

Subject: AI Theme throughout Asian stock markets

Video highlights:

- The Hong Kong stock market has outperformed so far this year, followed by South Korea among the Asian markets, while European markets have also shown strong performance. A common factor among these markets is their previous underperformance and lower valuations.
- The rise of AI in China has significantly increased global investor interest in Chinese tech developments. However, competition in the Chinese market is fierce, especially with many AI-related products being offered for free, making profitability a challenge.
- Currently, the Hang Seng Index shows signs of being overbought, and the recent signing of the "America First Investment Policy" memorandum by U.S. President Trump, which restricts U.S. investments in Chinese high-tech sectors, may lead investors to take profits. Additionally, the upcoming National People's Congress in early March is raising market attention on China's economic growth targets and deficit rates amid trade tensions.
- China's real estate debt issues have impacted not only the Chinese investment sentiment but also the broader Asian financial markets. Recently, news of a large state-owned real estate company obtaining funds to repay significant debt, along with stabilizing new home prices, has boosted investor confidence, benefiting both the stock and bond markets.
- In conclusion, the rapid development of AI in China will be a key investment theme globally. Besides focusing on China and the U.S., investors can consider to diversify into the broader Asian markets, including Taiwan and South Korea, which have companies engaged in AI technology. Investing in Asian bonds can further mitigate stock market risks and enhance potential yield returns.

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