

Video Transcript

Top Questions from our Clients: September 2026

CIO Office | Released on 08 September 2026

Each month, our CIOs address top six questions on investors' mind. Here is what's defining September.

September's Top Questions from our Clients

Q1: Strong earnings are lifting markets — but is this pace sustainable?

Key takeaway

- Earnings strength is broad-based across sectors, beyond mega-cap tech
- Forward EPS growth supports valuations. Stocks generally do not look expensive
- Implication: mild OW US; diversify into North Asia and Japan; focus on AI monetisation

Q2. What can broaden US equity returns without chasing AI at these levels?

Key takeaway

- Re-industrialisation, defence and energy security are driving capex cycles
- AI shifts from build-out to monetisation; prefer semis, cloud, AI apps
- Implication: OW US and tech; favour energy, industrials, materials, financials

Q3. What do larger long-dated Treasury buybacks mean for the deficit, Fed policy, and bonds?

- Improves long-end liquidity and market functioning, not the deficit
- Not QE; limited ability to anchor yields and doesn't steer Fed policy
- Implication: lock in current yields; prefer medium duration; favour quality IG credit

Q4. Will US midterms turn the data-centre power debate into a real risk for the tech/AI rally?

- Data-centre scrutiny is rising, but the AI rally remains supported
- Grid constraints are real; post-election policy is the key risk to watch
- Implication: stay OW tech/AI monetisers; favour grid enablers and diversified utilities

Q5. Do South Korean tech stocks offer enough upside to justify the risk?

- Volatility remains elevated, but leverage has flushed out significantly
- Earnings outlook is robust, led by memory and AI demand
- Implication: maintain mild OW South Korea; stay selective on financials and defence

Q6. Are foreign governments creating significant selling pressure in US Treasuries?

- Foreign demand has softened recently, but there is no disorderly exit
- Long-end yields reflect supply, fiscal and Fed credibility concerns
- Implication: stay neutral USTs; prefer medium duration; favour IG, lock in yields

Every month brings new questions and new signals

To explore what this means for portfolios,

Read the publication or reach out to your HSBC contact