Latest Market Focus – Hong Kong Equity Market Update Focus on AI and Sector Rotation

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#Tech Sector #Healthcare Sector #Energy and Material Sector

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CIO Office and Investment Advisory

- **Market turnover and IPOs remain active.** AI is driving active HK stock trading (HKD250 bn average daily turnover since Aug). Bloomberg estimates IPO fund raising size to reach HKD 440bn this year, with more AI unicorns lining up
- **US–China news could be the next trigger.** New US tariffs look manageable for now. A possible September Xi–Trump meeting may refocus markets on tech exports, industrial policy and tariffs. HSI remains range-bound with resistance near 26,400
- **More AI spend for long-term growth**. Rising AI investment is squeezing earnings and free cash flow, but cloud/AI monetization is picking up
- **Materials and healthcare are gaining**. Lower US yields and debt concerns are supporting gold and materials sectors. Healthcare is helped by positive Phase III mRNA cancer vaccine data and better interim results at some pharmaceutical firms

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