Apt.
WEALTH PARTNERS

RESEARCH UPDATE
MARKET watch
AUGUST 2026

Global equity markets were mixed in July as tensions escalated in the Middle East, with both sides exchanging missile strikes and the Strait of Hormuz closed. Oil prices spiked once again, reaching the US$100 per barrel mark. Artificial intelligence (AI) continued to sell off with weakness in hyperscalers and chipmakers as concerns grew over the large capital expenditure into AI and the limited revenue generated so far. Concerns were exacerbated by the release of the Kimi K3 model by Moonshot AI, a Chinese AI model with capabilities to rival the leading Western models created by OpenAI and Anthropic. The S&P 500 ended the month 0.1% lower while the Nasdaq Composite fell 3.2%, impacted by its larger exposure to technology and semiconductor chip companies. The Hang Seng Index rebounded strongly, up 13.1%, with the expectation of further government stimulus. The S&P/ASX 200 outperformed most international markets with a 2.3% return, driven by the Energy and Financials sectors.

S&P/ASX 200 Sector Performance

Energy led sectoral gains, rebounding from last month, supported by the higher oil prices. Viva Energy Group Limited was the best performer, with a 37.7% return after providing a half-year trading update and unaudited financial results. The company reports its indicative earnings before interest, tax, depreciation and amortisation (EBITDA) to be in the $770 to $780 million range, up from the $305 million of the prior corresponding period (pcp). Similarly, Ampol Limited rallied 21.3% on its half-year update, reporting EBITDA of approximately $1,600 million, with the benefit of pre-established supply and hedging positions. Other strong performers in the sector included Karoon Energy Limited (19.6%), Woodside Energy Group Limited (16.8%) and Santos Limited (8.7%).

The Financials sector also had a strong month, aided by the rotation away from growth and into more defensive companies. AMP Limited jumped 34.0% after upgrading its net profit after tax guidance range to $170–$180 million, driven by contribution from China partnerships, investment income and carried interest. Perpetual Limited climbed 22.3% following a series of indicative takeover proposals by Equity Trustees (EQT), each rejected by the Perpetual board. The Perpetual board considered

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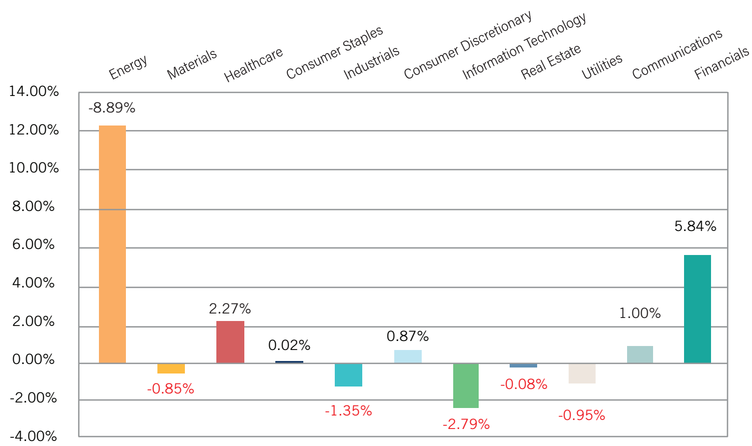
the latest offer of $22.50 per share to be below fair value, but it has offered to provide EQT non-public information to help formulate an improved proposal. HUB24 Limited advanced 17.2% on record annual platform net inflows, with its total funds under administration reaching $164.3 billion at the end of the financial year, a 20% increase on the prior corresponding period. The major banks outperformed the index, with gains between 5.5% and 9.2%, despite concerns around the ongoing weakness in housing markets.

Healthcare extended gains from last month, also benefiting from the pivot to defensives. CSL Limited (7.3%) was the best performer as it announced clinical trials for its Horizon 2 immunoglobulin manufacturing process, followed by Sigma Healthcare Limited (6.9%) and Fisher & Paykel Healthcare Corporation Limited (6.2%). On the other hand, medical imaging companies 4DMedical Limited and Pro Medicus Limited fell 19.9% and 20.3% respectively.

Information Technology was the major laggard of the index, falling 2.8% over the month. Weebit Nano Limited was caught in the global semiconductor chip sell-off and fell 48.4%, while PEXA Group Limited lost 28.0%, with the Independent Pricing and Regulatory Tribunal releasing a draft report that proposed reductions to certain transaction fees over one year, which would reduce PEXA Group's revenue by approximately $70 million.

S&P/ASX 200 Sector Performance



Data Source: Desktop Broker, 1 August 2026

Highlights

Australia: The Australian Bureau of Statistics published the building activity statistics for the March quarter. After seasonal adjustment, total dwellings commenced fell 11.2% to 48,012. The fall was driven by a 20.7% decline in 'new private sector other residential' commencements, while new private sector houses decreased by 3.5%. However, the total value of building work done increased by 0.7% to $44.8 billion.

Australia has joined more than 20 other governments in a US initiative that is focusing on shaping a new development of secure, interoperable and artificial intelligence-supported 6G telecommunications networks. This initiative has put Australia in a competitive position for which country will govern and manufacture the next generation of mobile communications.

While the initiative increases the risk of being targeted by malicious actors, it will allow for faster and more responsive services.

Australia and India have agreed to cooperate to improve energy and supply chain resilience. Australia and India reaffirmed their commitment to secure reliable fossil fuel supplies, while also advancing renewable energy cooperation. The leaders welcomed progress under the India-Australia Renewable Energy Partnership, including the opening of the Rooftop Solar Training Academy in Gujarat.

US: Apple has become the second ever company to reach US$5 trillion market capitalisation, despite having fallen since. US chip giant Nvidia was the first company to reach the five trillion mark in October last year.

US economic growth has seen a slowdown in the June quarter, with the annual rate falling from 2.1% in the March quarter to 1.5%. Despite an increase in consumer spending, this was offset by a reduction in government spending, investment and exports.

Canada: Canadians spent $3.3bn less on travel to the US in 2025 than in previous years, likely due to President Trump's tariff regime and the president's continued musings on annexing Canada. The drop has not been driven by Canadians travelling less. Rather, they have opted for alternative destinations. Total US travel spending by Canadians in 2025 amounted to $18.8bn, down from $22.1bn in 2024. In contrast, Canadian spending on travel abroad, excluding the US, grew by $3.6bn in 2025 to $22.8bn. Compared with 2024, travel to Europe and Asia increased by almost 14% and 17% respectively.

United Kingdom: Andy Burnham was elected unopposed as Labour leader after receiving 379 nominations, more than 94% of total Labour Members of Parliament. Accordingly, Burnham became Prime Minister of the United Kingdom, the seventh PM in ten years. In his inaugural speech, Burnham promised to address cost-of-living among his first policies.

South Korea: The South Korean won started the month at its lowest level since 2009. However, it since rebounded following the first interest rate hike by the Bank of Korea in over three years, and dollar selling by Korean exporters.

China: ChangXin Memory Technologies (CXMT), a chipmaker producing dynamic random-access memory that powers AI data centres, PCs and other devices, has debuted on the Shanghai Stock Exchange, with its shares rising 470% in the first day of trading. With only around 7% of total shares available on the market, high demand saw its share price jump, with CXMT becoming the largest company listed in mainland China at a valuation of 3.3 trillion yuan.

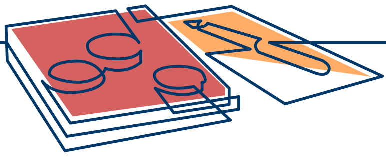
Japan: A draft version of the Cabinet Office's 2026 Basic Policy on Economic and Fiscal Management of Reform has floated the idea of state ownership of critical defence component factories and the set-up of a new government body to promote defence research. In addition, the document listed other defence investment priorities, including AI, unmanned assets, stand-off weapons and space capabilities, with an overarching goal of transforming Japan's defence capabilities over the next five years.

Fiji: Australia has signed a new defence alliance named the Ocean of Peace Alliance with Fiji, aimed at limiting China's growing influence in the Pacific. The alliance means that members will come to the aid of the other in the event one is attacked. The alliance is also open to other Pacific countries.

What to watch out for

The Jackson Hole Economic Policy Symposium will be held towards the end of August. The annual conference brings together central bankers from around the world, economists, academics, financial industry leaders, US government officials and financial industry leaders to discuss long-term policy issues. Each conference has its own topic, with this year's being 'Financial Innovation: Implications for Payments and Policy'.

Conclusion



Global equity markets were mixed in July as easing geopolitical uncertainty was offset by diverging monetary policy and a sell-off in technology. Despite the Strait of Hormuz now open, there is uncertainty over the speed of recovery in traffic. Higher oil prices are expected to accelerate inflation globally as its effects flow through to other parts of the economy. Most Central Banks are shifting towards a more hawkish stance as they await the impacts of the conflict on inflation.

During periods of uncertainty, clients should:

- **Stick to the plan:** Focus on your long-term goals. Our investment approach is focused on the long term and designed so that your portfolio can ride out any downturns – including this one. Staying the course, despite how uncomfortable it may feel right now, will prove to be the better option when looking back five years from now.

  Investors who stayed the course while equity markets declined in the depths of the COVID-19 pandemic in early 2020 have benefited from one of the fastest market turnarounds with equity markets. Investors who sold equities during the downturn and waited until economies started to show recovery before buying back into the market missed a large part of the recovery.

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- **Maintain a buffer of safety:** Holding a buffer of cash and term deposits has been a key strategy to provide a cushion against market downturns and to protect capital.
- **Take advantage of the weakness:** Market downturns provide buying opportunities to invest in long-term, quality investments.
- **Focus on quality investments:** Invest in companies that generate stable cash flows to support distributions, which are not connected to the movements in asset prices, and partner with fund managers who share the same investment philosophy and objectives.
- **Diversify:** Spread investments across asset classes, industries, sectors and geographies.
- **Regularly rebalance the portfolio back to your risk profile:** Ensure the portfolio is not exposed to unwanted risks to lock in profits.
- **Remain calm and speak to your Apt adviser:** It is important that you speak to your Apt adviser before making any financial moves. Your adviser understands your long- and short-term goals and will have been planning for these types of scenarios already, so they are best placed to explain any impact and discuss the best options and opportunities for you personally.

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