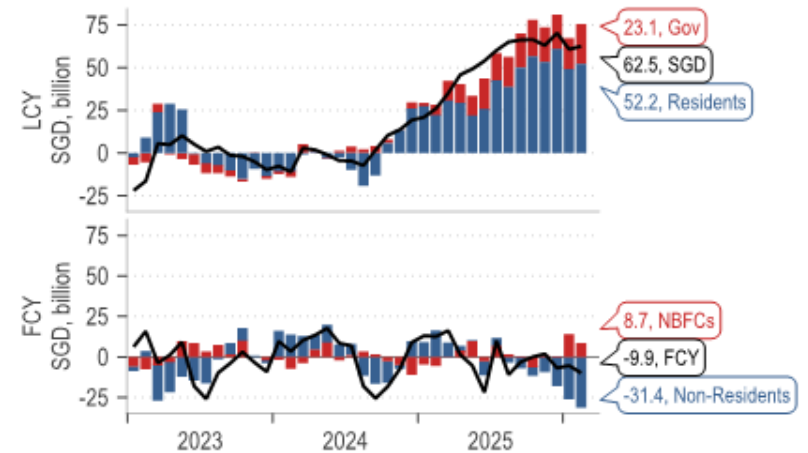
Source: Company reports, J.P. Morgan.

Singapore Banks: SORA vs SOFR



Source: Bloomberg Finance L.P.

Singapore Deposits flows



Source: MAS, J.P. Morgan.

Malaysia

- **Tailwinds:**

- Net energy exporters – resilient against energy crisis
- Resilient currency from trade surpluses and repatriation of investments
- Strong flows from domestic institutions
- Beneficiaries of AI adoption in tech supply chain & datacenter investment

- **Headwinds:**

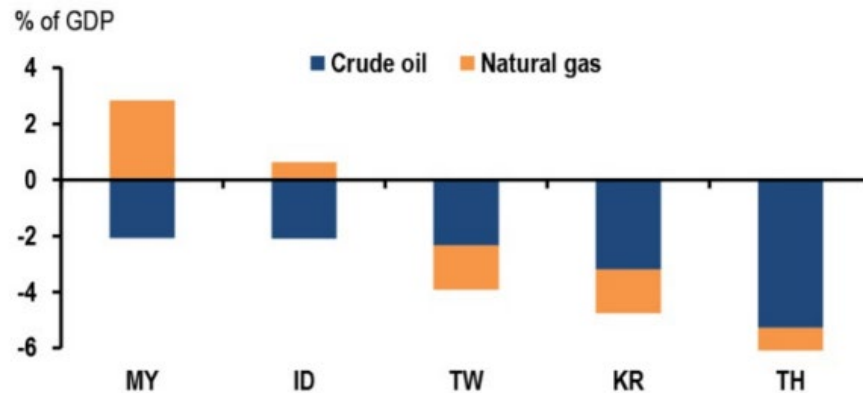
- Tariffs & weakening external demand weighing on exports and manufacturing.
- US tariffs policies impact on semiconductor supply chain.
- Relatively high PE vs. regional peers

- **Themes and catalysts to watch:**

- Middle East conflict development and energy prices
- Investment flows into AI datacenter and impact on tech supply chain.
- Government's rationalization of RON95 subsidy.
- Deployment of domestic fund managers into stock market.
- EPS revision trend.

Limited impact of energy crisis

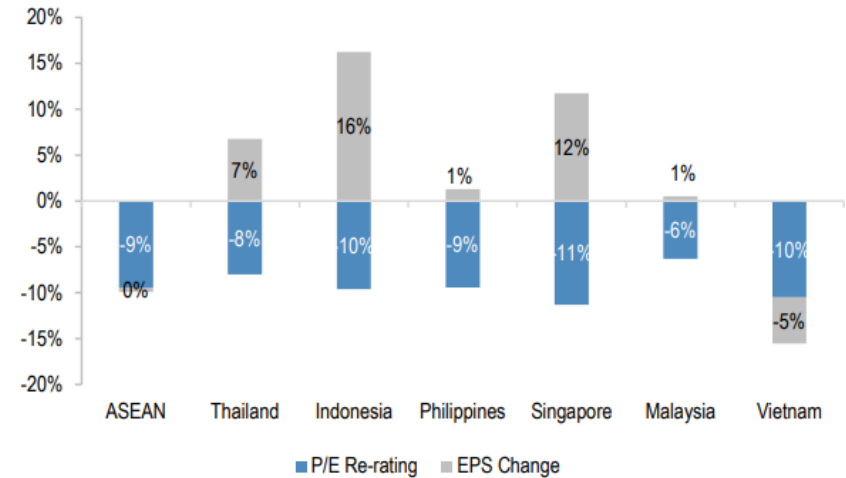
Cushion against energy shock as a net exporter



Source: CEIC Data, J.P. Morgan.

Malaysia sees the least valuation compression during the Russia - Ukraine conflict

% return breakdown - 6 months from start



Source: Bloomberg Finance L.P.

Fiscal impact of oil price shocks

Units as stated

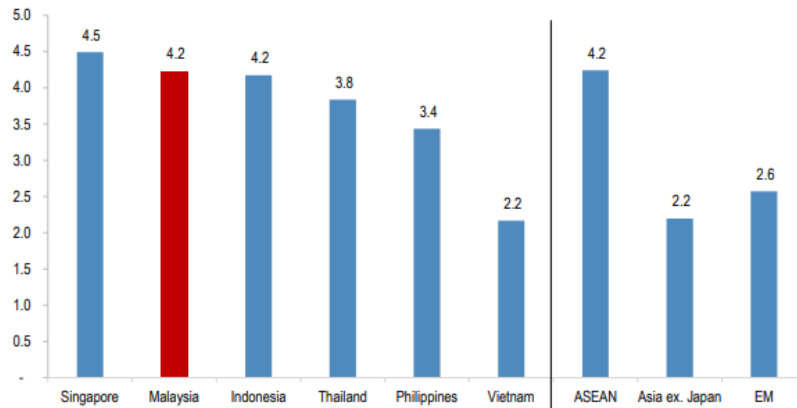
Brent (US\$/barrel)	Oil revenues MYRbn	RON-95 floating price MYR/liter	Subsidy MYR/liter	Subsidy bill MYRbn	Net oil revenues MYRbn	Chg in NOR MYRbn
40	13.6	2.0	0.0	-0.6	14.2	
50	17.1	2.2	0.2	3.9	13.2	-1.0
60	20.7	2.5	0.5	8.4	12.3	-0.9
70	24.3	2.7	0.7	13.0	11.4	-0.9
80	28.0	3.0	1.0	17.5	10.5	-0.9
90	31.7	3.2	1.2	22.0	9.7	-0.9
100	35.4	3.5	1.5	26.5	8.8	-0.8
110	39.1	3.7	1.7	31.1	8.0	-0.8
120	42.8	4.0	2.0	35.6	7.2	-0.8

Source: J.P. Morgan, Haver, CEIC, national statistical agencies. Oil revenues are a sum of petroleum tax revenues and royalties and exclude PETRONAS dividend. Assumptions: USDMYR=4.00; RON-95 subsidized price=199; and annual RON-95 consumption=18bn liters. Further details on request.

High yield, low beta, resilient growth

KLCI offers the 2nd highest dividend yield in ASEAN ...

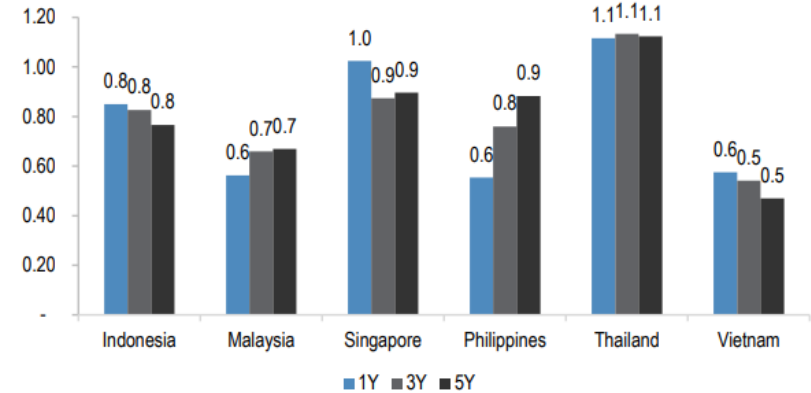
Dividend yield% - 2026 consensus estimates



Source: Bloomberg Finance L.P., J.P. Morgan.

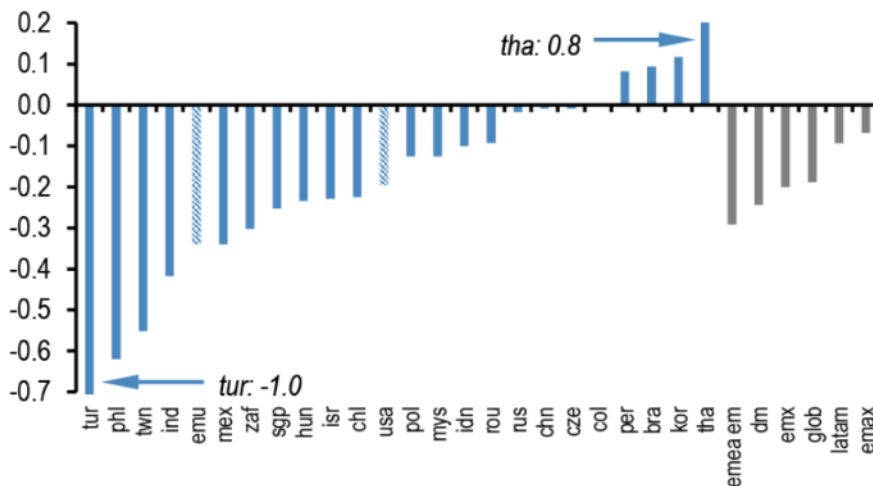
... and having one of the lowest beta

Beta vs. MSCI ASEAN - weekly returns



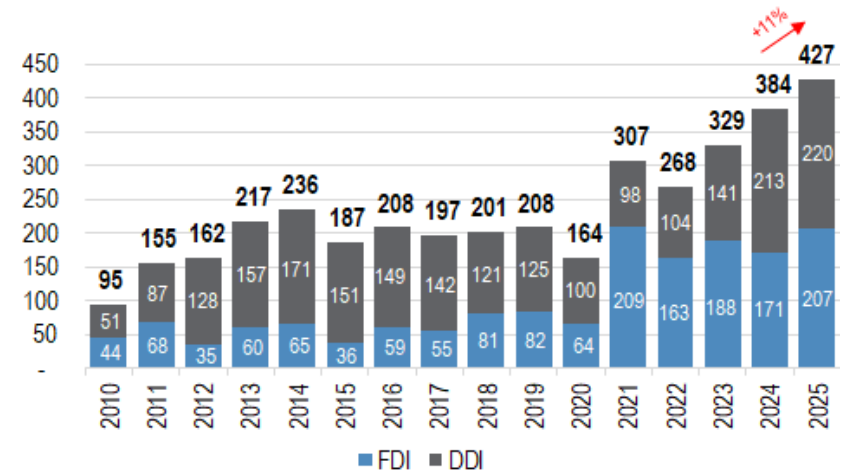
Source: Bloomberg Finance L.P., J.P. Morgan.

Limited GDP revision since start of Middle East conflict



Source: J.P. Morgan. EMX excludes China, EMAX excludes China and India..

Malaysia's total approved investments +11% y/y in 2025 to RM427bn



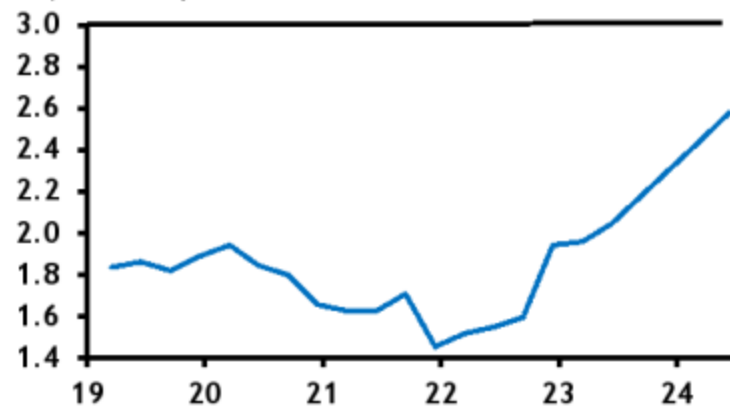
Source: MIDA.

Balanced budget enhance stability

Deficit consolidation continues amid strong SST streams...

Malaysia Sales & Services (SST) tax revenue

% of GDP, 4qma

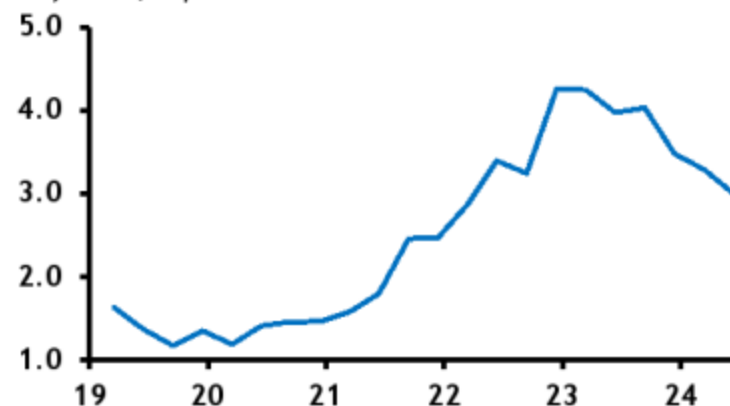


Source: DoS, MoF, J.P. Morgan

...but subsidy expenditures remain elevated

Malaysia subsidy expenditure

% of GDP, 4qma



Source: DoS, MoF, J.P. Morgan

2026 deficit pegged at 3.5% of GDP, but current level of oil prices, if sustained, could add 0.1%-pt to the deficit

Table 2: Malaysia budget

% of GDP

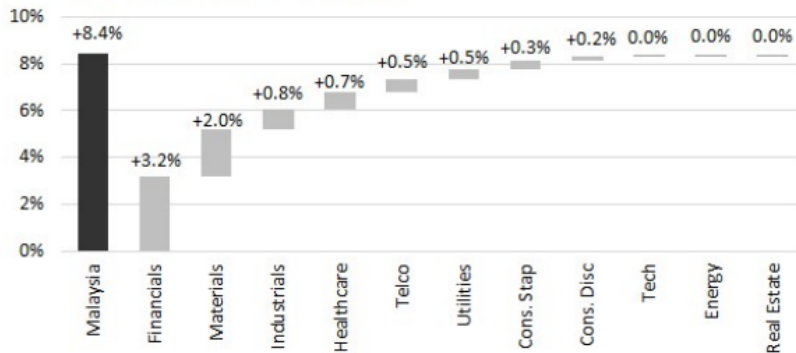
	2023	2024	2025e	2025r	2026f	26f less 25r
1. Revenue (a+b)	17.3	16.8	16.3	16.6	16.1	-0.4
a. Tax	12.9	13.2	12.4	12.6	12.7	0.1
i. Direct	9.4	8.9	5.1	4.8	4.9	0.0
Corporate	5.0	4.8	5.1	4.8	4.9	0.0
Individual	2.1	2.1	2.1	2.2	2.3	0.1
Petroleum	1.4	1.1	1.0	0.8	0.7	-0.1
Others	0.9	0.9	-3.1	-3.1	-3.0	0.0
ii. Indirect	3.2	3.5	3.4	3.8	3.9	0.1
SST	1.9	2.3	2.2	2.7	2.8	0.2
Others	1.2	1.2	1.1	1.1	1.1	0.0
b. Non-tax	4.3	3.6	3.9	4.0	3.4	-0.6
i. Investment income	3.1	2.4	2.3	2.5	1.7	-0.8
iii. Others	1.3	1.3	1.6	1.5	1.7	0.2
2. Expenditure (a+b+c)	22.3	20.9	20.2	20.4	19.6	-0.7
a. Current	17.1	16.6	16.1	16.5	15.9	-0.6
i. Emoluments	5.0	5.0	5.1	5.1	5.1	0.0
ii. Pensions	1.9	1.9	1.9	2.0	2.0	0.0
iii. Debt service	2.5	2.6	2.6	2.7	2.7	0.0
iv. Subsidies	4.3	3.5	2.5	2.8	2.3	-0.5
v. Others	3.4	3.7	3.9	3.8	3.7	-0.1
b. Development	5.2	4.3	4.1	3.9	3.7	-0.2
3. Overall balance (1-2)	-5.0	-4.1	-3.8	-3.8	-3.5	0.3
4. Primary balance	-2.5	-1.5	-1.2	-1.1	-0.8	0.3

Source: MoF, J.P. Morgan

Positive EPS growth on the back of strong currency

Consensus expect Malaysia's earnings growth to be +8% in 2026E

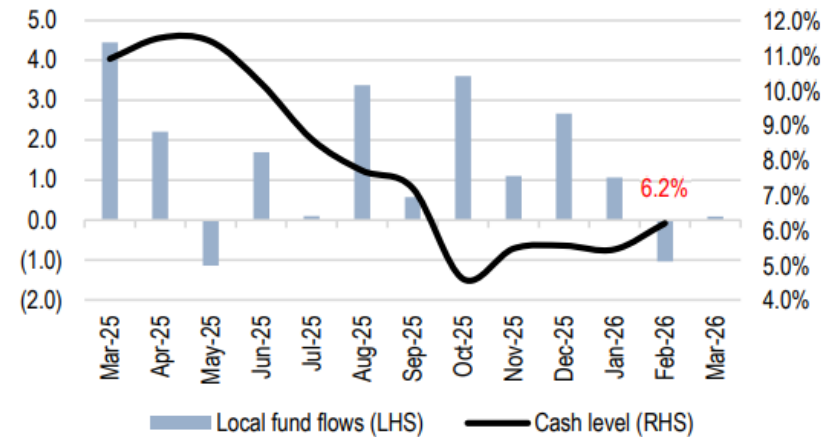
2026E earnings growth forecasts - consensus



Source: Bloomberg Finance L.P., J.P. Morgan. Note: We screen earnings of a group of 59 stocks with 1) a minimum market capitalization of US\$500m; and 2) covered by at least 5 analysts in determining the quality of earnings forecasts

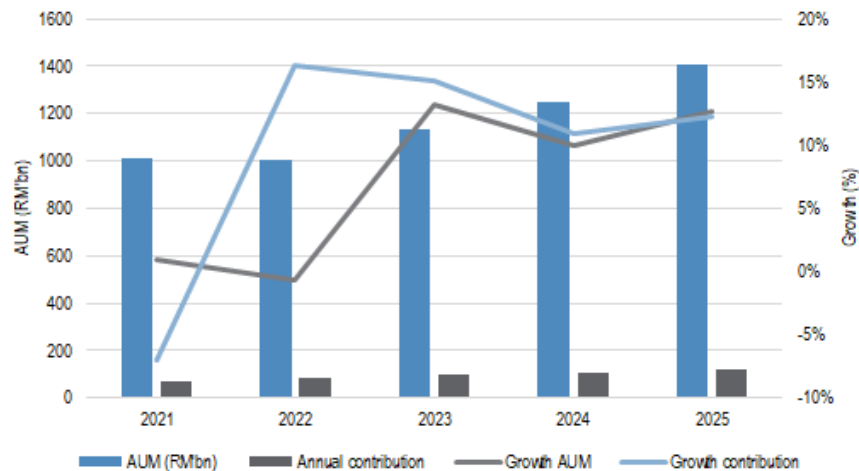
Domestic mutual funds' +0.7ppt cash in Feb-2026 to 6.2%

RM bn



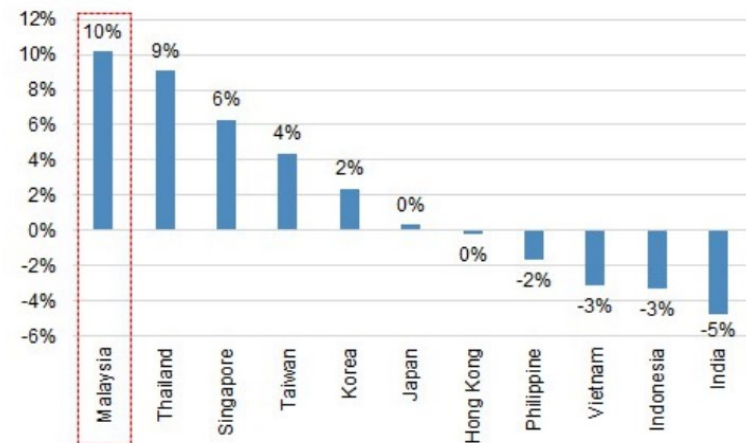
Source: Dibot, Mutual fund factsheets, J.P. Morgan.

Domestic flows from EPF would prevent sharp draw down



MYR outperformance is expected to extend into 2026

% change in FX vs USD in 2025



Vietnam

- **Tailwinds:**

- Positive development from government reform – Doi Moi 2.0. This is expected to boost: (1) Private sector economy, (2) Public infrastructure investment, and (3) Capital market development.
- Strong growth momentum with 2025 GDP growth at ~8% and government strong fiscal disbursement in 2026
- Inflows from reclassification from Frontier Market to Emerging market.
- Supply chain shift from China + 1 strategy

- **Headwinds:**

- Tariffs & weakening external demand weighing on exports and manufacturing
- Loose monetary policies lead to currency depreciation
- Risk of disruption/delay in fiscal spending due to reform
- High level of margin loan by retail investors

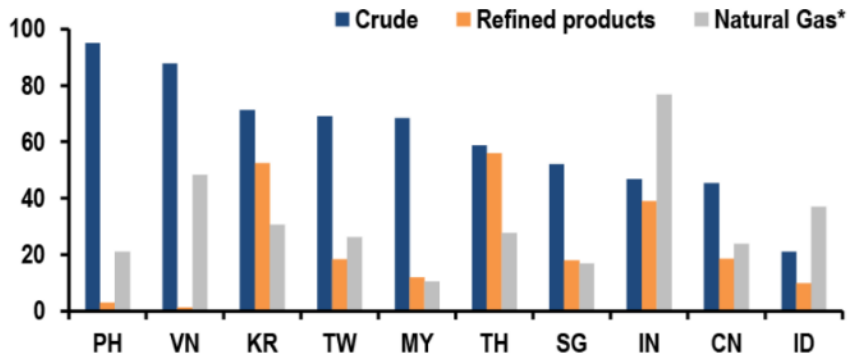
- **Themes and catalysts to watch:**

- Middle East conflict development and oil prices
- Potential MSCI watch list in 2026.
- Announcement of major infrastructure projects that benefit industrial players.
- Personal income tax reform to boost consumption.

Vietnam

Vietnam's dependence on energy imports from the Middle East

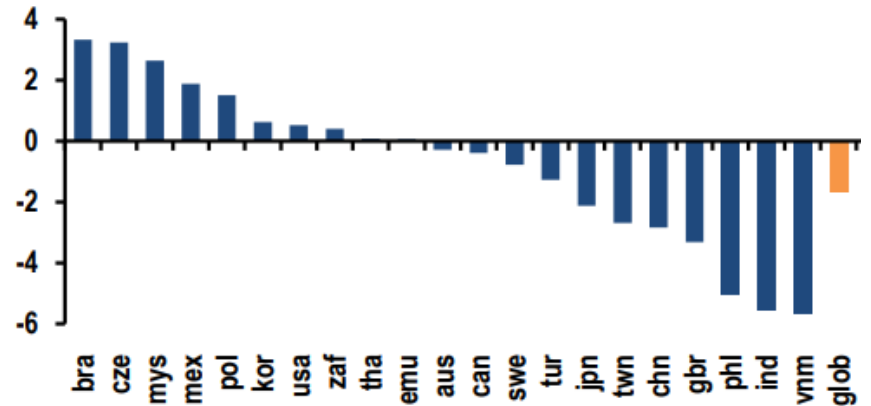
% of total imports, US\$ terms, 2024



Source: ITC Trade Map, United Nations, J.P. Morgan Economics.

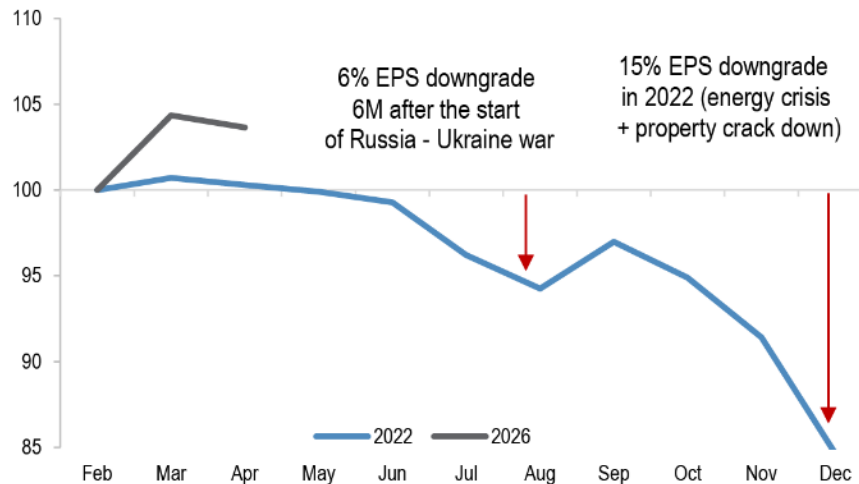
Broad-based drop in output PMIs in March

DI-pts; change: February to March 2026



Source: S&P Global, J.P. Morgan.

Earnings revision trends - 2022 vs. 2026



Source: Bloomberg Finance L.P., J.P. Morgan

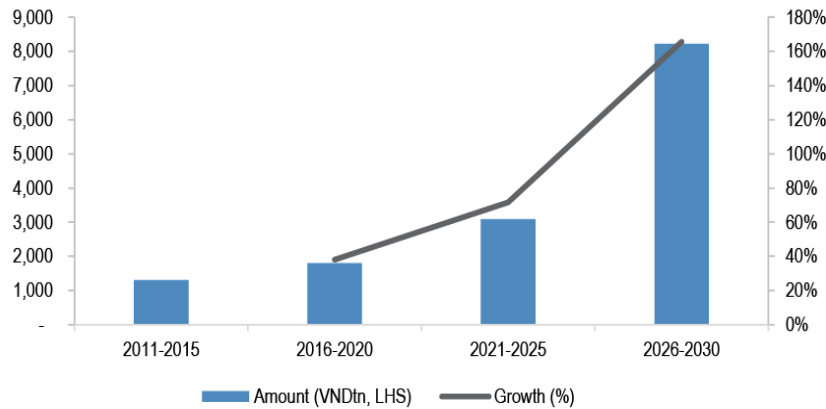
Earnings growth by sector

Sector	2026E		2027E	
	VND bn	Y/Y Growth	VND bn	Y/Y Growth
Real Estate	62,690	-5%	77,514	24%
Financials	302,766	18%	362,474	20%
Materials	32,423	33%	38,077	17%
Consumer Staples	23,528	13%	26,167	11%
Utilities	19,811	-5%	21,335	8%
Consumer Discretionary	15,102	19%	18,075	20%
Information Technology	11,469	16%	12,586	10%
Industrials	26,793	14%	30,616	14%
Energy	4,427	17%	5,042	14%
Health Care	1,313	73%	1,452	11%
VN-Index	500,323	14%	593,338	19%

Source: J.P. Morgan, CEIC Data.

Vietnam

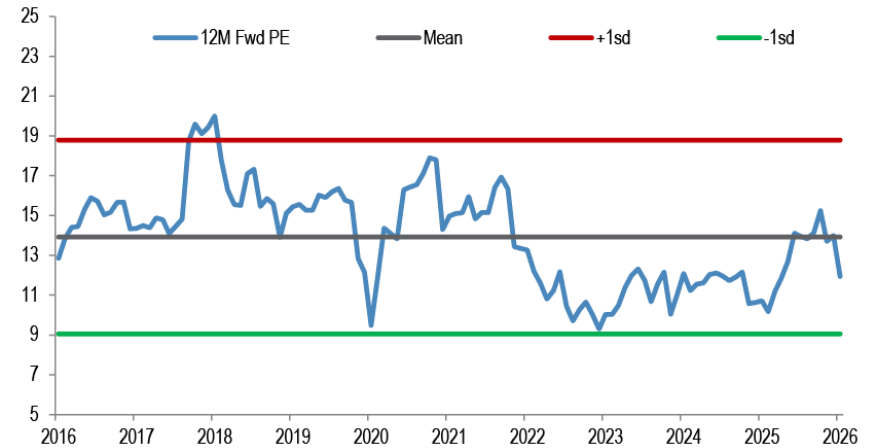
Government plan to boost public investment by nearly 3x in 2026-2030 vs. 2021-2025



Source: J.P. Morgan, CEIC Data.

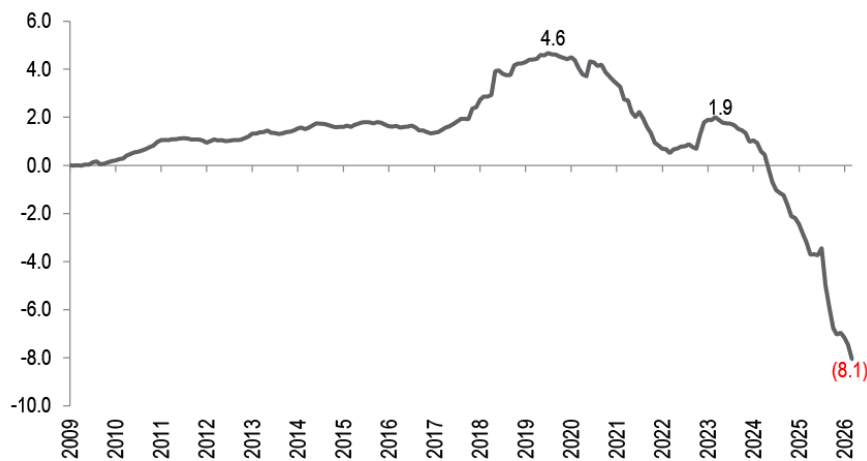
VN-Index valuation remains at undemanding level

12M Forward P/E



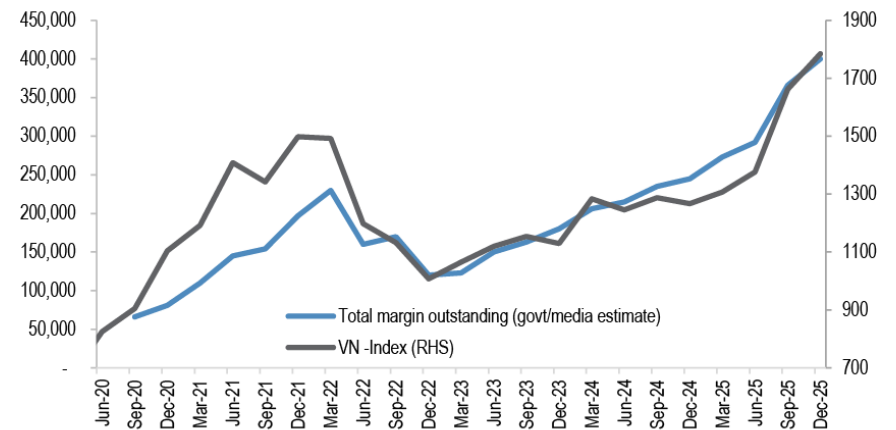
Source: Bloomberg Finance L.P., J.P. Morgan.

More than US\$8bn foreign outflows in last 2 years



Source: Bloomberg Finance L.P.

Retail investors leverage



Source Bloomberg Finance L.P.

Philippines

- **Tailwinds:**

- Domestic-oriented economy sheltered from external volatilities
- High beta currencies with USD weakness
- Compressed valuation with PE <10x, 2SD lower than 10Y mean

- **Headwinds:**

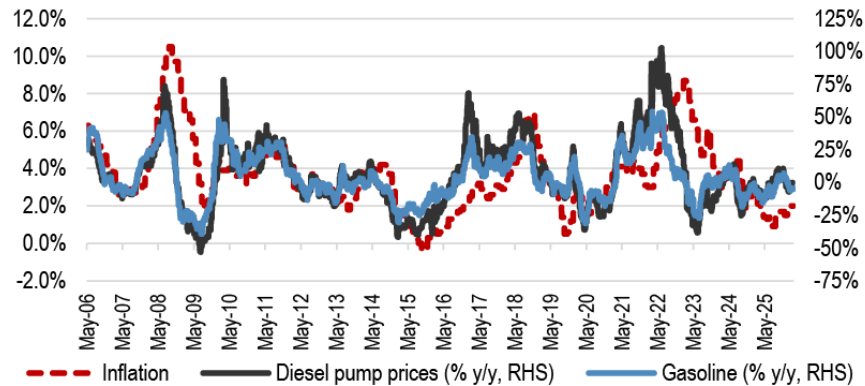
- Large energy deficits, dependent on imports from Middle East
- Twin deficit economy, vulnerable to currencies movements
- Political uncertainties (recent corruption cases, rifts among government leaders)
- Low liquidity limit investment choices

- **Themes and catalysts to watch:**

- Middle East conflict development and oil prices
- Consumption recovery following rate cuts, supporting EPS growth
- Stabilization of political uncertainties.
- Flows reversal back to EM lead to currency strength

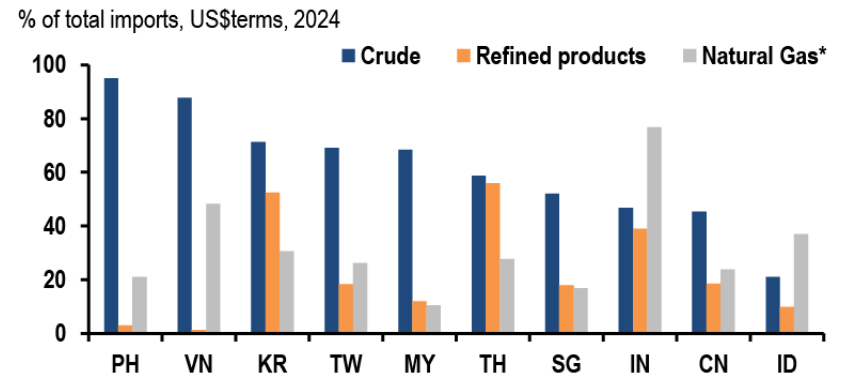
Philippines

Inflation closely linked to oil price



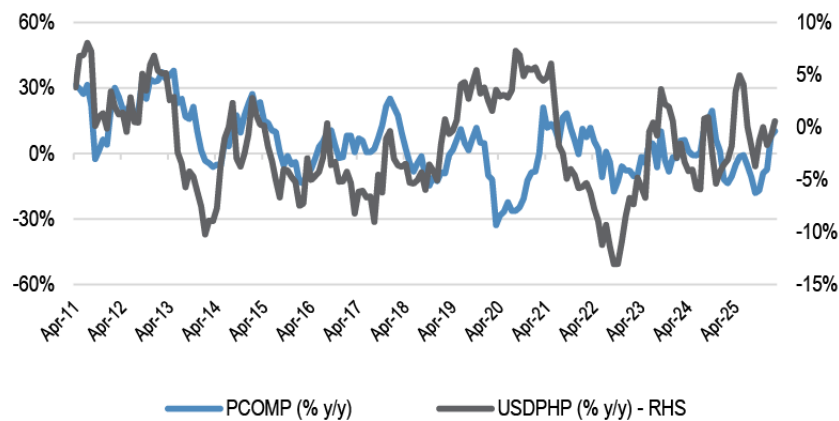
Source: CEIC, BSP.

High import exposure to the Middle East



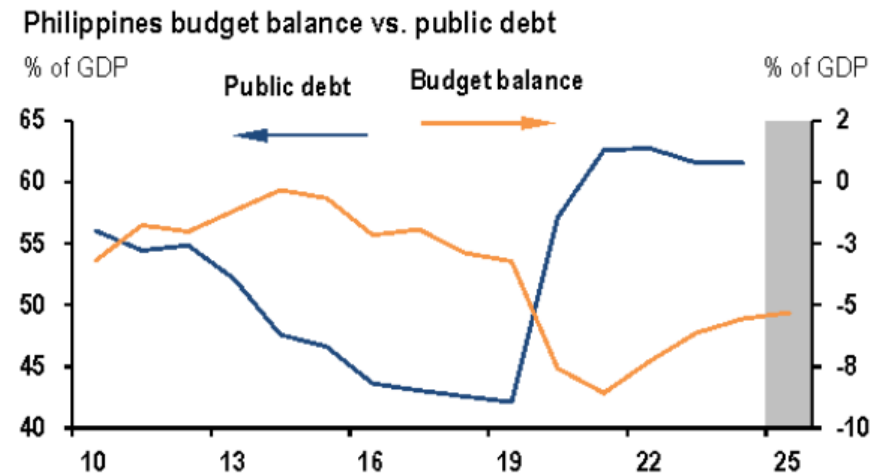
Source: ITC Trade Map, United Nations, J.P. Morgan Economics.

Rebounding of USD is a near-term headwinds



Source: Bloomberg Finance L.P.

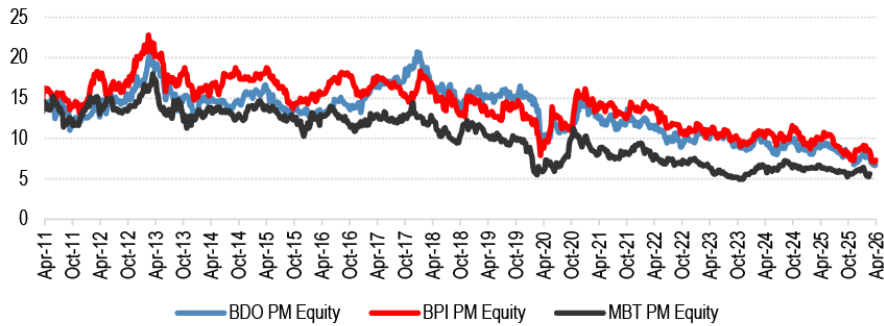
Budget deficits and public debt ratios stay elevated



Source: CEIC, J.P. Morgan forecast in shaded region

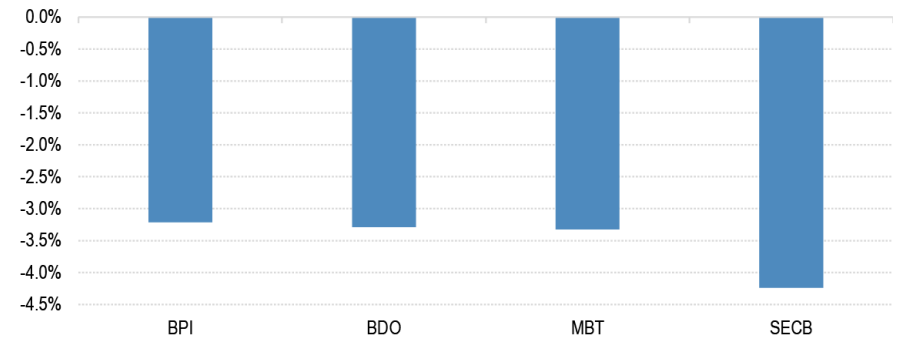
Philippines

Philippine Banks' 12m fwd PE trends



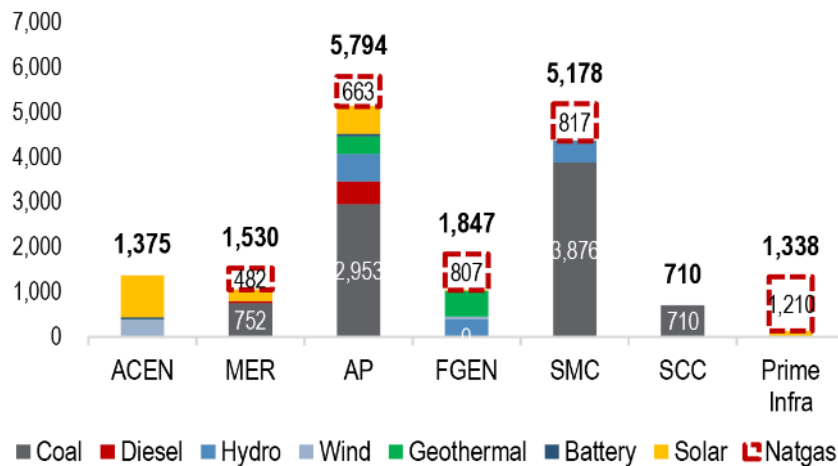
Source: Bloomberg Finance L.P.

Philippine Banks' EPS sensitivity to 10bps higher credit costs



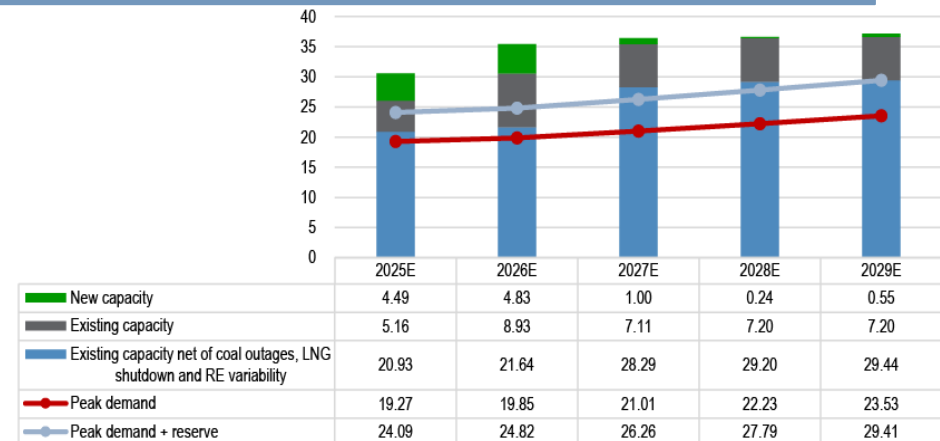
Source: J.P. Morgan.

PH Gencos: Attributable capacity mix



Source: Company reports and J.P. Morgan estimates.

Sufficient power supply even with a theoretical LNG-fired power plant shutdown, typical coal outages and RE variability



Source: DOE, J.P. Morgan Estimates

Indonesia

- **Tailwinds:**

- Metals prices boost earnings of Indonesia miners' stocks
- High beta currency with USD weakness
- Government launching targeted stimulus to boost consumption
- Monetary policy easing with BI rate cuts

- **Headwinds:**

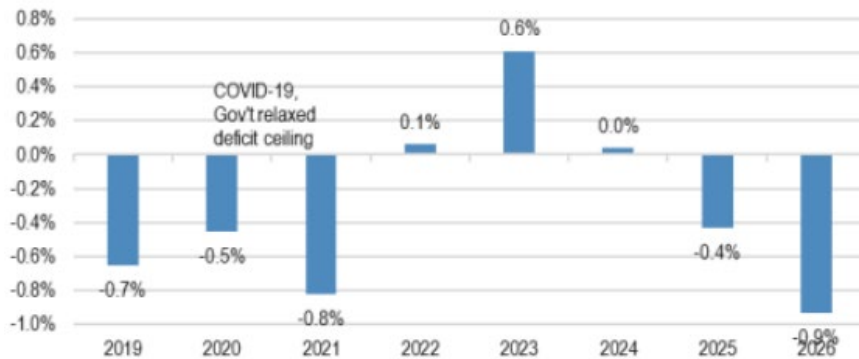
- Weak liquidity environment strain banking system
- Low government revenue create fiscal constraint and limit spending
- Relatively crowded position with foreign investors holding largest OW in Indo banks
- China exports increase competition of domestic producers

- **Themes and catalysts to watch:**

- Middle East conflict development and oil prices
- Consumption recovery
- EPS revision trend.
- Government investment into growth-accretive & job-generating projects to meet President Prabowo 8% GDP medium term target.
- USD/interest rate movements that impact liquidity

Indonesia

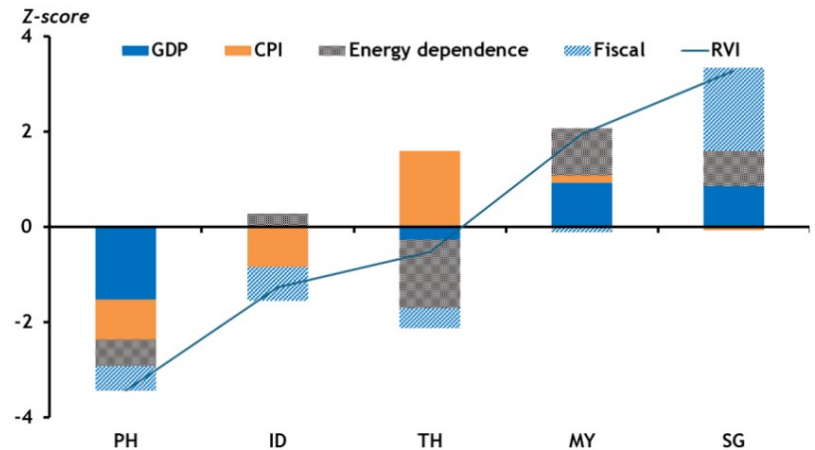
3M budget deficit vs history – we are at widest deficit even vs 2021



Source: MOF, CEIC, J.P. Morgan Estimates

Relative vulnerable in an energy supply shock

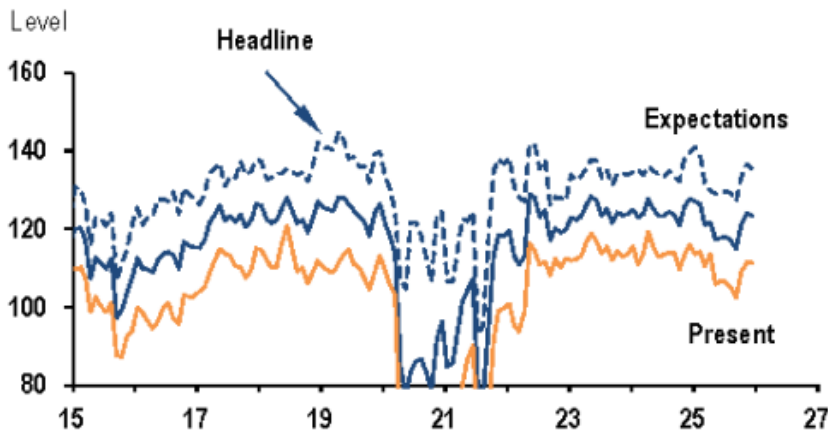
ASEAN relative vulnerability index (RVI)



Source: MOF, CEIC, J.P. Morgan Estimates

After a brief hit in 1H25, consumer sentiment has recovered...

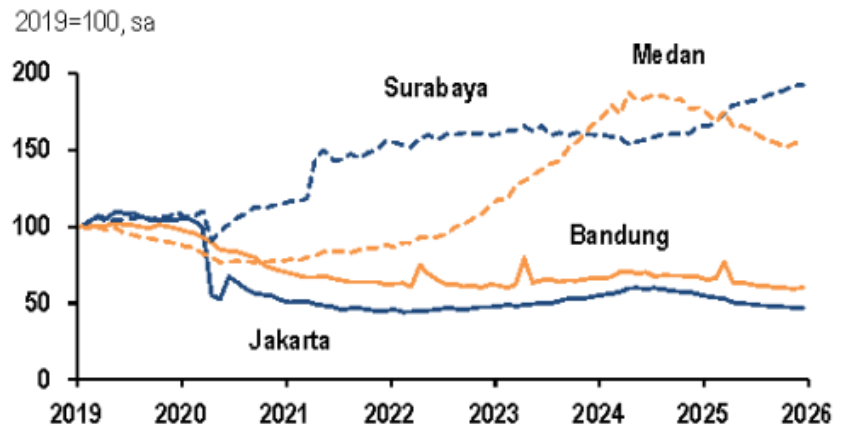
Indonesia consumer confidence index



Source: CEIC, J.P. Morgan.

... however, spending remains on a multi-year downtrend

Indonesia retail sales index by province

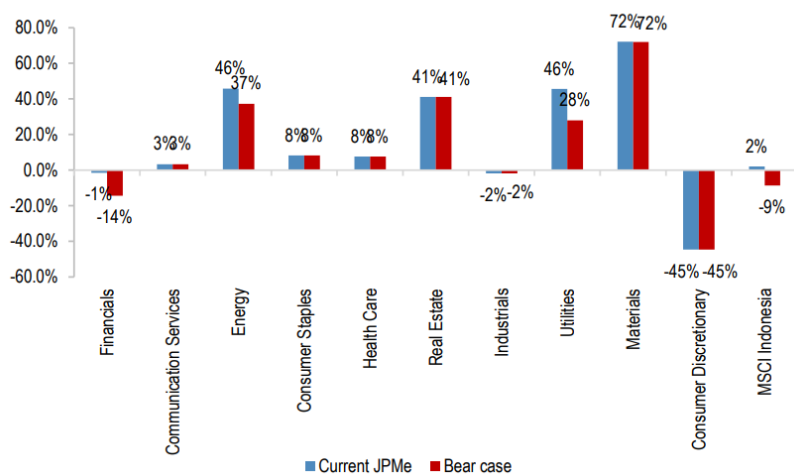


Source: CEIC, J.P. Morgan.

Indonesia

c.11% negative EPS impact in a bear case

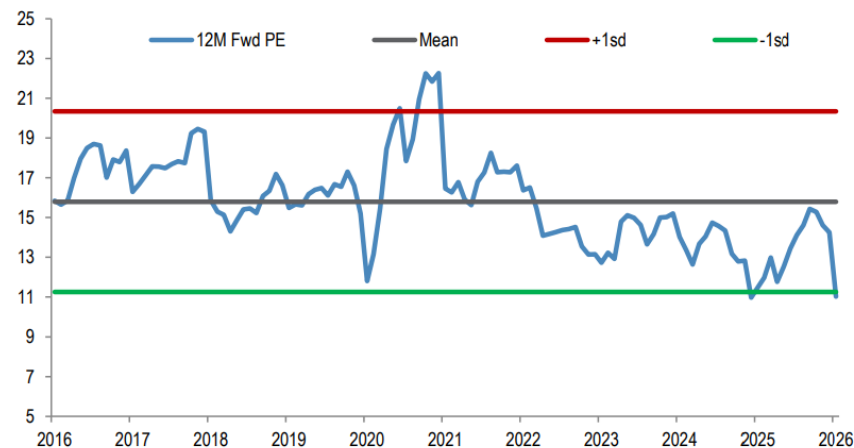
2026E EPS growth = (%y/y)



Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Valuation at record low

MSCI Indonesia 12M forward PE



Source: Bloomberg Finance L.P.

Nickel & gold prices leading Indonesia materials sector

	ANTM			INCO			MDKA		
	FY26	FY27	Dec-26 PT	FY26	FY27	Dec-26 PT	FY26	FY27	Dec-26 PT
+1 USD increase in saprolite price	1.9%	1.7%	1.8%	1.4%	1.3%	1.2%			
+1 USD increase in limonite price				2.9%	3.4%	3.7%	1.6%	1.5%	0.6%
+1mn wmt increase in saprolite volume	4.4%	3.5%	3.9%	6.9%	4.1%	3.7%			
+1mn wmt increase in limonite volume				1.2%	0.9%	0.3%	0.6%	0.4%	0.2%
+100 USD increase in gold price	1.5%	1.5%	1.5%				3.3%	2.6%	2.1%
+100 USD increase in NPI, Matte & FeNi	0.3%	0.5%	0.4%	1.4%	0.8%	1.2%	0.6%	0.4%	0.2%
+100 USD increase in MHP price				0.6%	0.9%	1.2%	0.6%	0.7%	1.5%

Source: J.P. Morgan estimates

Thailand

- **Tailwinds:**

- Strong signs of government stability and reform
- Consumption supports roll out by new government (Half-Half program, domestic tourism support)
- Currency strength supported by current account surplus and gold flows
- Improve in dividend payout/buyback from banking sector

- **Headwinds:**

- Weak tourism recovery, rising competition of other tourism destination.
- Energy net importers + limited fiscal room to manage
- Weak GDP growth overall (1-3% y/y), aging demography
- Tariffs & weakening external demand weighing on exports and manufacturing
- Relatively high PE vs. regional peers

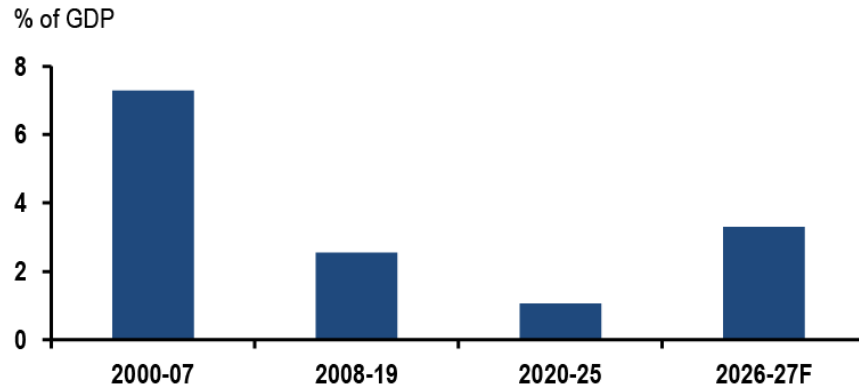
- **Themes and catalysts to watch:**

- Middle East conflict development and oil prices
- Domestic consumption recovery.
- Announcement of dividends and buybacks.
- EPS revision trend.

Thailand

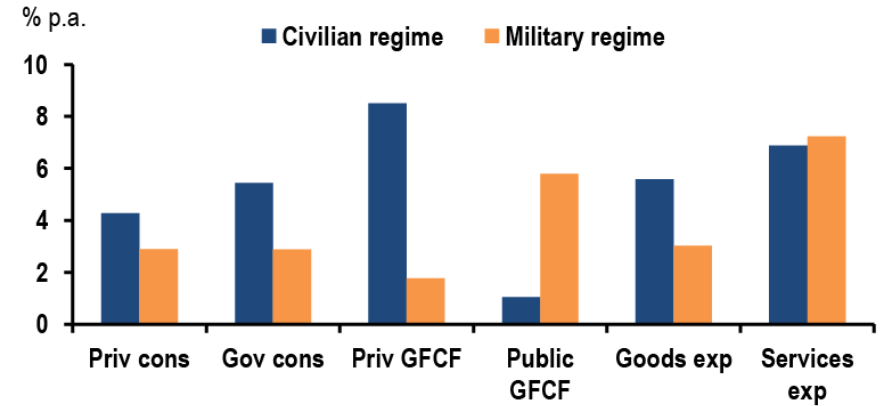
Political stability to drive investment & growth

Thailand gross fixed capital formation



Source: CEIC, J.P. Morgan.

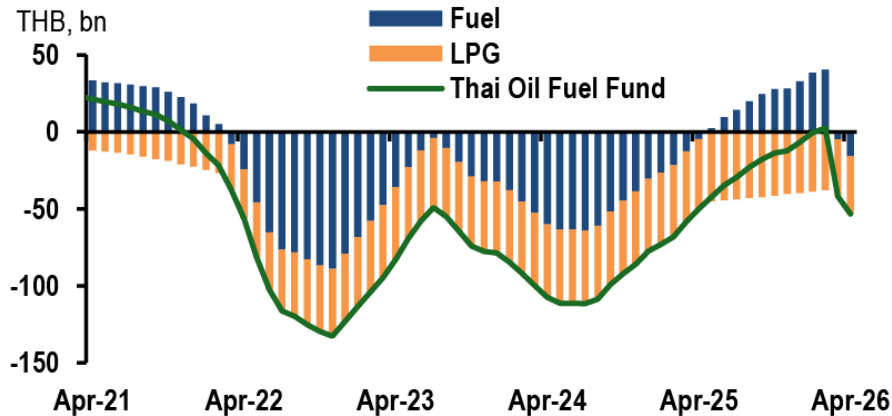
Thai GDP components under different regimes



Source: CEIC, J.P. Morgan

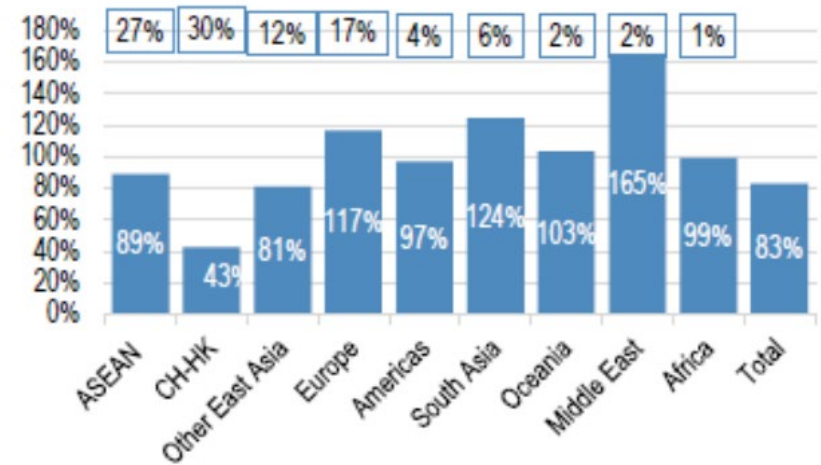
However, oil supply shock is a near-term headwinds...

Figure 1: Thailand - Thai Oil Fuel Fund balance



Source: OFFO, J.P. Morgan. Note: Data are based on the end of last week each month.

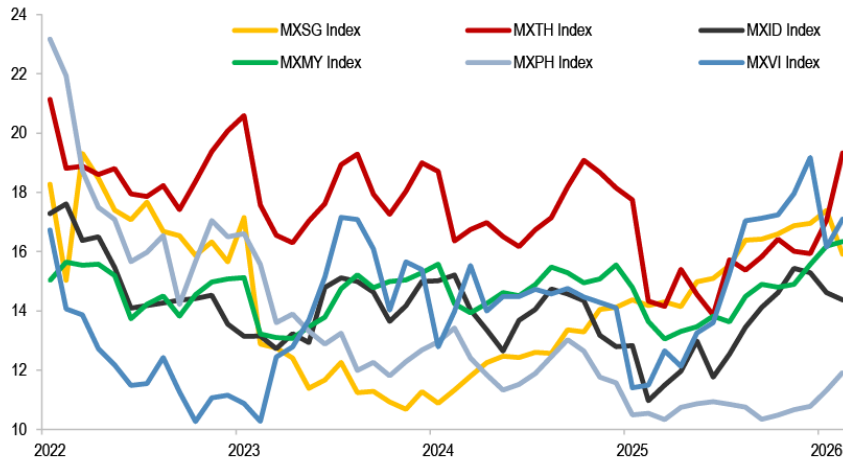
... that could also weigh on tourism inflows



Source: Ministry of Tourism and Sports. Note % numbers in the box represent the % mix in 2019 tourist arrivals

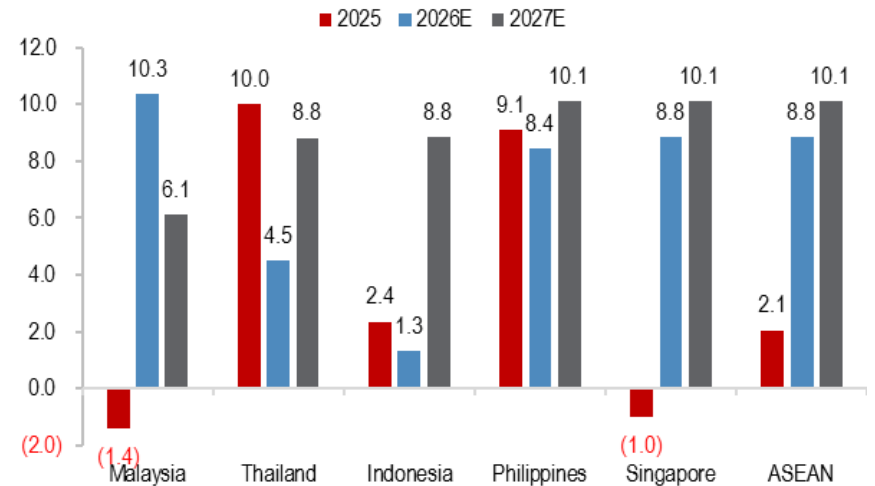
Thailand

MSCI Thailand valuation is now the highest in ASEAN



Source: Bloomberg Finance L.P., J.P. Morgan

EPS growth (%/y)



Source: Bloomberg Finance L.P., J.P. Morgan.

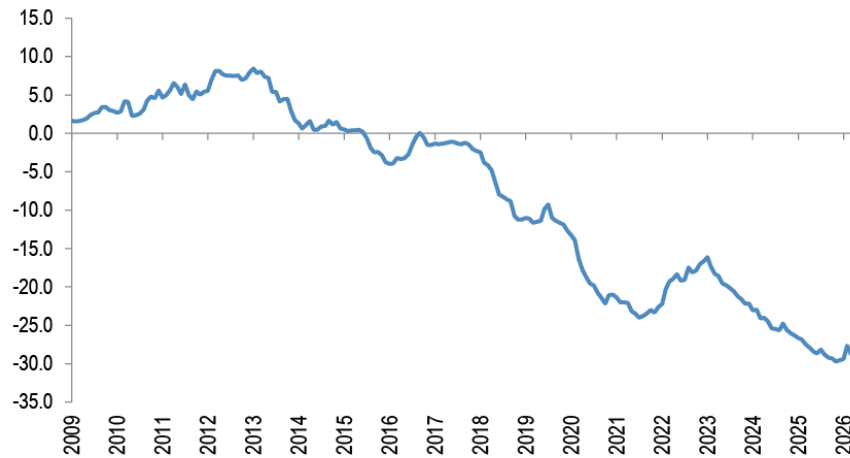
Thailand EPS revision trend.

	2026				2027			
	1M	3M	6M	12M	1M	3M	6M	12M
EM	4.9	14.6	22.6	22.7	5.6	17.0	26.1	25.3
APxJ	4.8	15.0	23.4	23.0	5.7	18.1	27.7	27.5
ASEAN	(2.5)	(3.2)	(4.2)	(6.2)	(2.5)	(3.1)	(3.8)	(3.7)
Thailand	0.6	0.4	1.8	(5.7)	(0.1)	0.4	2.4	(3.5)
Thailand Energy	5.9	6.4	5.6	(3.9)	3.2	6.8	6.3	0.7
Thailand IT	1.7	3.4	23.1	39.9	3.9	0.1	29.2	69.1
Thailand Utilities	1.4	6.2	NA	NA	0.6	6.3	3.2	NA
Thailand Comm. Svs.	0.9	4.3	9.5	20.5	(1.0)	3.4	8.6	19.2
Thailand Real Estate	(0.6)	1.8	0.1	0.3	(0.7)	1.8	0.1	1.8
Thailand Industrials	(0.8)	(2.5)	8.9	(21.3)	(0.6)	5.3	41.1	8.2
Thailand Cons Staples	(1.4)	(5.6)	(5.1)	(5.5)	(1.7)	(5.9)	(3.6)	(5.2)
Thailand Healthcare	(1.4)	(3.0)	(3.5)	(7.5)	(1.1)	(2.6)	(3.9)	(8.5)
Thailand Materials	(1.4)	(13.9)	(23.5)	(39.3)	(1.6)	(12.3)	(23.0)	(33.2)
Thailand Cons Disc	(5.8)	(2.5)	3.1	(7.9)	(5.8)	(2.0)	3.8	(8.1)
Thailand Financials	(3.4)	(4.8)	(2.2)	(5.6)	(2.4)	(3.8)	(3.4)	(7.0)

Source: MSCI, IBES, LSEG Workspace, J.P. Morgan.

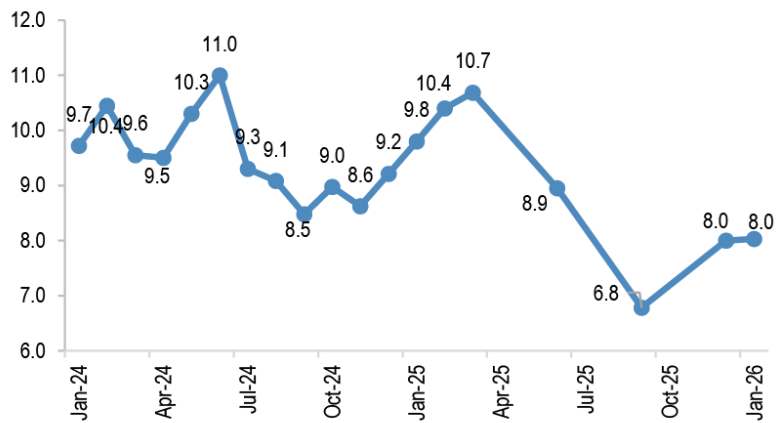
Thailand

Cumulative foreign flows to Thailand equities (US\$bn)



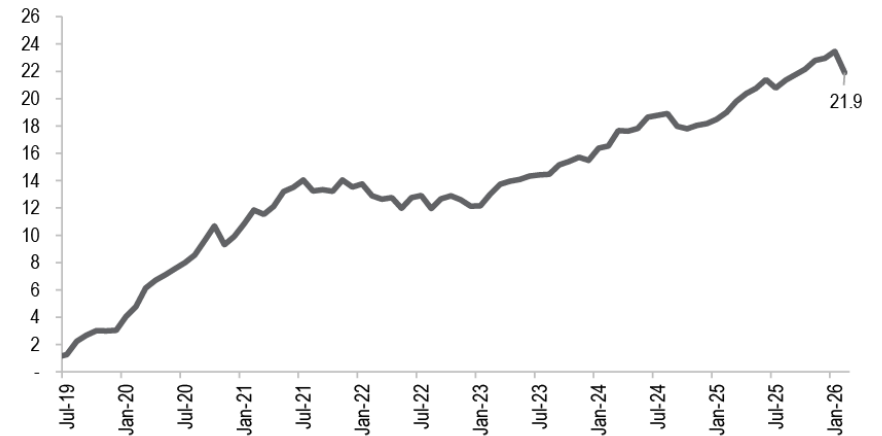
Source: Bloomberg Finance L.P., J.P. Morgan

Domestic funds raised cash holdings



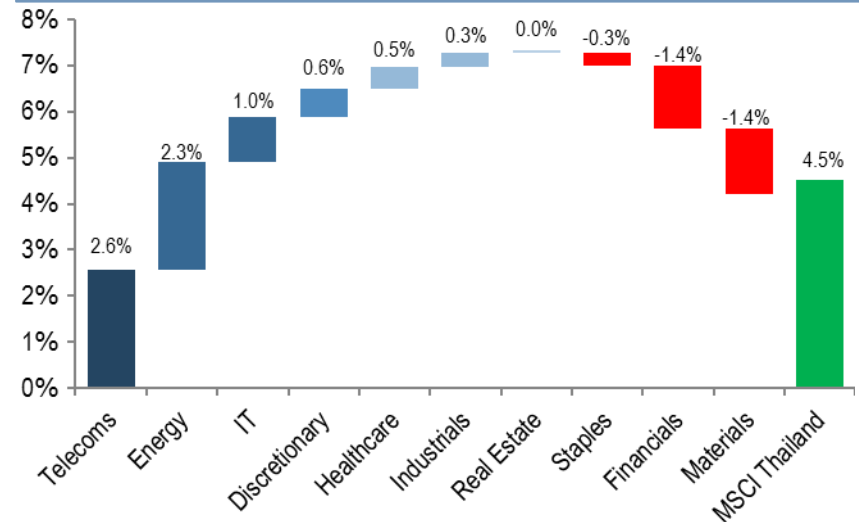
Source: J.P. Morgan, funds factsheet.

Accumulated flows by Thai retail investors since January 2018 (US\$ bn)



Source: Bloomberg Finance L.P., J.P. Morgan. Data as of March 2026.

MSCI Thailand – earnings growth contribution by sector



Source: LSEG Workspace, MSCI, IBES, J.P. Morgan

Disclosures

Companies Discussed in This Report (all prices in this report as of market close on 24 April 2026, unless otherwise indicated)
Akeso(9926.HK/HK\$131.60/OW), Innovent Biologics (1801)(1801.HK/HK\$85.80/OW), Kelun Biotech(6990.HK/HK\$477.80/OW)

Analyst Certification: The Research Analyst(s) denoted by an “AC” on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an “AC” on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst’s personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst’s compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst’s analysis was made in good faith and that the views reflect the Research Analyst’s own opinion, without undue influence or intervention.

All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

Important Disclosures

- **Market Maker/ Liquidity Provider:** J.P. Morgan is a market maker and/or liquidity provider in the financial instruments of/related to Kelun Biotech or related entities.
- **Market Maker/ Liquidity Provider (Hong Kong):** J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited and/or an affiliate is a market maker and/or liquidity provider in the securities of Akeso, Innovent Biologics (1801) or related entities and/or warrants or options thereon, which are listed or traded on The Stock Exchange of Hong Kong Limited.
- **Client:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients: Akeso, Innovent Biologics (1801), Kelun Biotech or related entities.
- **Client/Non-Investment Banking, Securities-Related:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients, and the services provided were non-investment-banking, securities-related: Innovent Biologics (1801) or related entities.
- **Client/Non-Securities-Related:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients, and the services provided were non-securities-related: Innovent Biologics (1801) or related entities.
- **Potential Investment Banking Compensation:** J.P. Morgan expects to receive, or intends to seek, compensation for investment banking services in the next three months from Akeso, Innovent Biologics (1801), Kelun Biotech or related entities.
- **Non-Investment Banking Compensation Received:** J.P. Morgan has received compensation in the past 12 months for products or services other than investment banking from Innovent Biologics (1801) or related entities.
- **Debt Position:** J.P. Morgan may hold a position in the debt securities of Akeso, Innovent Biologics (1801), Kelun Biotech or related entities, if any.

Company-Specific Disclosures: J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Important disclosures, including price charts and credit opinion history tables (if applicable), are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting <https://www.jpmm.com/research/disclosures>, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

Disclosures

Kelun Biotech (6990.HK, 6990 HK) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.

Initiated coverage Dec 16, 2024. All share prices are as of market close on the previous business day.

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.

J.P. Morgan ratings or designations: OW = Overweight, N= Neutral, UW = Underweight, NR = Not Rated

Date	Rating	Price (HK\$)	Price Target (HK\$)
16-Dec-24	OW	187.60	240
26-Mar-25	OW	255.00	316
20-Aug-25	OW	456.00	499
24-Nov-25	OW	426.60	545
25-Mar-26	OW	421.00	535

Explanation of Equity Research Ratings, Designations and Analyst(s) Coverage Universe:

J.P. Morgan uses the following rating system: Overweight (over the duration of the price target indicated in this report, we expect this stock will outperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); Neutral (over the duration of the price target indicated in this report, we expect this stock will perform in line with the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); and Underweight (over the duration of the price target indicated in this report, we expect this stock will underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe. NR is Not Rated. In this case, J.P. Morgan has removed the rating and, if applicable, the price target, for this stock because of either a lack of a sufficient fundamental basis or for legal, regulatory or policy reasons. The previous rating and, if applicable, the price target, no longer should be relied upon. An NR designation is not a recommendation or a rating. Some stocks under coverage have a rating but no price target; in these cases, we expect the stock will outperform/perform in line/underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe of the relevant duration of the region. In our Asia (ex-Australia and ex-India) and U.K. small- and mid-cap Equity Research, each stock's expected total return is compared to the expected total return of a benchmark country market index, not to those Research Analysts' coverage universe. If it does not appear in the Important Disclosures section of this report, the certifying Research Analyst's coverage universe can be found on J.P. Morgan's Research website, <https://www.jpmorganmarkets.com>.

Disclosures

J.P. Morgan Equity Research Ratings Distribution, as of April 04, 2026

	Overweight (buy)	Neutral (hold)	Underweight (sell)
J.P. Morgan Global Equity Research Coverage*	51%	37%	12%
IB clients**	83%	79%	74%
JPMS Equity Research Coverage*	49%	39%	13%
IB clients**	94%	93%	85%

*Please note that the percentages may not add to 100% because of rounding.

**Percentage of subject companies within each of the "buy," "hold" and "sell" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.

For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. Please note that stocks with an NR designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Equity Valuation and Risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company-specific research report at <http://www.jpmorganmarkets.com>, contact the primary analyst or your J.P. Morgan representative, or email research.disclosure.inquiries@jpmorgan.com. For material information about the proprietary models used, please see the Summary of Financials in company-specific research reports and the Company Tearsheets, which are available to download on the company pages of our client website, <http://www.jpmorganmarkets.com>. This report also sets out within it the material underlying assumptions used.

History of Investment Recommendations:

A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of <http://www.jpmorganmarkets.com> where you can also search by analyst name, sector or financial instrument.

Analysts' Compensation: The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

Registration of non-US Analysts: Unless otherwise noted, the non-US analysts listed on the front of this report are employees of non-US affiliates of J.P. Morgan Securities LLC, may not be registered as research analysts under FINRA rules, may not be associated persons of J.P. Morgan Securities LLC, and may not be subject to FINRA Rule 2241 or 2242 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Other Disclosures

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

UK MIFID FICC research unbundling exemption: UK clients should refer to [UK MIFID Research Unbundling exemption](#) for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

All research material made available to clients are simultaneously available on our client website, J.P. Morgan Markets, unless specifically permitted by relevant laws. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research material available on a particular stock, please contact your sales representative.

Disclosures

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Any digital or crypto assets discussed in this research report are subject to a rapidly changing regulatory landscape. For relevant regulatory advisories on crypto assets, including bitcoin and ether, please see <https://www.jpmorgan.com/disclosures/cryptoasset-disclosure>.

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

Exchange-Traded Funds (ETFs): J.P. Morgan Securities LLC (“JPMS”) acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

Options and Futures related research: If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit <https://www.theocc.com/components/docs/riskstoc.pdf> for a copy of the Option Clearing Corporation’s Characteristics and Risks of Standardized Options or https://www.finra.org/sites/default/files/2020-08/Security_Futures_Risk_Disclosure_Statement_2020.pdf for a copy of the Security Futures Risk Disclosure Statement.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: https://www.jpmorgan.com/global/disclosures/interbank_offered_rates

Private Bank Clients: Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries (“J.P. Morgan Private Bank”), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

Legal entity responsible for the production and distribution of research: The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of this research. Where more than one legal entity is listed under an analyst’s name, the first legal entity is responsible for the production unless stated otherwise. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below in the legal entity disclosures, this material has been distributed by the legal entity responsible for production, or where more than one legal entity is listed under the analyst’s name, the first legal entity will be responsible for distribution. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has

Disclosures

distributed this research material.

Legal Entities Disclosures and Country-/Region-Specific Disclosures:

Argentina: JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina (“BCRA”- Central Bank of Argentina) and Comisión Nacional de Valores (“CNV”- Argentinian Securities Commission - ALYC y AN Integral N° 51).

Australia: J.P. Morgan Securities Australia Limited (“JPMSAL”) (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting <https://www.jpmm.com/research/disclosures>. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia’s Research Independence Policy which can be found at the following link: [J.P. Morgan Australia - Research Independence Policy](#).

Brazil: Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / ouvidoria.jp.morgan@jpmchase.com.

Canada: J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc.

Chile: Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile.

China: J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business.

Colombia: Banco J.P. Morgan Colombia S.A. is supervised by the Superintendencia Financiera de Colombia (SFC).

Dubai International Financial Centre (DIFC): JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules.

European Economic Area (EEA): Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE (“JPM SE”), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions (“EEA professional investors”). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons.

Hong Kong: J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited.

India: J.P. Morgan India Private Limited (Corporate Identity Number - U67120MH1992FTC068724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a ‘Research Analyst’ having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: <http://www.jpmpi.com>. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/ Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license

Disclosures

allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Prasanna Bandal; prasanna.bandal@jpmchase.com; +912261575159. Grievance Officer: Ramprasad K, jpmipl.research.feedback@jpmorgan.com; +912261573000. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Please visit [Terms and Conditions and Most Important Terms and Conditions \(MITC\)](#). The annual Compliance audit report is available at <http://www.jpmipl.com/#research>.

Indonesia: PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK).

Korea: J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch.

Japan: JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan.

Malaysia: This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia.

Mexico: J.P. Morgan Casa de Bolsa, S.A. de C.V. and J.P. Morgan Grupo Financiero are members of the Mexican Stock Exchange and are authorized to act as a broker dealer by the National Banking and Securities Exchange Commission.

New Zealand: This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008.

Philippines: J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission.

Singapore: This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MDDI (P) 057/08/2025 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA). This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material.

South Africa: J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA).

Taiwan: J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. **To the extent that J.P. Morgan Securities (Taiwan) Limited produces research materials on securities not listed on the Taiwan Stock Exchange or Taipei Exchange ("Non-Taiwan Listed Securities"), these materials shall not constitute securities recommendations for the purpose of applicable Taiwan regulations, and, for the avoidance of doubt, J.P. Morgan Securities (Taiwan) Limited does not act as broker for Non-Taiwan Listed Securities.** According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material.

Thailand: This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission, and its registered address is 3rd Floor, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

UK: Research is produced in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or J.P. Morgan Markets Limited ("JPMML Ltd") which is authorised and regulated by the Financial Conduct Authority. Unless specified to the contrary, this material is distributed in the UK by JPMS plc and is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any

Disclosures

persons to whom this communication may otherwise lawfully be made; all such persons being referred to as "UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. A description of J.P. Morgan EMEA's policy for prevention and avoidance of conflicts of interest related to the production of Research can be found at the following link: [J.P. Morgan EMEA - Research Independence Policy](#).

U.S.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

General: Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. Artificial intelligence tools may have been used in the preparation of this material, including assisting in data analysis, pattern recognition, and content drafting for research material. J.P. Morgan accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

Confidentiality and Security Notice: This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: <https://www.jpmorgan.com/disclosures/email>

Disclosures

MSCI: Certain information herein (“Information”) is reproduced by permission of MSCI Inc., its affiliates and information providers (“MSCI”) ©2026. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to [msci.com/disclaimer](https://www.msci.com/disclaimer)

Sustainalytics: Certain information, data, analyses and opinions contained herein are reproduced by permission of Sustainalytics and: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>. ©2026 Sustainalytics. All Rights Reserved.

"Other Disclosures" last revised April 04, 2026.

Copyright 2026 JPMorgan Chase & Co. All rights reserved. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan. It is strictly prohibited to use or share without prior written consent from J.P. Morgan any research material received from J.P. Morgan or an authorized third-party (“J.P. Morgan Data”) in any third-party artificial intelligence (“AI”) systems or models when such J.P. Morgan Data is accessible by a third-party.