GS US Daily Download

29 July 2026 | 2:00 PM China Standard Time



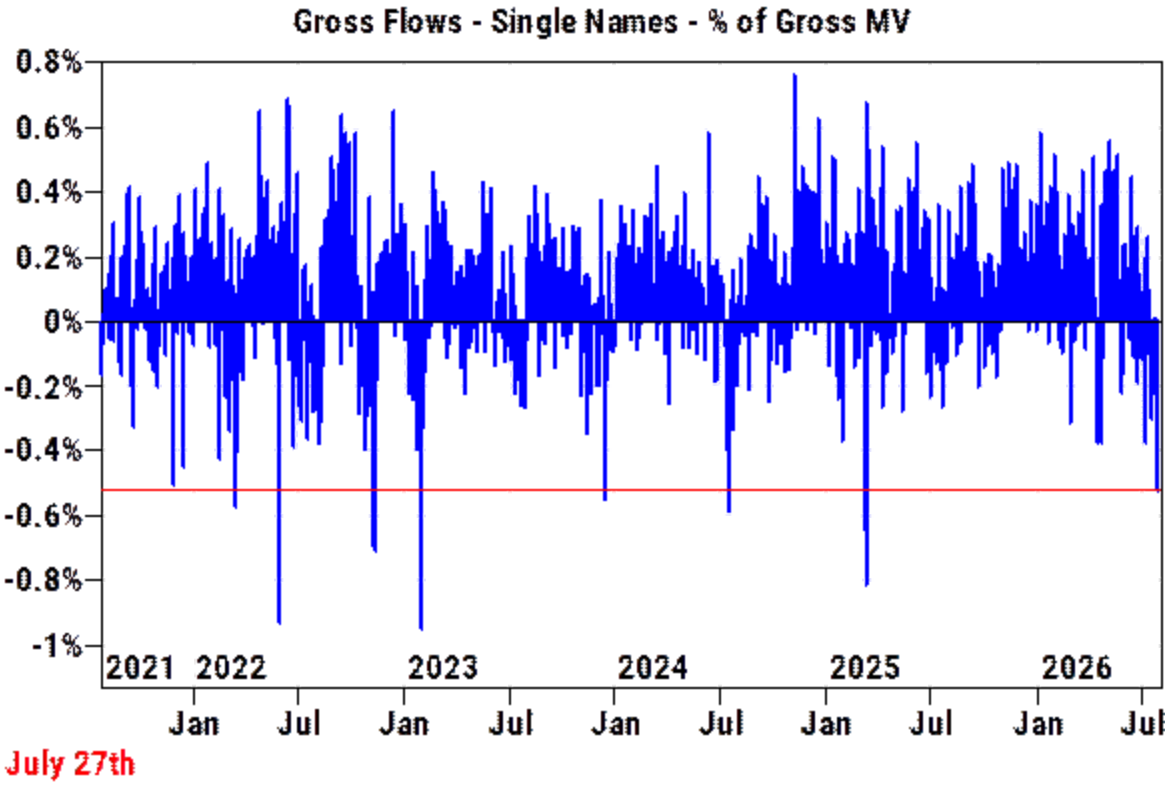
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Stat of the Day

Overall book gross leverage has come down 15pts since end of May and momentum exposure for Fundamental L/S funds has come down to lowest level since late January.

Chart of the day (Here)

Yesterday on 27th July, our overall book saw largest de-grossing since September 2025 (-3 SD) driven primarily by de-grossing in single names.



Macro & Industry Highlights

1. July FOMC Preview - We expect the FOMC to leave the fed funds rate unchanged at its July meeting next week. The statement might acknowledge the upside risks to inflation posed by geopolitical conflict, and there will likely be at least one dissent in favour of a hike. D rebound in oil prices, we continue to think that the combined impact of tariffs, the w effects on monthly inflation should diminish in the months ahead, leaving core inflati for the FOMC to stay on hold through the end of the year. But comments from FOMC indicate that many could support hiking if the inflation news is worse than we expec

we noted when the re-escalation with Iran began, we see little margin for error on inflation and suspect that continued conflict could influence the rate hike debate more than the oil passthrough math alone implies by adding to concerns that supply shocks could continue and can come back unpredictably even after they appear over.

Actionable GS Research Overnight

1. Boeing Q2 Review - Boeing 2Q26 results were solid, with free cash flow above consensus, and commercial aircraft production rates moving higher YTD. The stock has been somewhat range bound despite long awaited improvement in production and delivery rates, which we attribute to the market waiting for more clarity on 777X progress towards certification given the disappointment it created last year in the mid-term free cash trajectory. We think the latest developments on 777X are positive, and the range of timing outcomes is narrowing. Coupling that with major progress on product quality and production cadence on 737 and 787, working towards higher defense margins, and ongoing strength in services, makes us believe achievement of normalized free cash is actually finally close. In the context of the more standard historical cyclical framework, demand is strong and supply is low, which is typically a favorable set-up for the stock. We remain Buy rated on BA.

2. Visa Q3 Review - Results were solid, with a 2% revenue beat and a 3% EPS beat. Despite a slight miss in cross border (on lower currency vol), revenues came in nicely ahead, driven by strong volumes that were 2% ahead of consensus and strong yield dynamics on the back of pricing tailwinds and incremental VAS adoption. On this last point, while the company acknowledged the outperformance in the quarter due to marketing services around the World Cup, the company was careful to emphasize the momentum in VAS from 1) greater adoption of the company's network services, which we believe carry higher margins and are a higher quality source of growth (relative to marketing) and 2) the accelerated momentum in the company's consulting and analytics business.

3. Ford Q2 Review - We believe this was a solid report with the company reporting 2Q26 revenue and EBIT ahead of the Street (FactSet), with upside in the Blue and Model e segments relative to our expectation, though Pro was below. Importantly, the company raised its 2026 EBIT guidance to $10-$11 bn, above the Street and GS prior at $9.6 bn/$9.9 bn respectively, driven by an improved pricing and mix outlook. Specifically, 2Q revenue/EBIT/EPS was $48.3 bn/$2.5 bn/$0.42 compared to GS at $51.1/$2.3 bn/$0.41 and the Street at $47.2/$2.1 bn/$0.36. Ford raised its 2026 EBIT guidance to $10.0-$11.0 bn from $8.5-$10.5 bn prior, which compares to GS prior at $9.9 bn and the Street at $9.6 bn. We believe that Ford is executing well on reducing underlying costs and driving better profits. This is evident from the company's improved pricing and mix outlook for 2026, and its growing software & physical services business. We see the potential for EBIT to grow in 2027, in part driven by Ford's profitability with pickup and commercial volumes (both from better economics on aluminum after the Novelis fire, and the ramp in Oakville).

4. KLA Corp Q2 Review - We expect the stock to trade lower following a solid quarter, with guidance that were consistent with Street numbers but below elevated investor expectations (per our

conversations). We believe investor expectations were somewhat elevated heading into the print, with tailwinds to WFE trends and upside in advanced node logic spending being partly offset by concerns around lower process-control intensity. Specifically, we believe the company's preliminary outlook for mid-20% revenue growth in 2027 is likely to be viewed as disappointing relative to more bullish WFE expectations among investors. We continue to believe that KLA is extremely well positioned with its best-in-class product portfolio and can gain share in the long term. However, we remain Neutral on KLAC as we favor companies with greater exposure to etch and deposition given the industry's shift to greater DRAM spending in the near term - and we see the stock's valuation as relatively full at current levels.

Market Update

US equities ended mixed, closing the session near best levels, as the Nasdaq continued to underperform alongside another painful session for momentum: SPX +21bps to 7428, NDX -98bps to 27,763, RTY +20bps to 2953. The equal-weight S&P outperformed the cap-weighted index by +96bps. 7 of 11 sectors posted gains, with strength in Healthcare +233bps and Consumer Staples +196bps, offset by Energy -140bps and Info Tech -117bps. Under the hood, High Beta Momo (GSPRHIMO, -935bps) continued to trade heavy, with Memory (GSTMTMEM, -972bps) seeing a 2.1sigma move lower. After hours, the AI trade is seeing some relief, with TER +13.7%, BE +10.7%, and STX +7.2% indicated higher after earnings.

CALENDAR

19:00 UKT FOMC statement, July 28-29 meeting

Earnings:

Pre: PG, APH, VRT, GD, ADP, JCI

Post: MSFT, META, LCRX, ARM, QCOM, BBVA, SBUX, FTNT, AQIX, HOOD, CP, ORLY, AEM, VCNA, DB, PSA, LHX

US Conferences

Event	Date	Sector	Registration
Communacopia and Technology Conference, San Francisco	8-11 Sep	TMT	Register Here
GS Global Retailing Conference, New York	14-15 Sep	Consumer	Register Here
GS Industrials and Materials Conference, New York	2-3 Dec	Industrials	Save the Date
GS Financial Services Conference, New York	8-9 Dec	Financials	Save the Date