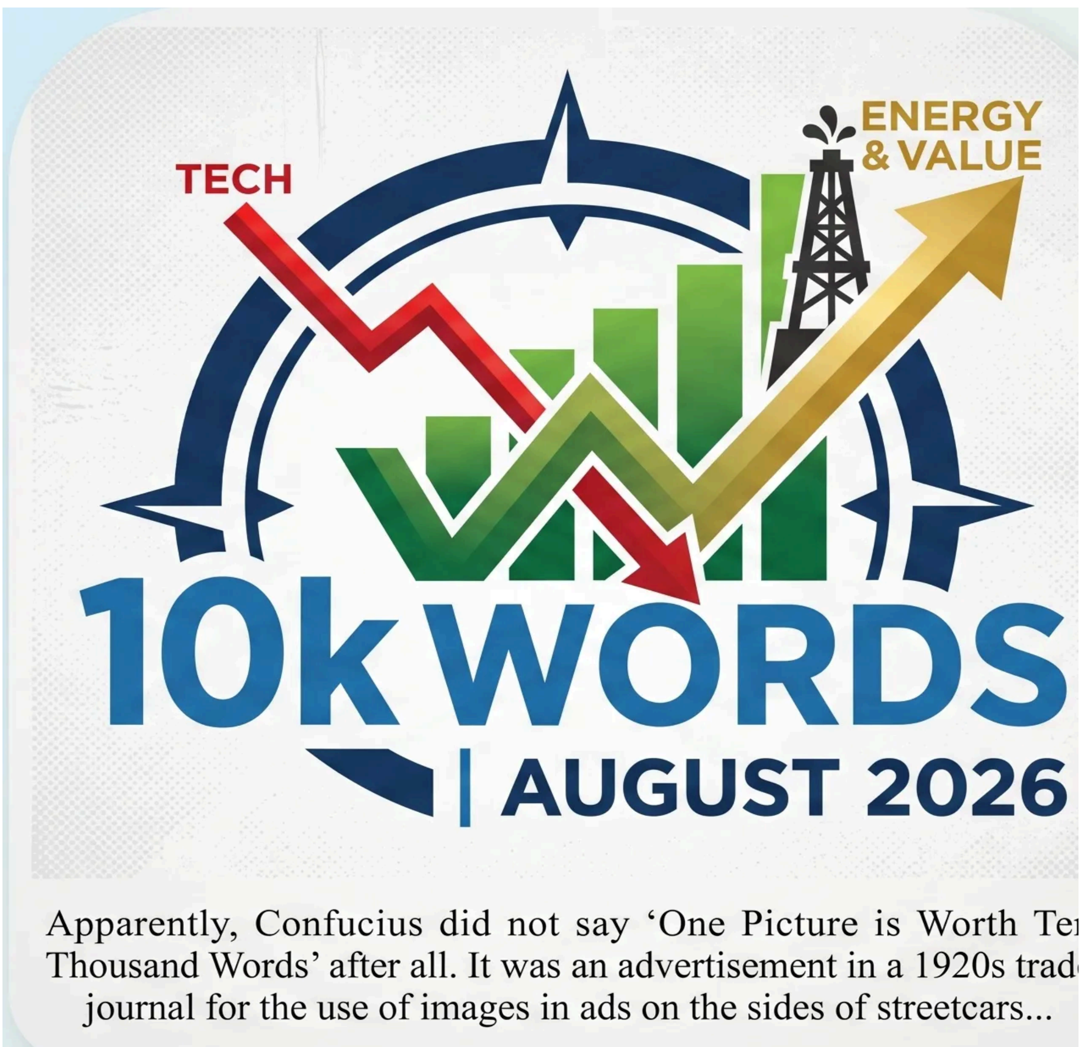
10k Words | August 2026

Apparently, Confucius did not say “One Picture is Worth Ten Thousand Words” afte
all. It was an advertisement in a 1920s trade journal for the use of images in ads on t
sides of streetcars...

AUG 17, 2026

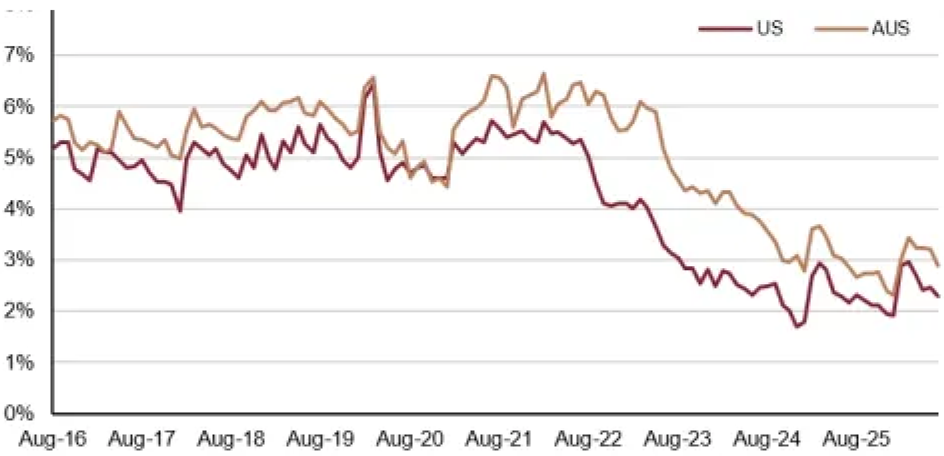
Bond yields are up and risk premiums down. The rise of AI as a market risk factor. Interesting times for China’s equity market. The Australian battery storage arbitrage opportunity wanes. The performance of ASX sectors post-the May 2026 federal budget. US earnings boosted by marking-up investments. And while looking at risk appetite, sports betting competes with investing for Gen Z capital



10 year bond yields - US and Australia

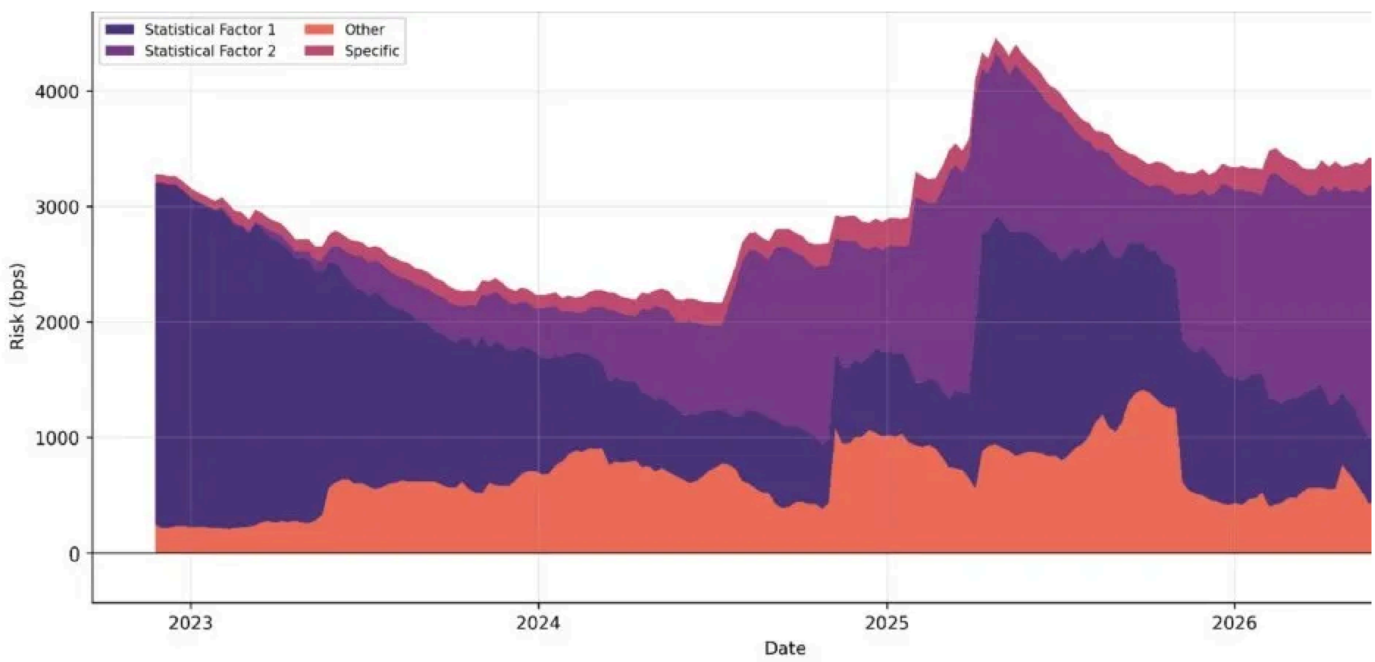
Source: Koyfin

Real equity risk premiums - US and Australia



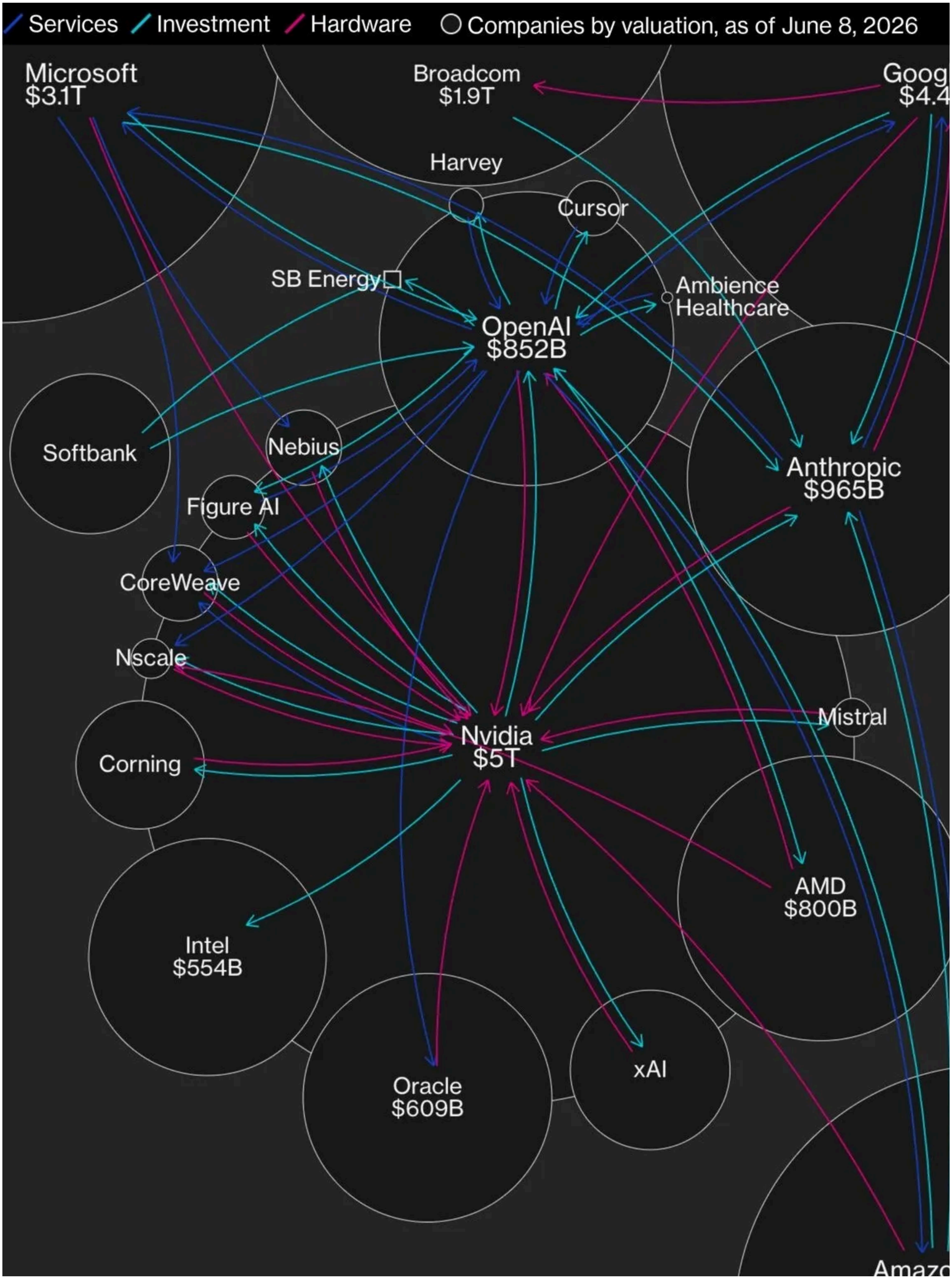
Source: Evans & Partners

AI risk factor dominating the US equity market



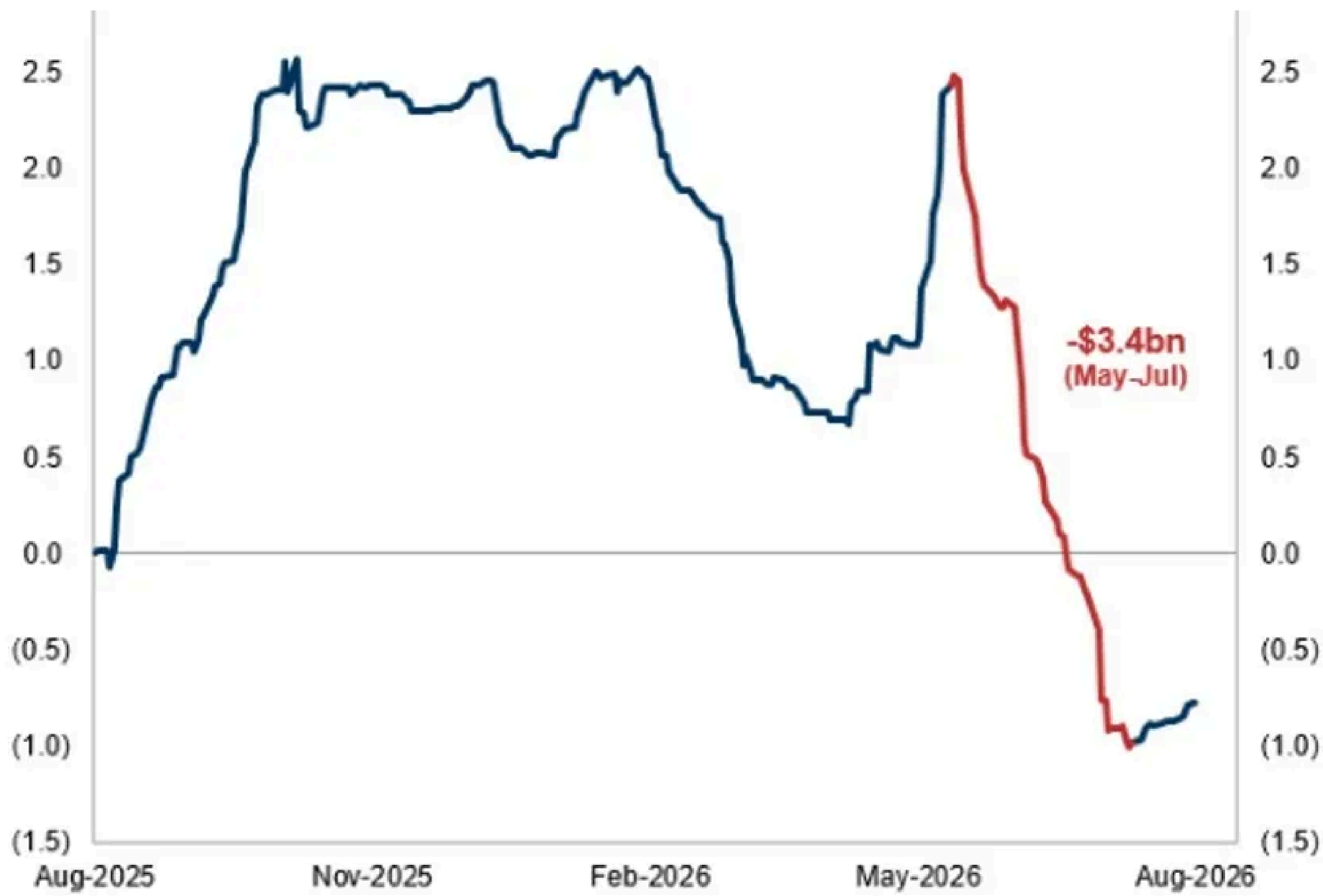
Source: Axioma, Zerohedge

Circular nature of AI deals


Services
Investment
Hardware
Companies by valuation, as of June 8, 2026
Microsoft
$3.1T
Broadcom
$1.9T
Harvey
Cursor
SB Energy
Ambience
Healthcare
OpenAI
$852B
Softbank
Nebius
Figure AI
CoreWeave
Nscale
Anthropic
$965B
Nvidia
$5T
Mistral
Corning
AMD
$800B
Intel
$554B
Oracle
$609B
xAI

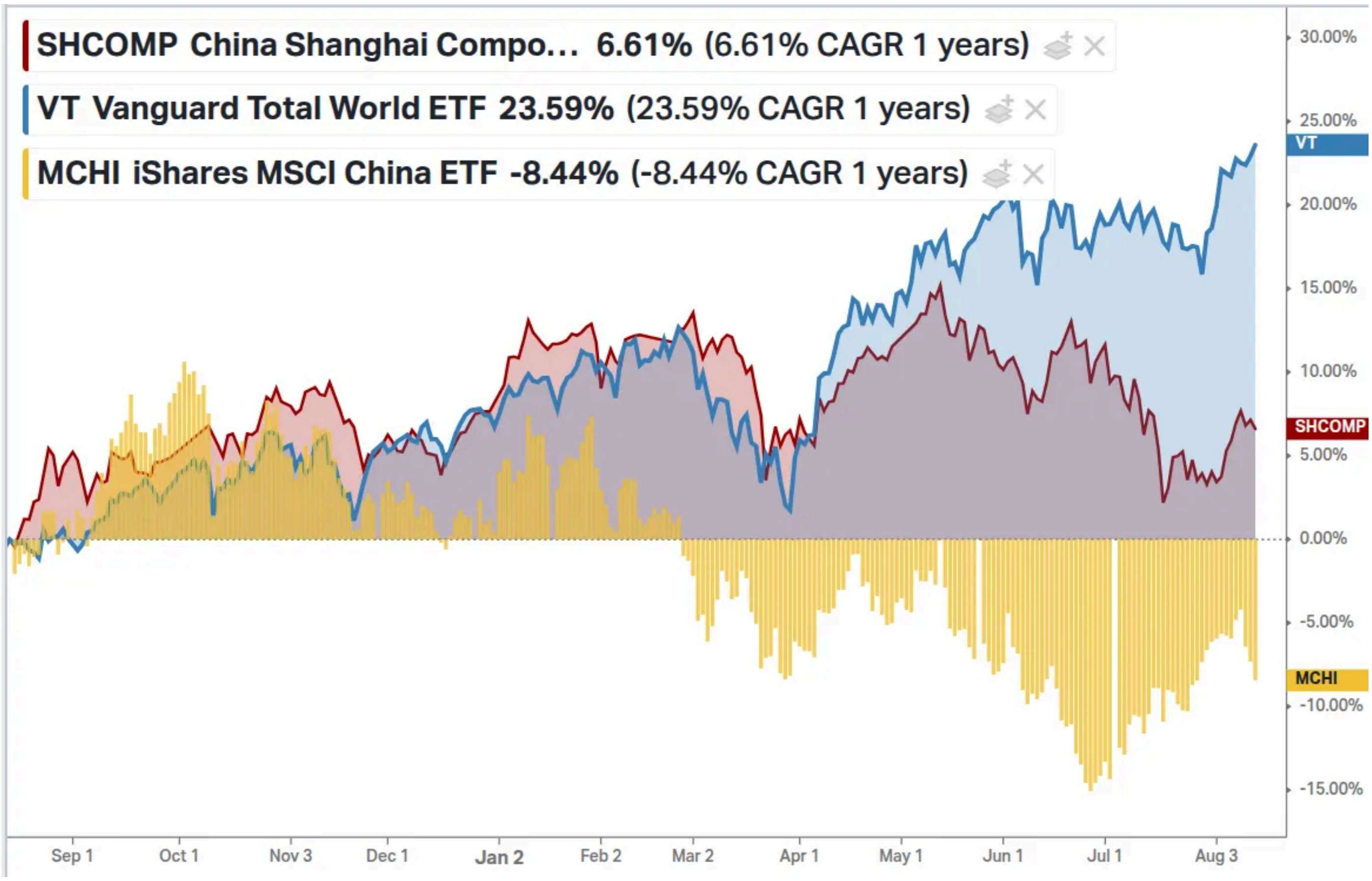
Source: Bloomberg

Funds flowing out of US-listed China-focused ETFs (cumulative 1 year flow)



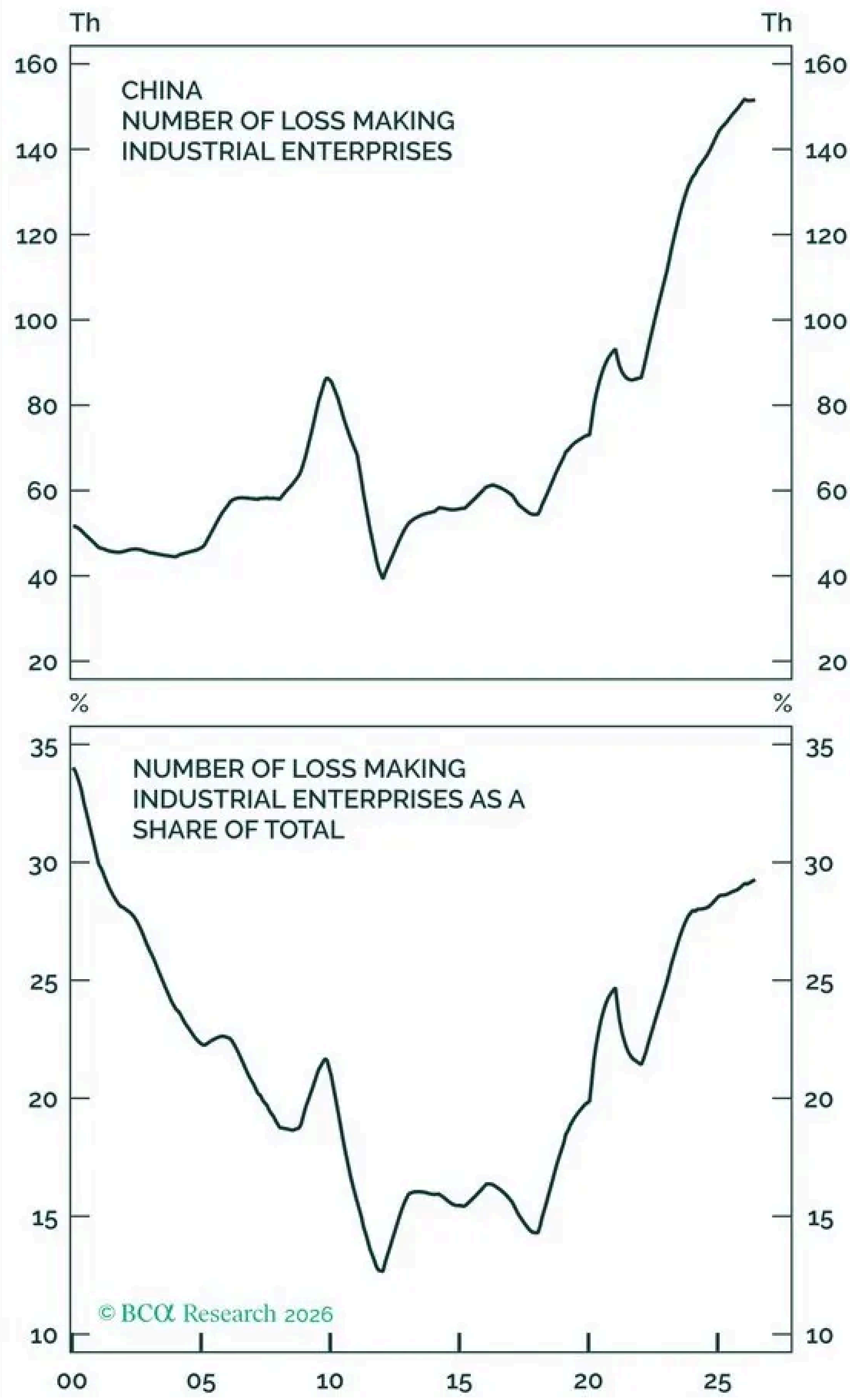
Source: Goldman Sachs, Bloomberg

The “World” has dominated China equities over the past decade



Source: Koyfin

China's loss-making industrial enterprises by number and share


Th
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CHINA
NUMBER OF LOSS MAKING
INDUSTRIAL ENTERPRISES
160
140
120
100
80
60
40
20
%
%
NUMBER OF LOSS MAKING
INDUSTRIAL ENTERPRISES AS A
SHARE OF TOTAL
35
30
25
20
15
10
© BCA Research 2026
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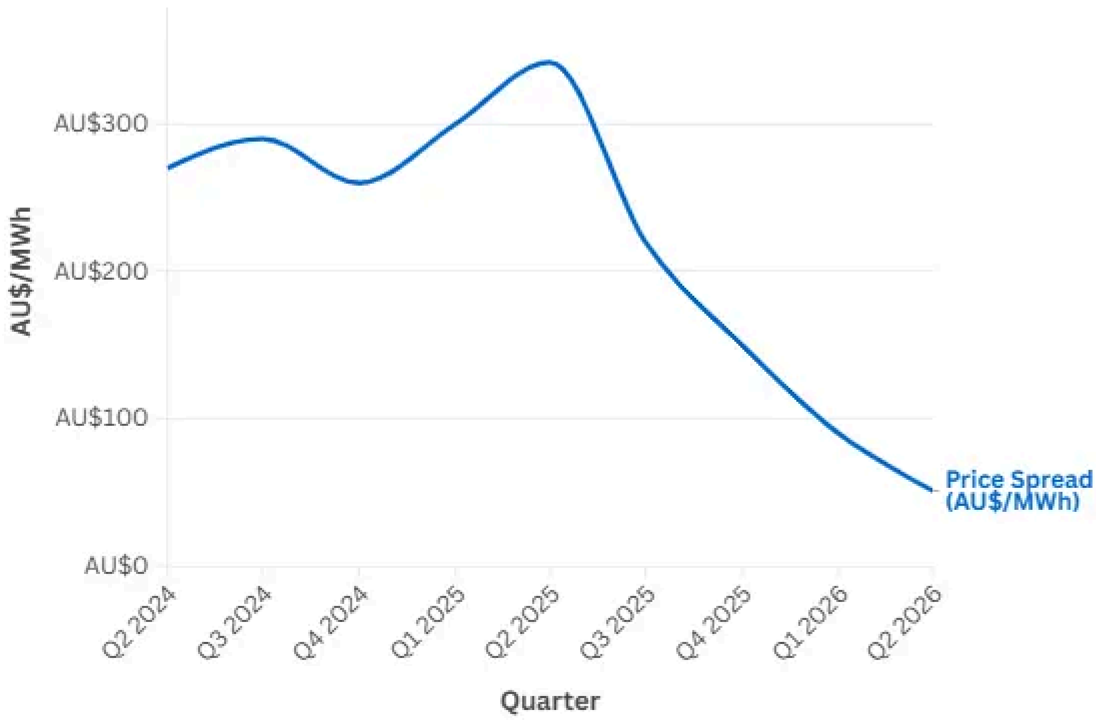
05
10
15
20
25

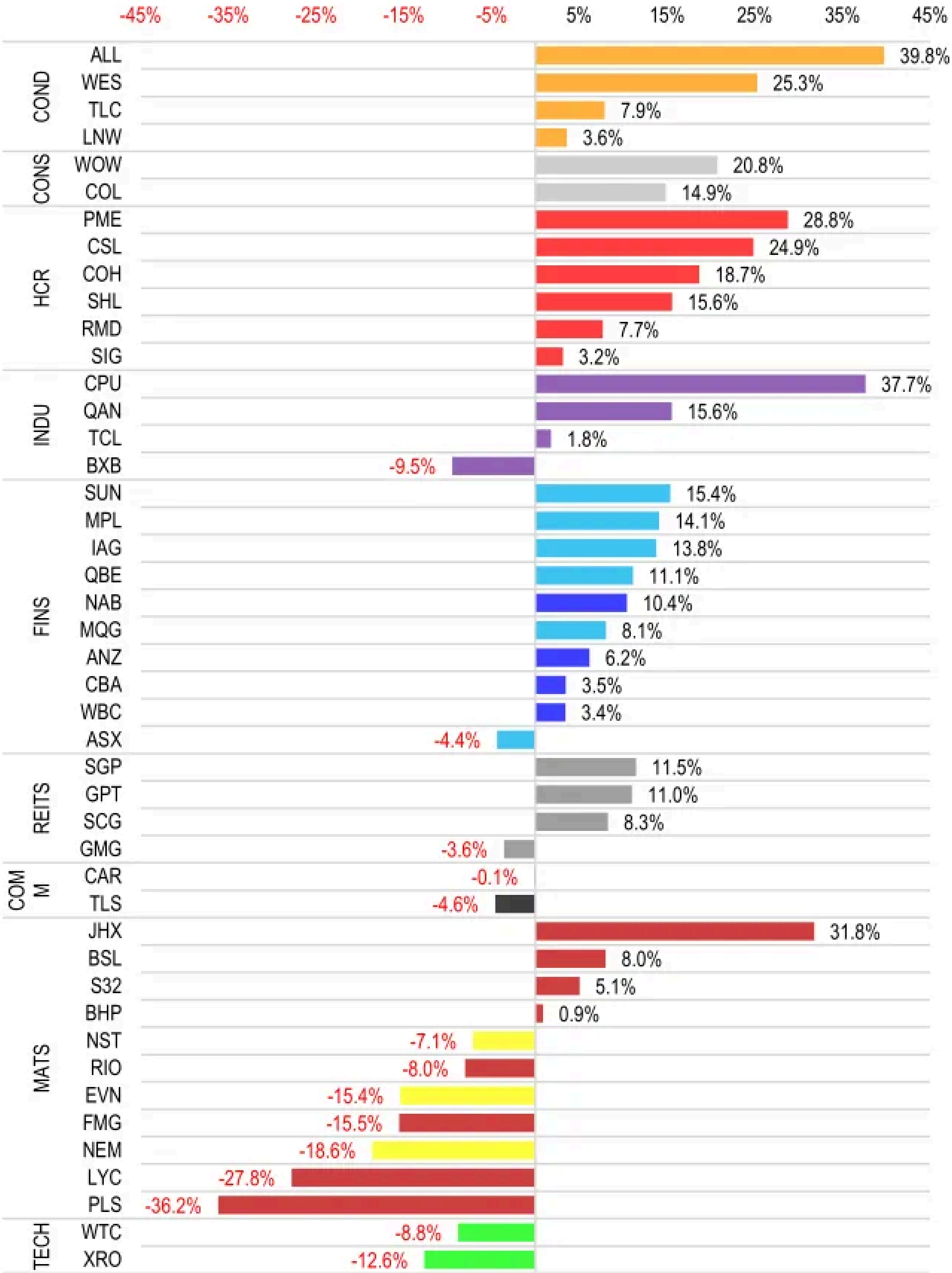
Source: BCA Research, The Daily Shot

Australia's NEM average battery price spread (AU$/MWh) - the gap between charging and discharging prices



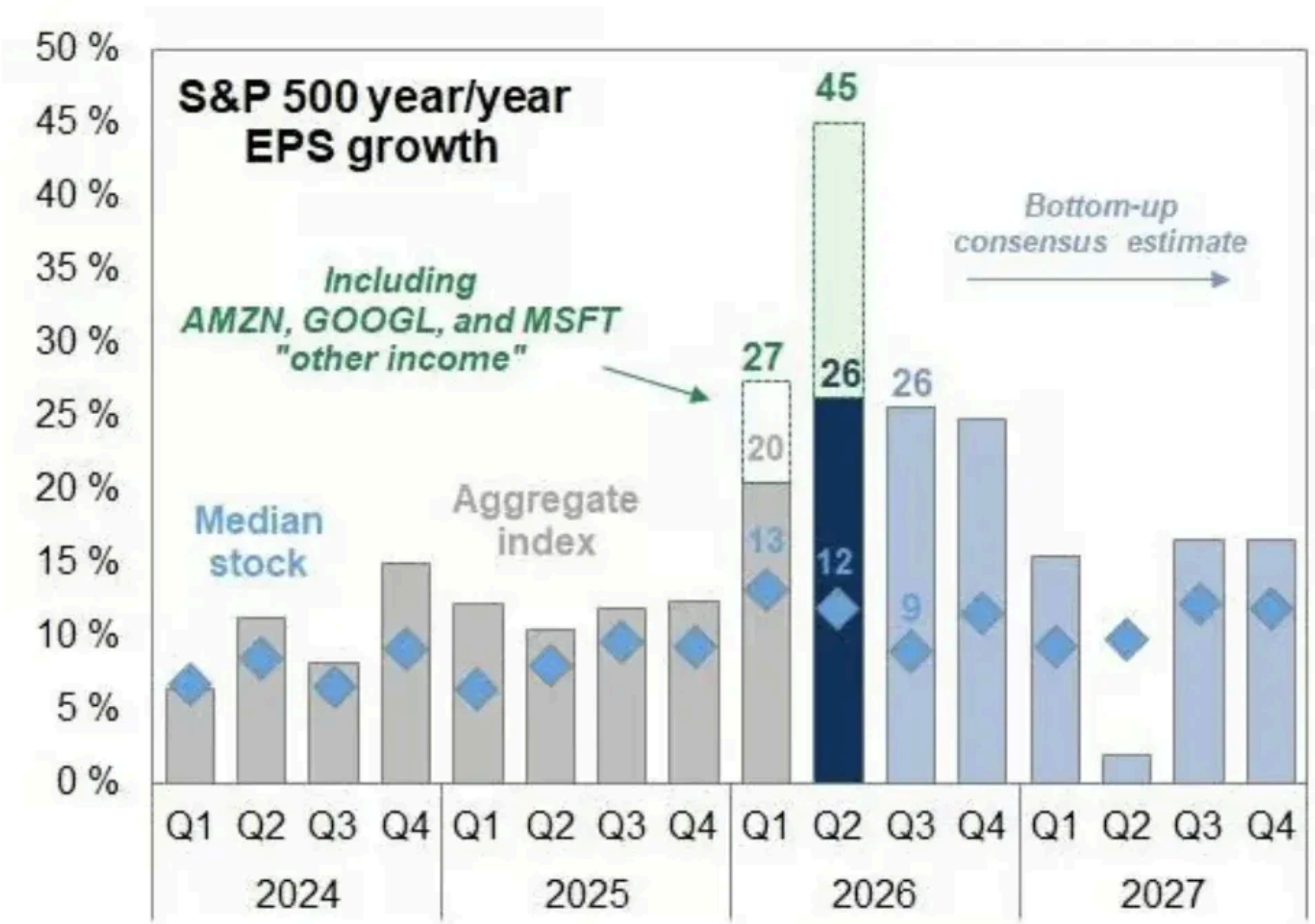
Source: Quarterly Energy Dynamics Q2 2026/Energy-Storage.news

ASX 50 performance from the pre-budget close of May 12 to July 31


-45%
-35%
-25%
-15%
-5%
5%
15%
25%
35%
45%
COND
ALL 39.8%
WES 25.3%
TLC 7.9%
LNW 3.6%
CONS
WOW 20.8%
COL 14.9%
HCR
PME 28.8%
CSL 24.9%
COH 18.7%
SHL 15.6%
RMD 7.7%
SIG 3.2%
INDU
CPU 37.7%
QAN 15.6%
TCL 1.8%
BXB -9.5%
FINS
SUN 15.4%
MPL 14.1%
IAG 13.8%
QBE 11.1%
NAB 10.4%
MQG 8.1%
ANZ 6.2%
CBA 3.5%
WBC 3.4%
ASX -4.4%
REITS
SGP 11.5%
GPT 11.0%
SCG 8.3%
GMG -3.6%
COMM
CAR -0.1%
TLS -4.6%
MATS
JHX 31.8%
BSL 8.0%
S32 5.1%
BHP 0.9%
NST -7.1%
RIO -8.0%
EVN -15.4%
FMG -15.5%
NEM -18.6%
LYC -27.8%
PLS -36.2%
TECH
WTC -8.8%
XRO -12.6%

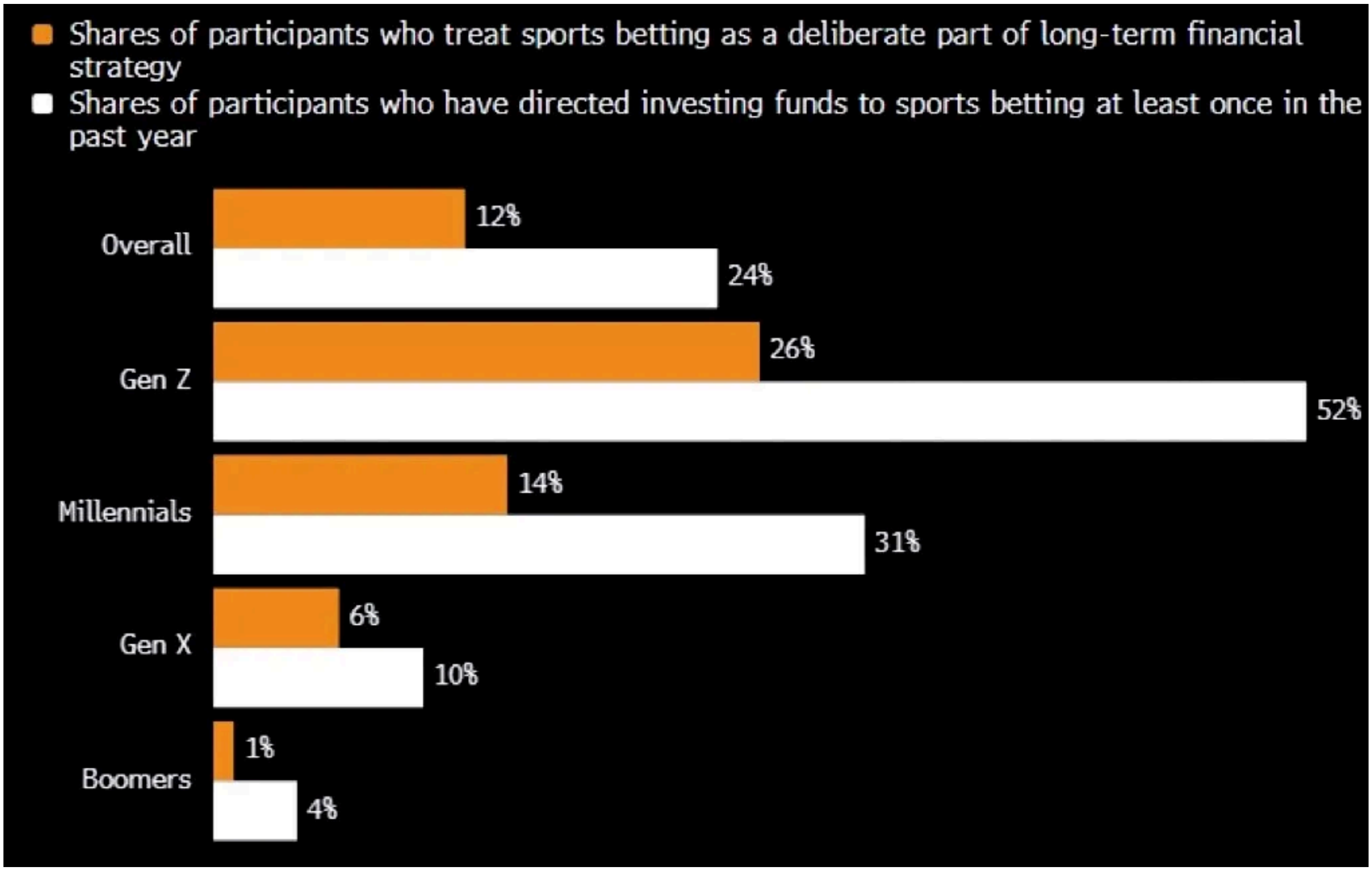
Source: JP Morgan, Bloomberg

US earnings boosted by marking-up investments



Source: Goldman Sachs

Sports betting competes with investing for Gen Z capital



Source: Betterment, Bloomberg