The 720: Global Healthcare (CDMO, Obesity), Japan Strategy, Meituan, Weichai Power, Elite Material, HSBC, StanChart, Broadcom, EM Trader

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In Focus | Global Healthcare - CDMO, Obesity

Global Healthcare – Evolving CDMO Landscape. We see a continued albeit uneven recovery across the CDMO sector following broadly in-line 1Q26 results, with underlying demand firmly supported by obesity-related GLP-1 pipelines driving order momentum and capacity expansion. As investor focus shifts toward demand durability and next-generation modalities like ADCs, we observe divergence across regions, with global leaders demonstrating stable commercial execution while visibility on Asia-based biologics capacity remains less clear. Heading into the second half, we expect improving visibility driven by backlog conversion and a mix shift toward commercial programs. We continue to prefer scaled CRO and CDMO leaders best positioned to capture global product cycle tailwinds in GLP-1 and ADCs, alongside platforms with strong delivery visibility and execution track records. *Ziyi Chen*

Global Healthcare: The Obesity Evolution – Resizing Global AOM Market Model. We raise our 2030 global anti-obesity medication (AOM) forecasts by 13% to $114bn, up from $101bn, driven by higher expectations for oral pills and outside-US market capture. We now expect oral pills to represent 40% of 2030 global AOM revenues, supported by shifting sales mix assumptions for Novo's Wegovy and Eli Lilly's Foundayo. We also increase our outside-US total addressable market to $48bn while lowering US direct-to-consumer pricing assumptions by 20%. We expect Eli Lilly to maintain its market dominance on these higher forecasts and remain best positioned across current and next-generation medications. *Asad Haider*

Listen Up - GS Webcasts on the Agenda

APAC Healthcare Pulse Check: Industry Trends, Policy, Stock Ideas | 2pm HK | Access Webinar | with Ziyi Chen, Akinori Ueda, Chirs Pan, Tianyi Yan, Shyam Srinivasan

Asia Strategy: Leaning into Earnings | 330pm HK | Access Webinar | with Timothy Moe & Kinger Lau

Japan Strategy | Unequal Equities

Japan Portfolio Strategy – Unequal Equities. We analyze the performance of listed Japanese companies with *kabunushi yuutai* (shareholder benefits) programs, finding they offer significant downside protection during major market stress. During the ten most recent TOPIX corrections, *yuutai* companies outperformed the index by an average of almost 3ppts, with the strongest resilience seen in those offering benefits tied to their core business or requiring minimum holding periods. To capture this performance spread, we introduce a Long *yuutai* plus dividends (Y+D) and Short no *yuutai* and no dividends (NYND) pair trade, which would have produced a positive average annual return of 18% over the past five years. *Bruce Kirk*

Themes in Play | Meituan, Weichai Power, AU Gold Miners, Elite Material

Meituan – Food Delivery Profit Recovery and Stable In-Store Margins – Buy. Management noted improving dynamics in the food delivery competitive landscape, expressing confidence in achieving a long-term unit economics recovery back to an EBIT of Rmb1 per order. We continue to estimate stable adjusted EBIT margins of 25% for in-store, hotel, and travel services through 2026E, while Instashopping targets a 2% long-term GTV margin. With Keeta's expanding presence in the Middle East, Hong Kong, and Brazil serving as the next growth drivers, we maintain our 12m TP of HK$116. *Ronald Keung*

Weichai Power – Generac Supply Agreement Drives Upside – Buy. We view Generac's landmark global supply agreement with a leading hyperscale data center operator as a strong validation of Weichai's product competitiveness and a driver of multi-year visibility for its US business. The potential 2027 procurement size could exceed $600mn, benefiting Weichai as a key partner supplying large diesel engines. We believe the market has yet to price in the upside potential from Weichai's behind-the-meter primary power capabilities, with AI data center power generation poised to grow 10x by 2030E. We reiterate our Buy rating with a 12m TP of HK$56 for the H-share and Rmb48 for the A-share. *Nick Zheng*

Australia Metals & Mining – Gold Equities Face Moderating Near-Term Margins. We see risks to near-term margins for the Australian gold sector as A$ gold prices moderate and cost pressures re-emerge, keeping our unit cost estimates roughly 15% above consensus into FY27. Within our coverage, we downgrade Capricorn Metals (CMM) to Neutral with a 12m TP of A$16.90 following significant outperformance and softened near-term free cash flow yields. Conversely, we upgrade Evolution Mining (EVN) to Neutral with a 12m TP of A$12.70, as the stock has declined to a discount to NAV and elevated copper pricing supports more defensive margins. We continue to prefer NEM and NST among large caps. *Hugo Nicolaci*

Elite Material – Capacity Expansion for 2027 ASIC Demand – Buy. We expect the company to gain incremental market share in 2027 as demand from a specific CSP customer doubles and Japanese competitors struggle to keep pace. Management targets capacity of 9.30mn sheets per month by the end of 2027 and is entering the high-end AI substrate CCL industry to capture share amid supply shortages. Mass production for M9 CCL will start in the second half of 2026, with Nvidia expected to be the first adopter followed by ASIC customers. We maintain our Buy rating and 12m TP of NT$6,000, viewing the valuation as attractive given the proactive expansion plan. *Chao Wang*

GS Event | HSBC, Standard Chartered

HSBC – 30th European Financials Conference Key Takeaways – Buy (on C
emphasized structural growth opportunities driven by the bank's exten
presence and its wealth proposition, which boasts over $1.6tn in balanc

believe the bank presents a near-unique combination of a scaled deposit franchise, consistent structural growth, and a liquidity-focused balance sheet that benefits from wealth trends in Southeast Asia. Management also noted that simplification efforts will now focus on selectively re-allocating investment and leveraging AI to decommission legacy products. We maintain our 12m TP of HK$165. *Chris Hallam*

Standard Chartered – 30th European Financials Conference Key Takeaways – Buy. Management highlighted solid flow momentum and sustained wealth activity into Q2, alongside reiterating loan loss rate guidance of 30-35bp given a conservative stance on asset quality. We see the bank as well-positioned to leverage robust liquidity inflows into Hong Kong and Singapore, supported by a multi-year uplift in risk-weighted asset productivity and a shift towards a lower-risk business mix. We maintain our 12m TP of HK$242, expecting statutory ROTE to trend above 12% for 2026E. *Chris Hallam*

Connections | China Consumer

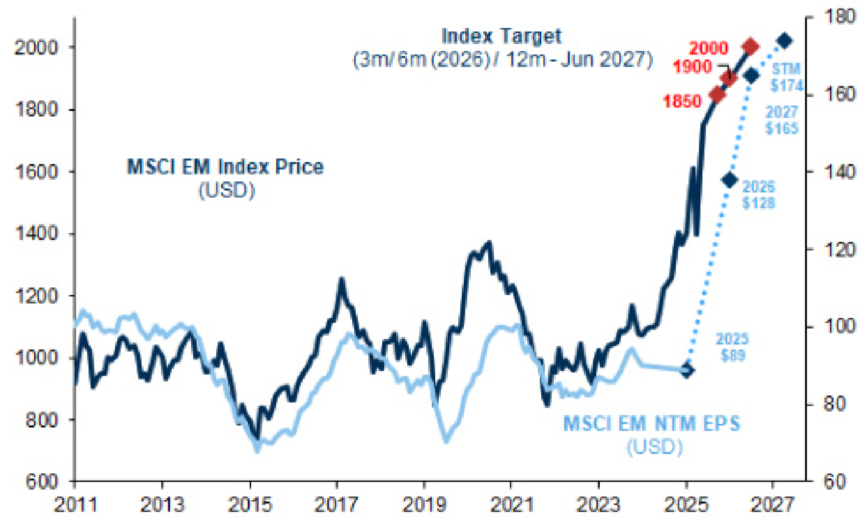
China Consumer Staples Cost Index Tracker – PET Cost Easing but Still High. We observe that PET prices remained high in May but moderated sequentially versus the April peak, with spot prices up roughly 40% year-to-date. Packaging materials cost pressure trended higher overall due to PET, while the dairy supply and demand balance continues to improve alongside stable raw milk prices. We expect the dairy supply and demand to re-balance in the second half of 2026 driven by continued herd downsizing and demand recovery. Many staples companies still have cost lock-ins in place until late 2026 as a near-term buffer against upstream supply disruptions. *Leaf Liu*

Around the world | Broadcom, EM Trader

Broadcom – Solid Quarter and Guidance – Buy (on CL). We expect the stock to trade down modestly following a solid quarter where overall guidance beat consensus, but AI revenue guidance came in slightly below elevated expectations. The company reported revenue of $22.2 bn and operating EPS of $2.44, with AI Semiconductor revenue growing 143% year-over-year to $10.8 bn. While third-quarter revenue guidance of $29.4 bn is well above the Street, AI revenue guidance of $16.0 bn is slightly below our estimates, shifting investor focus toward future AI growth targets and XPU customer engagements. We maintain our 12m TP of $500. *James Schneider*

The EM Trader – Resolution Refrain. We raise our MSCI EM 12m target to 2000 and increase our 2026 and 2027 earnings growth forecasts to 55% and 20%, respectively, driven by the durability of the memory upcycle in AI-exposed North Asian markets. Beyond tech, we see downstream cyclicals and rate-sensitive pockets in South Africa, Brazil, and the UAE as best positioned for a relief rally in the event of a US-Iran resolution. We also highlight idiosyncratic opportunities in Hungary on potential Euro area convergence and in Colombia heading into the presidential runoff, while favoring carry accrual strategies in EM FX. *Kamakshya Trivedi*

Graphic language | EM Trader - We raise our 12m MSCI EM target to 2000, on continued strength in Tech H/w and Semiconductor earnings



Source: FactSet, Goldman Sachs Global Investment Research

GS Events (Home Page here)

- **Global Healthcare Conference | Miami** | 8-10 Jun
- **Emerging Markets Conference | London** | 12 Jun
- **Asia Leaders Conference | Hong Kong** | 31 Aug – 2 Sep