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Good Morning – US futures lower to start a catalyst heavy week (NDX -70bps / SPX -30bps / RTY -30bps). Weekend news broadly focused on trade talks between the US and Canada which collapsed over the weekend, with a focus today on the Treasury's announcement of economic sanctions in Iran ("Economic D-Day"). Asia markets traded lower with Hong Kong -2% (Alibaba -8.5% on $10B offering) with Japan -75bps and Korea -3% (including Samsung -9% and Hynix -3%).

In TMT, focus is on NVDA following reports over the weekend that they have notified customers about memory-driven price hikes of over 15% for AI-servers (Bbg). Pre-market moves indicate another weak day for Momentum (following the GS TMT Momentum Pair's -18% move on Tues-Fri of last week) – as weaker tape in Asia tech sets the tone early. Looking ahead to an eventful week of earnings including: INTU (Tues), NVDA, CRM, CRWD, OKTA, + HPQ (Weds), and MRVL, WDAY, RBRK, + ADSK (Thurs).

Pre Market Gainers

Ticker	% move	Volume
PDD	3.0%	754,592
KVYO	2.8%	1,251
BOX	1.8%	2,760
Z	1.7%	2,229
XRX	1.7%	2,282
RPD	1.6%	3,693
WBD	1.4%	369,005
BEKE	1.2%	40,890
ZM	1.2%	13,937
FIS	1.0%	2,643

Pre Market Decliners

Ticker	% move	Volume
LITE	-5.5%	88,277
COHR	-5.4%	138,598
SNDK	-5.2%	380,302
NBIS	-3.9%	422,066
CRDO	-3.6%	25,142
CIEN	-3.6%	15,573
WDC	-3.6%	62,398
STX	-3.5%	22,735
MRVL	-3.4%	377,571
GLW	-3.4%	120,828

Macro Monitor

Futures		% move	Asia	% move
Nasdaq		-0.70%	Shanghai	-0.59%
S&P		-0.30%	Hong Kong	-1.89%
Russell		-0.28%	HK Tech	-3.61%
Bonds	**Yield**	**bp move**	Japan	-0.74%
US 10yr	4.72%	-0.018	Korea	-3.12%
Cmdty / Crncy		**% move**	**Europe**	**% move**
Bitcoin		0.6%	Europe 600	0.01%
Oil		-1.9%	Euro Tech	-0.60%
Gold		0.9%		
Dollar		0.2%		

TMT NEWS:

NVDA: Nvidia Customers Notified About AI-Related Price Hikes Above 15% - Bloomberg

Some of Nvidia Corp.'s biggest customers have been told that the prices of servers containing its artificial intelligence chips are going up more than 15% in many cases with memory chip costs soaring. The price hikes will go into effect on systems shipped early next year and will impact systems including those with the flagship Vera Rubin and Grace Blackwell chips, according to people familiar with the process, who asked to not to be identified commenting on communications that haven't yet been made public. The increases will depend on the generation of Nvidia chips and the memory configurations, they said.

BABA: Alibaba Raises $10 Billion in Record Hong Kong Share Sale - Bloomberg
Alibaba Group Holding Ltd. raised HK$80 billion ($10.2 billion) in Hong Kong's biggest follow-on offering, underscoring its willingness to amass and spend vast sums to take the lead in global artificial intelligence. The online retail giant-turned-AI player sold 710 million shares at HK$112.70 each and its stock slumped 8.5% Monday, the most since early 2025…The capital raising reflects Alibaba's eagerness to outspend and outrun Chinese rivals in the chase to define the frontier of AI development. Among country's big technology firms, Alibaba has come closest to the huge outlays of its US peers. The company has sold off assets and pledged to spend more than 380 billion yuan ($56.5 billion) over three years on AI, from chips and data centers to large-language model development. Its flagship Qwen offering is now the world's most popular model family.

Hugging Face has been fielding M&A interest for a deal worth at least $13 billion – Business Insider
The AI industry's next blockbuster acquisition may not be another model maker. Hugging Face, whose platform helps developers discover, share, and build AI models, has been exploring a sale that could value the company at $13 billion or more. The startup has been working with a bank to gauge bidders' interest, and no deal has been reached yet, according to people familiar with the matter.

Global Semis: CHIPS IV: China Semis self-sufficiency builds (Chang / Schneider)
In 2023, amid the challenged constraints on talent, equipment, and advanced-node chips, we set out our first piece (report link) answering the questions of what it would take to build a self-sufficient semiconductor supply chain, how much capital might be required and what are the key factors to drive China's success in Semis. In this fourth edition after 3 years, our analysis shows: *Ongoing build of supply chain - filling the gaps*: Our SPE map shows expansion from Etcher and Deposition to premium models (e.g. high aspect ratio etcher, atomic layer deposition) and more comprehensive categories: Ion Implanter, Inspection, Metrology. Foundry towards 7nm and below with chiplet and advanced packaging to drive production yield rate. AI chips toward 4 PFLOPS in FP8 (4Q28, link) from 320 TFLOPS in FP16 (2023), with SuperPods to drive system-level computing power. Memory towards LPDDR6 (4Q26, link) and HBM3 & 3E (4Q26, report link) from LPDDR4(X) (2024, report link). EDA expands from analog to digital with more tools

(e.g. Place and Route; Physical verification) and memory EDA. *Ambitious capex targets that amounts to US$82bn in 2030E, or raised by 79%* to capture the growing demand driven by self-sufficiency, generative AI, and customers' "local for local" strategy. We estimate China 7nm and below logic S/D gap to narrow to 34% by 2035E, and CXMT's supply to capture 50% of China DRAM demand by 2028E, driven by capacity expansion and yield rate ramp-up. GIR full note.

MACRO:

E-minis -20bps/Nasdaq futures -60bps/US 10 year yield down small at 4.71%/Crude -2% on a quiet morning with AI names lagging once again (DRAM -3%/SMH -1%) ahead of what should be another eventful week (today should bring details from Bessent on the "economic isolation" plan for Iran…NVDA earnings Weds night…Warsh at Jackson Hole on Friday). News over the weekend was relatively muted outside of US/Canada trade talks breaking down & new tariffs being imposed and Reuters reporting that Trump asked Pakistan's army chief to try to bring Iran back to negotiations…..Asia finished lower (Shanghai -59bps/Hang Seng -1.89%/Nikkei -74bps/Kospi -3.12%) with tech heavyweights weighing on the region (Samsung -4.8%; Hynix -5%; Taiwan Semi -1.5%; Alibaba -8%…), while Europe is close to flat on limited catalysts (FTSE +20bps/DAX +10bps/CAC flat).

There are no major data/no major earnings in the US today.

TRADING:

Prime Services Weekly:

"US stocks rose on Friday though the S&P 500 still fell -1.4% on the week as investors digest the implications of rising long-term bond yields, a decidedly mixed batch of consumer earnings, high energy prices, and US policy uncertainty. Bitcoin Sensitive, Goldminers, and BioProcessing were among the themes that outperformed, while NeoClouds, Drones, and IPPs were among the themes that logged the largest losses.

Prime: After consistently buying US equities since late July, HFs reversed course this week and unloaded US stocks at the fastest pace since the week of Liberation Day, driven by long-and-short sales across Single Stocks and Macro Products. US L/S Net leverage fell -3 pts – the largest weekly decline in ~5 months – to 48.3% (1-year low). 9 of 11 sectors were net sold, led by Info Tech, Industrials, Utilities, and Healthcare. As long-term bond yields continued pushing higher, both Utilities and Real Estate ("bond proxies") were net sold every day this week, driven by short sales.

Shares: Themes of the week:1) Momentum drawdown against a 'calm' SPX & VIX backdrop. 2) Rates move remains in focus post the treasury announcement. While this may relieve some of the worries about excessive long-end issuance, it likely doesn't address the fundamental issues driving the curve steepening/cheapening in long end. 3) Consumer remains challenged. 4)

Crypto sensitive stocks saw an impressive rally on continued market structure optimism / positioning. 5) Desk flows remain benign from Asset Mgr and HF cohorts on the heels of August trading.

Futures: Longer dated interest rates fell midweek following the Treasury announcement, though did not continue their decline later in the week at the time of writing. CTA/trend followers are short a meaningful amount of bonds based on our estimates, around multi-year lows or $155mm DV01 globally and with signals negative for some time. The current baseline flows scenario is close to neutral, with length short and signals negative, and if markets sold off more, we do not estimate continued notable sales. If they rallied, however we do estimate some potential notable covering and repurchasing, totaling $150mm DV01 in a month for example if prices rallied 2x std-deviations during that time.

Derivatives: The broader index failed to capture the aggressive moves seen under the hood this week. Bitcoin and gold were the major focus as we saw call volumes explode particularly in IBIT. As macro and economic fears persist, we have seen investors reach for GLD optionality as a hedge. The desk has favored worst of SPX/GLD/IBIT calls as an attractive way to capture upside with a significant correlation discount. On the single stock level, collars and risk reversals continue to screen attractive given normalized put-call skew for the average single stock in the S&P is still exceptionally flat. For these structures, we have seen a recent tilt towards both Financials and Energy (XLF, XOM, BAC, WFC, GEV, etc.).

Baskets: This week's selloff in High Beta Momentum (GSPRHIMO) underscores how reactive the factor is relative to SPX & SPXXAI and how extreme factor volatility remains relative to index volatility. In addition, the underlying composition of momentum is starting to shift – the overlap between 12-month winners and 3-month winners is at multi-year lows, and the overlap between 12-month winners and 3-month losers is near the highs. While we remain constructive on momentum longer term and would expect consensus positioning to rebuild into September, the path is likely to remain choppy as investors reassess whether the next phase of leadership comes from AI beneficiaries or a broader software recovery.

Sector Specialists: TMT (TY Pete Callahan & Alexander Joseph)
While the NDX broke a 5 day losing streak on Friday – the lasting takeaway from the week was once again the under-the-hood volatility as the GS TMT Momentum Pair (GSTMTMOM) closed down ~18% across Tues-Fri of the week, creating some tension in investor convos about just how 'clean' positioning really is coming out of the July de-grossing episode. While the first few weeks of August had felt better (even if exhausting) and helped give some investors' confidence on the long-side of the portfolio exiting a very strong 'fundamental' 2Q earnings season (.. even if T+1 price action wasn't satisfactory – see KEYS & ADI the latest …), this week has re-introduced a number of Factor and Narrative challenges that again leave investors debating

how much ‘torque’ to the AI theme one wants to carry amidst a market that increasingly feels 2-ways as of late (e.g. leaning into avenues of pockets of diversification – ‘Inference economy’ names or live / media names or pockets of Internet … vs ... leaning back into the AI vs the ‘rest’ story down the stretch of ’26). The next couple weeks shape up to be important on the earnings front – juxtaposition of AI names reporting (CRDO, AVGO, NVDA, DELL) vs. more out-of-favor Software / Services (WDAY, CRM, ADBE, INTU, ADSK).

GS TMT BASKETS MONITOR (reach out for Bloomberg Access)					
Market	**5d**	**1mo**	**YTD**	**RSI**	**BBG Ticker**
S&P 500	-1.43%	2.20%	12.11%	51	SPX
Russell 2000	-1.65%	1.02%	21.59%	49	RTY
Nasdaq 100	-2.45%	0.53%	16.08%	49	NDX
TMT Industry Groups	**5d**	**1mo**	**YTD**	**RSI**	**BBG Ticker**
Telecom	1.70%	10.17%	4.56%	64	S5TELSX
China Internet	1.63%	1.03%	-21.90%	47	GSGLITCH
Payments	0.31%	6.10%	3.46%	57	GSTMTPAY
US Internet	-1.13%	3.49%	-9.60%	54	GSTMTINT
Media	-1.39%	9.15%	15.57%	61	GSTMTMED
Software	-1.94%	18.12%	-1.67%	60	S5SOFT
Semi & Semi Equip	-5.45%	-4.98%	65.75%	46	SOX
Hardware & Storage	-6.11%	1.35%	70.53%	49	GSTMTHRW
TMT Topical Baskets	**5d**	**1mo**	**YTD**	**RSI**	**BBG Ticker**
Bitcoin Exposed	19.16%	3.58%	35.23%	59	GSCBBTC1
TMT AI at Risk	3.70%	23.95%	5.33%	69	GSTMTAIR
TMT Quality Growth	1.29%	7.64%	-4.20%	59	GSTMTQUA
Non Profitable Tech	-0.17%	4.98%	41.64%	54	GSXUNPTC
Expensive Software	-1.39%	14.30%	14.10%	59	GSCBSF8X
MegaCap Tech	-2.31%	1.11%	6.01%	49	GSTMTMEG
Memory Exposed	-3.42%	-3.30%	166.69%	51	GSTMTMEM
TMT AI Levered	-6.48%	-2.64%	30.46%	45	GSTMTAIP
AI "Power Up America"	-6.75%	-7.09%	9.38%	38	GSENEPOW
AI Data Center	-8.68%	-6.05%	72.66%	44	GSTMTDAT
Optical Networking	-11.35%	-3.28%	70.45%	47	GSXUOPTI
TMT Factor Pairs	**5d**	**1mo**	**YTD**	**RSI**	**BBG Ticker**
TMT Short Interest	2.42%	4.57%	-3.39%	51	GSTMSHRT
TMT HF Crowding	1.68%	3.95%	-3.21%	61	GSTMCRWD
TMT Size	1.62%	4.24%	-11.89%	64	GSTMSIZE
TMT Beta	-2.46%	-4.27%	28.40%	45	GSTMBETA
TMT Residual Volatility	-3.06%	6.45%	4.40%	57	GSTMRSVL
TMT Momentum	-6.62%	-13.54%	-0.50%	37	GSTMMOMO
Market Factors & Pairs	**5d**	**1mo**	**YTD**	**RSI**	**BBG Ticker**
HF L / S Pair	-2.76%	-6.09%	-23.65%	42	GSPRHVMS
> HF VIP Long	-2.91%	-2.50%	11.96%	47	GSTHHVIP
> HF Most Rolling Short	-0.28%	3.23%	39.43%	52	GSCBMSAL
Momentum Pair	-10.52%	-19.29%	1.52%	41	GSPRHIMO
> GS Momentum Long	-7.07%	-7.39%	31.65%	45	GSCBHMOM
> GS Momentum Short	3.42%	12.91%	22.94%	62	GSCBLMOM

RESEARCH:

Global Technology: Semiconductor Capital Equipment: Raising 2026-28 WFE estimates, driven by memory and foundry strength Link

Bottom Line: Positive semiconductor CapEx datapoints during 2Q earnings season drive our WFE estimates meaningfully higher. We raise our 2026/27/28 WFE estimates to \$150/\$218/\$281 bn (+36%/+45%/+29%) from \$141/\$186/\$208 bn (+28%/+32%/+12%) previously, reflecting significant CapEx revisions and more constructive outlooks from SPE suppliers. We see DRAM and leading-edge foundry (near term) as well as NAND and Logic/Other (medium term, including Terafab) as key drivers of WFE momentum, supported by node transitions, migration to HBM4, and capacity additions. We remain bullish on semi cap equipment stocks, and on a global basis we continue to prefer Buy-rated Applied Materials, Lam Research, ASML, Tokyo Electron, ASMI, BESI, Lasertec, and Ebara.

Hedge funds and mutual funds differ on AI but converge on Financials Link

Hedge funds and mutual funds have generated solid returns this year despite the lackluster performance of the most popular holdings. Hedge funds remain more exposed to the AI trade than mutual funds. However, both groups selectively adjusted exposures to AI-related equities last quarter. Mutual funds bought shares in AMD, MU, and SNDK while hedge funds sold those stocks. BE, FLEX, and STX rank among the AI stocks bought by both hedge funds and mutual funds.

Samsung Electronics (005930.KS): Announces 2026 shareholder returns of ~W100tn at the mid-point, likely higher mix of dividends; significant shareholder returns to help drive higher valuation multiples; Buy (on CL) Link

After market close on August 21, Samsung Electronics (SEC) announced its FY2026 shareholder return plan, outlining an estimated remaining return pool of W90tn to W110tn. Notably, SEC stated that advance payments received under LTAs and cash outflow for employee stock-based performance compensation would be deducted when calculating FCF. SEC also said it plans to execute a cash dividend of approximately W30tn in 3Q26, with specifics to be determined at the end-October board of directors meeting. For the remaining 2026 shareholder return pool, SEC mentioned that it is considering diverse forms including dividends and buybacks/cancellations, which will be determined at the January 2027 board of directions meeting upon the finalization of FY2026 results.

STREET ACTIONS:

Upgrades: **CLS** (Buy, UBS)

EVENTS:

Mon 8/24: Aus RBA Minutes

- **Earnings:** Pre: PDD, XPEV // Post: TUYA

- **GS Hosts:** INFY (in HK)
- Stifel Tech Executive Summit
- Hot Chips 2026

Tue 8/25

- **Earnings:** Pre: BZ, VIPS // Post: BOX, **INTU**, SMTC, ZM
- **GS Hosts:** INFY (in HK)
- **WAY** Investor Day @ 2pm ET
- Hot Chips 2026
- Six Five AI Summit
- Jefferies Semis & Hardware Conference

Wed 8/26: US Core PCE & Q2 GDP Est

- **Earnings:** Pre: DY, LI, PLAB // Post: **CRM**, **CRWD**, **HPQ**, NTNX, **NVDA**, **OKTA**, P, SNPS, VEEV
- Six Five AI Summit
- Gamescom Cologne
- Jefferies Semis & Hardware Conference
- Deutsche Bank TMT Conference

Thu 8/27: Jackson Hole Macro Symposium

- **Earnings:** Pre: BILI // Post: AFRM, **ADSK**, ESTC, IREN, MEI, **MRVL**, PD, **RBRK**, S, **WDAY**
- Six Five AI Summit
- Gamescom Cologne
- Deutsche Bank TMT Conference

Fri 8/28: Fed Chair Warsh Speech - Jackson Hole

- **Earnings:** Pre: Meituan
- Gamescom Cologne
- Note: **CRWD** hosting inaugural *CrowdStrike Day Zero 2026 Threat Research Summit* 8/30-9/1
