

What's Hot Today:

► AI Data Centers: The Power Constraint and the Storage Solution

AI Data Centers (AIDCs) are the core infrastructure for training and running AI large models. They function like “digital factories” and require far higher power reliability and power quality than traditional data centers. While conventional data centers typically have steady loads, AIDC can show “pulsed” loads during training where GPU scheduling changes quickly, causing power demand to spike and drop rapidly and repeatedly. These high-frequency swings can amplify voltage and frequency disturbances. In extreme cases, they may trigger protection events that disrupt both grid stability and data center uptime.

Against this demanding backdrop, the key constraint for AIDC is not simply “having electricity”, but connecting faster and securing stable power supply over time, especially as power density rises, operations run close to 24/7, and capacity is added in a concentrated manner. Jensen Huang, CEO of Nvidia, underscored this shift noting that AI’s growth is increasingly limited by power rather than computing. By 2027, Nvidia’s GPU clusters may require 150–200GW of electricity, equivalent to 150-200% of France’s national power use. In other words, scaling AI is not only about adding computing power, but also about securing sufficient and reliable energy sources.

In the US, long build cycles and uncertainty on both the generation and grid sides make energy storage the most practical add-on for AIDC. On the generation side, stable energy supply is slow to expand. It often takes years to obtain approval of new generation capacity. On the grid side, aging infrastructure, limited inter-regional links, and slow transmission expansion are also the hindering factors. To by-pass these hard constraints, developers need fast-to-deploy, controllable flexibility to reduce connection and operating pressure. Hence, energy storage moves up the priority list.

Storage’s value is not “more generation”, but “fast control and shock absorption”. It can charge and discharge quickly to shave peaks, smooth fluctuations, and make a data center’s net power draw more controllable. For AIDC, this brings two benefits: (1) as a flexible interconnection resource, storage can reduce grid stress, improve connection feasibility, and shorten waiting time; (2) in a “renewables + storage + grid/gas” mix, storage improves renewable usability and supports continuous supply. On site, storage can also work with UPS systems to improve power quality and reduce reliance on diesel-powered backup.

China & HK Indices	CLOSE	1D	YTD
HSI	25,818	0.2%	28.7%
HSCEI	8,915	0.0%	22.3%
HSCCI	4,069	0.0%	7.6%
CSI300	4,657	0.3%	18.4%
Shanghai A	4,156	0.1%	-5.4%
Shanghai B	252	0.1%	-5.4%
Shenzhen A	2,659	0.3%	29.9%
Shenzhen B	1,265	0.3%	4.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,710	-0.0%	14.5%
S&P 500	6,929	-0.0%	17.8%
Nasdaq	23,593	-0.1%	22.2%
Nikkei Index	50,750	0.7%	27.2%
FTSE Index	9,870	-0.2%	20.8%
CAC Index	8,103	-0.0%	9.8%
DAX Index	24,340	0.2%	22.3%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,533	1.2%	72.8%
STEEL (US\$/oz.)	2,601	0.6%	45.6%
SILVER (US\$/oz.)	79	10.3%	184.6%
CRUDE OIL (US\$/bbl)	56	-2.8%	-20.3%
COPPER (US\$/oz.)	12,162	2.0%	38.7%
ALUMINIUM (US\$/oz.)	2,960	0.6%	16.0%
PLATINUM (US\$/oz.)	2,458	8.9%	173.5%
ZINC (US\$/oz.)	3,090	0.2%	3.8%
WHEAT (US\$/bu)	519	0.4%	-5.9%
CORN (US\$/bu)	450	0.6%	-1.2%
SUGAR (US\$/lb)	65	1.3%	-28.9%
SOYBEAN (US\$/bu)	1,072	0.8%	3.7%
PVC (US\$/t.)	4,761	0.4%	-18.9%
CRB	300	-0.3%	3.0%
BDI		-5.2%	88.3%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.771	0.850	156.570	0.790	7.006
HKD	0.129		0.109	20.150	10.159	0.901
EUR	1.177	9.148		184.240	1.076	8.255
JPY	0.006	4.963	0.543		0.504	0.045
CHF	1.267	9.844	1.076	198.310		8.873
RMB	0.143	1.109	0.121	22.346	0.113	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	13	-19.4%

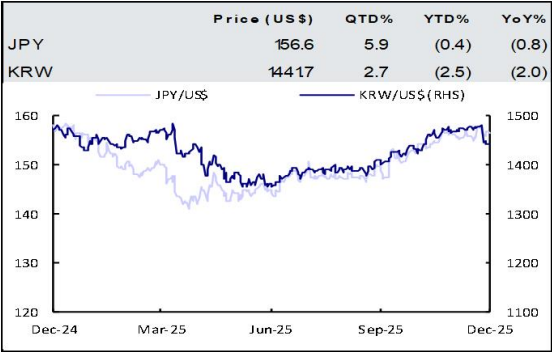
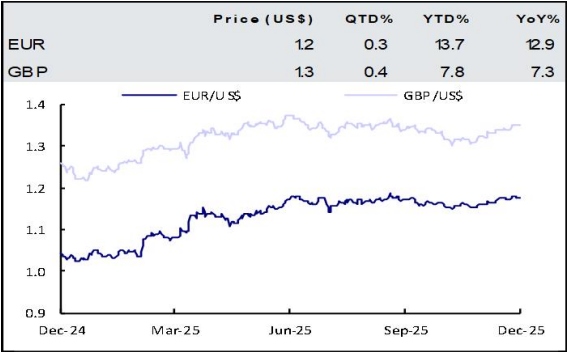
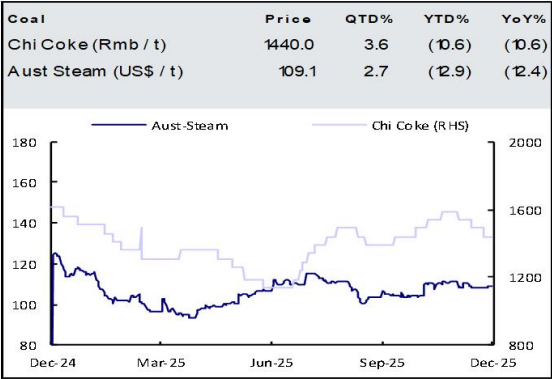
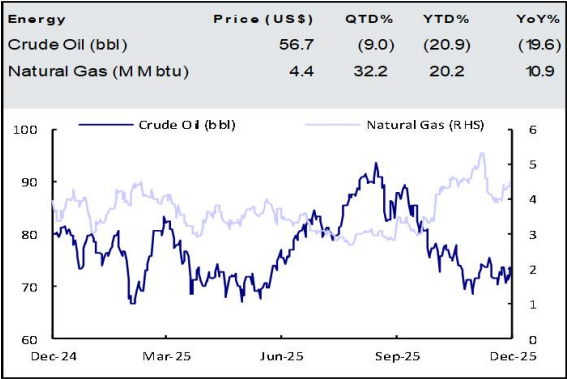
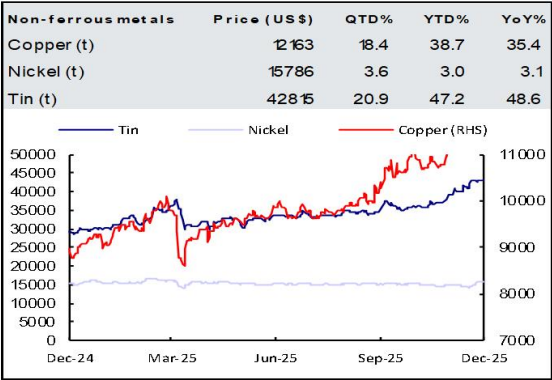
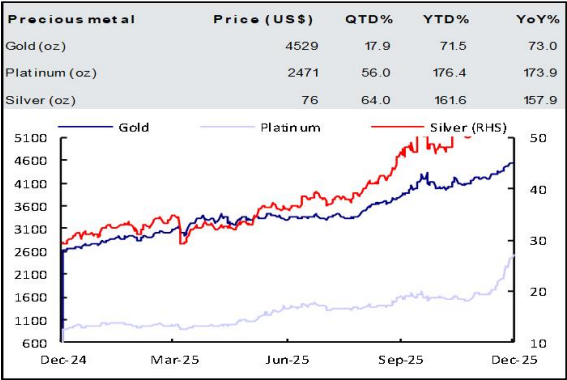
Source: Bloomberg

It is reported by the U.S. Department of Energy that US data centers consumed about 176TWh of electricity in 2023 (around 4.4% of total US demand), and this could rise to 325–580TWh by 2028 (about 6.7%–12%). The Department also indicates that AI servers alone may increase from roughly 40TWh in 2023 to around 165–325TWh by 2028 (a 4–8x rise). As demand grows faster than power supply build-out, energy storage is likely to shift from an optional add-on to a standard configuration.

Our view: We expect energy storage suppliers to benefit from higher renewable penetration and AIDC-driven demand, with industry CAGR above 20% through 2030. AIDC will increasingly favor utility-scale systems, given stricter needs for cell consistency, long cycle life, and fast response.

We believe CATL (3750 HK, HK\$508.50, HK\$2320bn) and Sungrow (300274 CH, RMB181.08, RMB.375bn) will benefit from the trend. Both are industry leaders in energy storage. CATL's 587Ah cell is a good match for AIDC's strict requirements as it delivers 434Wh/L (+10% vs. the prior generation), around 25% higher system energy density, and over 10,000 cycles. Sungrow offers integrated solar-plus-storage, has roughly 28% market share in storage system integration, over 40% share in data-center HVDC solutions, and works with Google on IEEE 1547–certified grid-forming storage to strengthen grid support and stability. The two companies are trading at 25x and 24x FY26E P/E respectively. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		31-Dec-25
ISM Manufacturing PMI	MoM		5-Jan-26
Durable Goods Orders	MoM		7-Jan-26
Factory Orders	MoM		7-Jan-26
Trade Balance	MoM		8-Jan-26
Wholesale Inventories	MoM		8-Jan-26
Housing Starts / Building Permits	MoM		9-Jan-26
Employment Report	MoM		9-Jan-26
New home Sales	MoM		13-Jan-26
CPI	MoM		13-Jan-26
Business Inventories	MoM		14-Jan-26
Retail Sales	MoM		14-Jan-26
PPI	MoM		14-Jan-26
Existing Home Sales	MoM		14-Jan-26
Industrial Production	MoM		16-Jan-26
GDP	QoQ		22-Jan-26
Consumer Confidence	MoM		27-Jan-26
Personal Income & Spending	MoM		29-Jan-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Dec-25
Foreign Exchange Reserves	QoQ		7-Jan-26
Money Supply - M2	MoM		9-Jan-26
PPI	MoM		9-Jan-26
CPI	MoM		9-Jan-26
Trade Balance	MoM		14-Jan-26
Retail Sales	MoM		19-Jan-26
Industrial Production	MoM		19-Jan-26
GDP	YoY		19-Jan-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		29-Dec-25
Money Supply - M2	MoM		31-Dec-25
Retail Sales	MoM		2-Jan-26
PMI	MoM		6-Jan-26
Foreign Currency Reserve	MoM		7-Jan-26
Unemployment Rate	MoM		20-Jan-26
CPI	MoM		22-Jan-26
GDP	QoQ		30-Jan-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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