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A turning point for Tech?

- The noise around Chinese tech continues to grow. There are increasing hopes that the regulatory onslaught is ending & instead the focus will shift to technology as an engine for economic growth.
- Given how brutal the sell-off has been since Nov'20 when Beijing first suspended Ant's IPO, bottom-up analysis suggests valuations are cheap & there's increased chat about a catch-up trade.
- But these are macro markets so what's the Qi perspective? The ["Global Tech"](#) watchlist is not exhaustive but includes major technology companies from US, Europe & China plus some broader Chinese ETFs & indices.

Model Name	Confidence(%)	Val Gap	Val Gap (\$)		Bucket 1	Bucket 2	Bucket 3
AMZN	49%	-9.48%	-1.17		Eurozone Conf...	Real Rates	Inflation
MSET	84%	-2.57%	-0.31		Eurozone Conf...	Real Rates	Corporate Credit
CHB	60%	-1.83%	-0.07		Corporate Credit	Risk Aversion	CB QT Expectations
FB	88%	0.03%	0.00		Corporate Credit	CB QT Expectations	Eurozone Confide...
ASML	92%	1.94%	0.14		Corporate Credit	Eurozone Confide...	Real Rates
GOOG	81%	1.41%	0.15		Eurozone Conf...	Real Rates	Corporate Credit
BBGI.JP	87%	3.17%	0.19		Corporate Credit	Real Rates	Eurozone Confide...
SAP	87%	3.09%	0.25		Corporate Credit	Risk Aversion	Eurozone Confide...
ZOHO.HK	4%	4.02%	0.27		CB QT Expect...	Risk Aversion	Inflation
BABA	51%	7.73%	0.28		Risk Aversion	CB QT Expectations	Inflation
AMZN	71%	5.46%	0.35		Risk Aversion	Corporate Credit	Eurozone Confide...
CHIK	72%	10.56%	0.33		Corporate Credit	Risk Aversion	Eurozone Confide...
KWEB	15%	14.58%	0.58		Inflation	CB QT Expectations	Risk Aversion
ChiNext	77%	8.42%	0.61		Corporate Credit	Real Rates	Eurozone Confide...
ZOHO.HK	22%	18.45%	0.79		Risk Aversion	Corporate Credit	Inflation
KWEBL+ZOO	51%	17.66%	1.08		Corporate Credit	CB QT Expectations	Eurozone Confide...

- Most of the US FAANGs are **in macro regimes & valuations are fair**. [Apple](#) is the outlier (cheap in macro terms but a micro driven stock) but otherwise [Microsoft](#), [Facebook](#), [Google](#) & [Amazon](#) are all running significant macro exposures & all within half a standard deviation of macro-warranted model value.
- It's a similar story in Europe: [SAP](#) & [ASML](#) are both macro-driven stocks & currently behaving in line with macro fundamentals.
- However, Chinese tech stocks have low model confidence; most notably Tencent at just 4%. Idiosyncratic risk dominate! Similarly, [KWEB](#) is not in regime whether outright or relative to the [QQQs](#).
- But the picture is different for Chinese sectors / indices. MSCI's China IT sector [CHIK](#) plus [ChiNext](#) are in macro regimes & have to a modest degree priced some of the good news already. The relative laggard is MSCI BioTech Innovation [CHB](#).

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