ASIA: NEED TO KNOW | GS MIDDAY REGIONAL UPDATE | 05 AUGUST 2026

5 August 2026 | 1:57 PM China Standard Time

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Overall in Asia

Asian equity markets traded mixed at midday, with the AI-driven global risk rally providing a constructive backdrop but gains remaining uneven across the region. Australia's S&P/ASX 200 outperformed, briefly touching a fresh all-time high on the back of a surging materials sector as BHP and Rio Tinto rallied alongside firmer copper prices, while Health Care and IT also contributed meaningfully. Japan's Nikkei edged modestly higher but gains were capped as the yen held steady and investors remained selective ahead of upcoming corporate earnings. Hong Kong and mainland China traded cautiously, with rotation evident into domestic healthcare and semiconductor names as investors trimmed exposure to rate-sensitive and property-linked stocks. South Korea was a regional standout, led by a sharp advance in Technology and Energy as Samsung's unveiling of next-generation AI memory architecture drew fresh buying interest and reinforced the country's semiconductor investment narrative. Taiwan similarly outperformed on chipmaker strength. Sector breadth was broadly positive but leadership was narrow, concentrated in tech hardware, materials and select industrials, while Real Estate, Consumer Staples and Communications lagged across most markets.

Regional updates:

Australia: S&P/ASX +0.77% hit a fresh all-time high today, touching 9,213 before trimming gains slightly, supported by easing US-Iran tensions, a sharp drop in oil prices, and positive spillover from Wall Street's overnight record close. At the sector level, Materials (+3.96%) was the standout leader as BHP and Rio Tinto rallied on firmer copper prices (LME copper hit its highest level since mid-May at $14,067/ton) while Health Care (+3.21%) and Information Technology (+2.93%) also posted strong gains on the back of the global AI and risk-on sentiment. On the downside, Utilities (-1.30%) and Consumer Staples (-0.56%) were the only sectors in the red, with the former likely pressured by falling energy prices dampening power sector sentiment. On the stock front, Neuren Pharmaceuticals surged as much as 18% to its highest level since October after reporting a 34% year-on-year rise in Q2 royalty income and an upgrade to full-year DAYBUE net sales guidance from its licensee Acadia to $480–$510 million.

Taiwan: TAIEX+2.88% had a seemingly calm day with TSMC+3.7% and Mediatek's+3.5% outperformance today. However, most momentum sectors saw large swing intraday after a strong open.

Many touched limit high before being aggressively sold off after Taiwan 3 straight day outperformance. Sentiment is still positive, though both investor feedback and technical signal are suggesting a breather here after TAIEX secured the quarterly MA. Market turnover maintained today and up 2% DoD.

Korea: KOSPI +4.32% is trading resilient and V-shaping back higher into noon. The index is once again nearing its key technical levels around here where now we are closing in on the 20DMA (6,675) and consequently the 120DMA (6,776). Institutional investors (both foreign & local) kickstarted August as joint net sellers of the index, but are seen coming back as buyers (Foreigners +$302m, Local Instos +$239m) with bids seen focused around Tech, Transport equipment and Financials. Hynix and Samsung are strong, as Samsung unveiled its next-generation zHBM architecture, vertically stacking high-bandwidth memory directly atop AI accelerators, as chipmakers broadly rallied on renewed AI optimism and the KOSPI's volatility appears to have peaked. Along with Energy, these sectors are the highest, while Real Estate and Communications see weakness.

Japan: NKY +3.35%. Japanese equities remain firmly risk-on, with the Nikkei holding around the 66k level as AI infrastructure, momentum and growth names lead gains alongside strong US peers. Despite stronger-than-average turnover and volumes, flows remain relatively quiet, with selling in Kioxia offset by selective buying across broader tech. Cables are a standout on reports of a potential US ban on Chinese imports, while AI names rebound on strong earnings from Shin-Etsu Chemical. Earnings continue to drive stock moves, with Daikin, Kawasaki Kisen and Yakult among the laggards, while Mitsubishi Heavy Industries is weaker despite a strong beat as investors focus on one-off gains, though management remains constructive and signalled potential guidance upgrades. Defensives are lagging amid ongoing rotation, while volatility is rising alongside spot but remains less extreme than in the US given lighter positioning and limited FOMO. Looking ahead, investors are reassessing AI capex returns following hyperscaler earnings, a backdrop that remains supportive for AI infrastructure names, though US equities may continue to outperform.

China: CSI300 +1%. A-share moved higher in the morning along with regional peers after overnight US equities refreshed all-time high. Extended strength on Semi/Semi Equipment names moved STAR 50 higher for +5%. AMEC (688012.SZ)+13.61% jumped after Reuters reported that Samsung Electronics and SK Hynix are evaluating chip-making equipment from China's AMEC for possible use at their Chinese factories. {NSN TJ9ZECT96OSK <GO>} Peers are also following. Optical related names are the only tech sector under pressure after overnight reports on potential US ban on Chinese optical transceivers. Innolight (300308.SZ)-7.64% opened -13% lower but saw the loss narrowed into AM close. Desk better to sell on the name with volume +180% vs 20d Avg. Elsewhere, A share saw an uptick of t looking to finish above 2.5 Tn Rmb, and broad-based strength with ~4,000 stocks moving wise, the headline RatingDog China Services PMI fell to 50.4 in July from 54.1 in June, indi service sector activity continued to expand but at a significantly slower pace.

Hong Kong: HSI +0.22%. HK equities traded narrowly at midday, with HSI posting modest gains on improved global risk sentiment driven by hopes of a US-Iran deal and overnight Wall Street strength. Upside lagged regional peers amid stock-specific weakness and sector rotation. Materials and Technology led, supported by firmer commodity prices and AI optimism after Bernstein initiated bullish coverage on Z.AI and Minimax. Energy underperformed as oil prices eased, while Consumer Staples and Financials lagged, with HSBC weaker following a Citi downgrade despite announcing a tender offer to repurchase up to US$5bn of senior notes. Within tech, Chinese optical names fell after reports the Trump administration is considering restrictions on certain Chinese data centre components, weighing on Zhongji Innolight. On the earnings front, CATL came under pressure after CLSA highlighted a gross margin miss and uncertainty around second-half recovery, while Hongkong & Shanghai Hotels declined on weaker-than-expected first-half results.

ASEAN: JCI +0.69% is higher with the region on easing oil prices and calmer govt policy, with GDP number coming above consensus at 5.29% near AM close that boosted investor confidence. Metals lead gainers while consumers trade strong on the print. BBNI reported 2Q26 net profit of Rp5.1tn (+8% yoy / -10% qoq), broadly in line with GSe (-2%). While bottom-line growth was modest, underlying revenue trends remained stronger, with topline growth of +16% yoy / +3% qoq driven by solid NII growth on the back of robust loan growth and resilient NIMs, alongside continued growth in non-interest income. Offsetting this was front-loaded operating expense growth and additional precautionary provisioning, while we remain our buy rating here. **SET -0.28%** underperforms the region, as trading was led by by TRUE, PTT, PTTEP, GULF, CPALL and DELTA, with the selling pressure coming from large-cap energy and telecom. In single-stock themes, TRUE -3.6% on overhang from reports that China Mobile may pare its 7.81% stake.

India: Nifty +0.07%. Indian equity markets are broadly flat today, with Nifty 50 unchanged and Sensex edging up 0.39% to 78,738, as investors digested the RBI's widely expected decision to hold the repo rate at 5.25% for a 4th consecutive meeting while retaining a neutral stance — the central bank also raised its FY27 GDP growth forecast to 6.7% and cut its CPI inflation projection to 5.0%, providing a modestly supportive macro backdrop. At the sector level, Utilities (+0.46%) and Consumer Discretionary (+0.37%) led gains, while Health Care (-1.04%) and Consumer Staples (-0.88%) were the notable laggards, with the broader services sector also showing some softness after the HSBC India July Services PMI slipped to 53.3 (lowest since Feb 2022) from 57.4 in June. On the stock front, Bharti Airtel gained as much as 3.1% after analysts remained bullish on steady cashflow and revenue growth despite a Q1 net income miss driven by higher depreciation (3), while Manipal Health Enterprises made a strong market debut, opening 10.5% above its IPO price of ₹590 and raising ~₹92.8 billion in total; sovereign bonds also rallied on the RBI hold, with the 10-year yield falling as much as 5bps to 6.76% and the rupee strengthening 0.4% to 95.04/dollar.
