Daily US Equity Opening News - 9th July 2026

PEP earnings weighed by consumer budgets tightening; LEVI outlook underwhelms; CRM downgraded

- **US INDEX FUTURES:** ES +0.2%, NQ +0.9%, YM +0.1%, RUT +0.4%
- **DAY AHEAD:** The US day will see remarks from Fed's Williams and Logan, Existing Home Sales, which are expected to rise to 4.20mln from 4.17mln, and the 30yr bond auction, where the US is to sell USD 22bln. In energy, the weekly EIA nat gas stocks report is due. Elsewhere, Banxico meeting minutes are due, and BoE's Breeden is to take part in a panel.
- **BROKER MOVES:** TOST upgraded at Goldman Sachs; PSKY downgraded at Arete with a USD 2 PT (prev. 14). For the full list, click here.
- **MAJOR MORNING MOVES RECAP:** AZN, COST, PEP, LEVI, CBRS, IBM, MSFT, ENVX, AZZ, FCEL, CRM, PSKY. For the full list, click here.
- **US DAILY CONFERENCE CALENDAR:** . For the full list, click here.

NEWS:

MACRO

- **Spending** - BofA week-to-July 4th total card spending +4.8% (prev. +7.0% W/W); notes spending growth remains solid despite W/W slowdown.

TECH

- **Micron Technology (MU)** - To invest up to USD 3bln to strengthen US Semiconductor supply chain; to provide USD 500mln strategic financing to Globalwafers for Texas facility. MU and GlobalWafers to enter 10-year raw silicon wafer supply agreement. Meanwhile, Micron raised planned US fab and tech investment to more than USD 250bln through 2035; increased investment is expected to support the long-term goal of producing 40% of DRAM in the US.
- **SK Hynix (000660 KS)** - SK Hynix's US ADR is reportedly more than 7x oversubscribed, Bloomberg reports. SK Hynix is selling 177.9mln ADRs, with each ADR equal to one-tenth of a common share. Demand for the ADR listing has largely been from global long-only funds, technology-focused investors, sovereign wealth funds, and Asia-focused funds, the report said. Baillie Gifford, Coatue Management, and Situational Awareness Partners have indicated interest in buying USD 7bln of the ADRs. Banks leading the deal stopped taking orders late Wednesday, with pricing slated for Thursday. ADRs are expected to begin trading on the Nasdaq Global Select Market on Friday under the symbol SKHYV, before switching to regular-way trading on SKHY the following Monday.
- **South Korea** - South Korean brokerages are aggressively raising margin requirements for major equities including **Samsung Electronics (005930 KS)** and **SK Hynix (000660 KS)** to curb high-leverage trading and mitigate the risk of forced liquidations, SE Daily reports.
- **Starbucks (SBUX)** - Starbucks is developing in-house tools with the help of AI that could replace some software applications it now buys from companies such as Microsoft (MSFT) and International Business Machines (IBM), Bloomberg reports. Starbucks is building alternatives to a Microsoft system that tracks inventory and an IBM tool that manages maintenance. Some of the Starbucks-developed software could roll out by the end of next year, pending the results of testing.
- **China AI** - China is reportedly mulling tightening the process of vetting AI modes, WSJ reports citing sources; there are concerns that sharing some tech could help others to act against China.
- **Samsung Electronics (005930 KS)** - Developing GAIA, an AI accelerator for AI PCs, Citrini's Jukan reports; Co. has supplied prototypes to firms including **Lenovo (0992 HK)** and **HP (HPQ)** for validation. Mass production could begin in 2027. On a 4NM process.
- **Nvidia (NVDA)** - French Competition Authority said the Nvidia probe is "getting close" to the end.
- **Ultra Clean Holdings (UCTT)** - Appointed Michael Keogh as Chief Financial Officer, effective August 5, succeeding Sheri Savage. Keogh most recently served as CFO of Ford Model e and Integrated Services, where he helped shape Ford's EV strategy and capital allocation, and previously led the financial turnaround at Bright Machines.
- **Cerebras Systems (CBRS)** - Announced a major expansion of its European AI infrastructure, with its first European data center expected to come online by the end of 2026 and additional deployments planned across France, Norway, and Finland. The company aims to expand total capacity to 200 MW by the end of 2027, with part of that capacity expected to support OpenAI workloads under the companies' existing partnership. The expansion is intended to bring Cerebras' high-speed AI inference services closer to European customers.
- **Cognizant (CTSH)** - Announced a major workforce investment to expand its Frontier-certified AI talent, targeting 5,000 Frontier-certified engineers and 10,000 Frontier-certified business operators. The company expects its first deployment-ready cohort by Q4 2026 and also plans to strengthen its AI talent pipeline through annual hiring of Frontier-trained

graduates from US and international universities.

- **Salesforce (CRM)**- Downgraded at KeyBanc to 'Sector Weight' from 'Overweight'. The firm states that its checks and customer conversations have not been strong, and neither has the feedback on Agentforce. KeyBanc adds that its recent CIO survey has "delivered another blow", with Salesforce being a standout for the wrong reasons, leading to a reduction in estimates. The firm further notes that while the company continues to state that its net new Annual Order Value - AOV - is growing above overall AOV growth, KeyBanc is having a hard time finding that trend in the disclosure of Salesforce financials.
- **Toast (TOST)** - Upgraded at Goldman Sachs to 'Buy' from 'Neutral' with a USD 36 PT. Shares have lagged, declining more than 30% over the last year, due to competitive concerns in small-to-midsize business payments and margin concerns around hardware and memory costs. However, the firm believes Toast is well positioned to outperform from here as a result of its best-in-class product offering and the recent launch of AI-enabled marketing services that it believes could be a potential accelerant to SaaS ARPU growth.
- **Kioxia (285A JT)** - Bain Capital executive said they have exited Kioxia.
- **SAP (SAP)** - EU Commission accepts binding commitments by SAP to address competition concerns about services for its popular business management software.
- **Tata Consultancy (TCS ID)** Q1 2026 (INR): Net Income 133.49bln (exp. 134.46bln).
- **Rackspace Technology (RXT)** - Reported prelim Q2 figures: EPS (0.11)-(0.08) (exp. -0.05), Q2 revenue 641mln-649mln (exp. 657mln). Cut FY26 revenue view to 2.45-2.55bln (exp. 2.65bln, prev. 2.6-2.7bln).

INDUSTRIALS

- **Maersk (MAERSKB DC)** - Said the MECL will now transit via the Red Sea; says for westbound sailings, transit times will improve by an average of 7 days. On eastbound sailings, transit times will improve by an average of 14 days.
- **Siemens (SIEGY), FuelCell Energy (FCEL)** - Companies announced a collaboration to accelerate the deployment of fuel cell-based distributed power generation. Under a memorandum of understanding, Siemens will design and supply the electrical balance of plant systems for FuelCell Energy installations, supporting 100+ MW commercial projects. The partnership will also focus on integrating fuel cells, battery storage, microgrid controls, and medium-voltage electrical equipment to speed deployment, lower costs, and expand distributed energy solutions.
- **Honeywell International (HON)** provided update FY26 guidance: Adjusted FY26 guidance for 1-for-2 reverse stock split; FY26 adj. EPS at USD 7.90-8.30 (exp. 8.24, prev. 3.95-4.15).
- **AeroVironment (AVAV)** - Provided guidance at its investor day presentation; Sees FY30 organic growth of 15-20%, FY27 adj. EBITDA flat Y/Y, and targets FY30 revenue of USD 3.5-4.0bln. Meanwhile, AVAV was downgraded at RBC to 'Sector Perform' from 'Outperform' with a USD 180 PT (prev. 210). The firm believes AeroVironment remains well positioned in growth markets and views investor concern on competitive risks as "overdone". However, RBC says the company's implied 2028-2030 acceleration in revenue growth and material step up in margins, against a back-drop of greater investments, flat top-line defense spending, and potential capacity expansion risk, will keep investors on the sidelines until visibility is better.
- **Lockheed Martin (LMT)** - Awarded a USD 502.4mln US Army hybrid contract to provide post-production support for Modernized Target Acquisition Designation Sight/Pilot Night Vision Sight (M-TADS/PNVS) systems used on AH-64 Apache helicopters deployed worldwide through international agreements. The contract runs through July 5, 2031, with work locations and funding determined on a per-order basis.
- **AZZ (AZZ)** Q1 2026 (USD): Adj. EPS 1.85 (exp. 1.69), Revenue 448.5mln (exp. 434.52mln); raised FY27 adj. EPS view to 6.75-7.15 (exp. 6.84) and FY27 revenue view to 1.80-1.85bln (exp. 1.75bln, prev. 1.725-1.775bln).
- **Enovix (ENVX)** - Appointed Michael Vyvoda as Chief Operating Officer, effective July 29. Vyvoda, a former Director of Product Operations at Apple, will oversee Enovix's global manufacturing, supply chain, and operations engineering functions. He joins from Magrathea Metals, where he served as COO.

CONSUMER DISCRETIONARY

- **Dream Finders Homes (DFH)** - Reiterated its commitment to acquire Beazer Homes (BZH) for USD 32.00/shr in cash and urged Beazer's board to sign an NDA with a limited standstill so due diligence can begin. Dream Finders argued that Beazer's proposed 12-month standstill is unreasonable and appears intended to impede a transaction, while also calling on Beazer to disclose more information about the "additional parties" it has referenced as potential bidders.
- **RH (RH)** - Announced that chairman and CEO Gary Friedman sold an aggregate of 125,000 shares of RH common stock from July 6 through July 8.
- **Levi Strauss (LEVI)** Q2 2026 (USD): Adj. EPS 0.28 (exp. 0.24), Revenue 1.60bln (exp. 1.52bln). Raised FY26 EPS view to 1.46-1.52 (exp. 1.51, prev. 1.42-1.48) and raised FY26 net revenue growth view to 7.0-7.5% (prev. 5.5-6.5%). Sees Q3 adj. EPS at 0.34-0.36 (exp. 0.38). Raised quarterly dividend by 14% to USD 0.16.
- **Porsche (P911 GY)** - H1 deliveries -16% Y/Y at 122.3k.

CONSUMER STAPLES

- **PepsiCo Inc. (PEP)** Q2 2026 (USD): Core EPS 2.20 (exp. 2.21), Revenue 24.2bln (exp. 23.97bln); affirms FY26 guidance and continues to see FY26 core constant currency EPS up 4-6%. Expects higher input cost inflation in H2 vs H1. Results were tempered this quarter due to rising inflationary pressures, leading to consumer budgets tightening. Sees FY26 core constant currency EPS up 4-6%:
- **Costco (COST)** - Reported US comp sales +10.6% in June to USD 29.24bln, total SSS +7% (prev. +8%), +8.8% Y/Y (prev.

+12.5% Y/Y in May).
- **Simply Good Foods (SMPL)** Q3 2026 (USD): Adj. EPS 0.42 (exp. 0.35), Revenue 356.98mln (exp. 333.62mln). Sees Q4 revenue of 322-332mln (exp. 335.31mln) and raised FY26 revenue view to 1.35-1.36bln (exp. 1.33bln, prev. 1.31-1.35bln).
- **Monster Beverage (MNST)** - Announced a 2-for-1 stock split in the form of a 100% stock dividend. Shareholders of record as of July 24, 2026, will receive one additional share for each share owned, with distribution after the close on August 10, 2026. The stock is expected to begin trading on a split-adjusted basis on August 11, 2026.

COMMUNICATIONS

- **Meta (META)** - Signed a long-term supply agreements for memory, networking gear, and flash storage, according to Reuters, citing a memo. Plans to double computing capacity to 14 GW next year and to start manufacturing its Iris AI chip in September.
- **Warner Bros Discovery (WBD), Paramount Skydance (PSKY)** - US states could file suit as early as next week to block Paramount's deal with Warner Bros, according to reports, citing sources. Meanwhile, PSKY was downgraded at Arete to 'Sell' from 'Neutral' with a USD 2 PT (prev. 14). The firm says that the history of media mega-mergers is "hardly inspiring" and the firm sees Paramount's acquisition of Warner Bros. Discovery facing "similar challenges," but with more expensive debt and restrictive maintenance covenants.

HEALTHCARE

- **AstraZeneca (AZN)** - The CARDIO-TTRansform Phase III trial 1 for AstraZeneca and Ionis' (IONS) Wainua in patients with transthyretin-mediated amyloid cardiomyopathy did not meet the primary efficacy endpoint of the composite outcome of cardiovascular mortality and recurrent CV clinical events up to 140 weeks compared with placebo.
- **Novo Nordisk (NVO)** - Dr Reddy's (DRREDDY ID) said that it will be delaying commercial supplies of semaglutide due to active ingredient issues, Reuters reports. Dr Reddy's executive says we will be on track to supply between 6-7mln of Novo Nordisk's Semaglutide pens between Q3 and Q4. The issue has nothing to do with whatever we sent to market. Actual supply to the market can resume in late October to early November if the issue is resolved. There will be a halt in supply between now and September. We got to know about the issue on Wednesday.
- **InMode (INMD)** - Steel Partners offers to acquire InMode for USD 16.75/shr in cash.

FINANCIALS

- **Goldman Sachs BDC (GSBD)** - Downgraded at BofA to 'Underperform' from 'Neutral' with a USD 8.50 PT (prev. 9), citing weaker relative credit performance, reduced earnings power, and limited near-term self-help levers. While integration with Goldman Sachs Asset Management's private credit platform should support better credit outcomes and profitability over time, legacy assets remain a near-term overhang.
- **TPG, Blackstone (BX)** - TPG and Blackstone are reportedly seeking more than USD 4bln for Hologic's surgical unit, the FT reports citing sources

ENERGY

- **Baker Hughes (BKR)** - Reportedly to win conditional EU approval for USD 9.6bln Chart Industries acquisition. Meanwhile, Baker Hughes announced three contract awards related to Cheniere's (LNG) Sabine Pass LNG facility in Louisiana. The awards include supplying liquefaction equipment for Train 7, equipment for a boil-off gas re-liquefaction unit, and fleet-wide gas turbine upgrades. The projects are expected to add more than 6MTPA of LNG production capacity, expanding Sabine Pass beyond its current ~30 MTPA capacity.
- **TotalEnergies (TTE)** - TotalEnergies has shipped to Asia the very first cargo from ECA LNG Phase 1. TotalEnergies, which holds a 16.6% stake in the project alongside operator Sempra Infrastructure, will offtake 1.7mln tons per year of LNG for 20 years from the start of commercial operations.

REAL ESTATE

- **Prologis (PLD)** - Prologis released a new investor presentation reiterating the strategic benefits of a potential combination with Segro (SEGXF) following discussions with Segro shareholders. Prologis said it remains ready to engage constructively with Segro's board and urged Segro shareholders to encourage the board to enter negotiations so that a binding offer can be presented for shareholder consideration. Segro has rejected Prologis worth 886p/shr; urges shareholders to take no action.