

Pacific Alpha Quarterly Review

Regional Synthesis · Asia Pacific · Q2 2026

*Asia Pacific isn't one story —
ASEAN-5 isn't catching Singapore,
China is managing decline on top of
the world's fastest-aging demographics.*

■ ■ Vietnam

■ ■ Thailand

■ ■ Malaysia

■ ■ China

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Asia Pacific isn't one story — ASEAN-5 isn't catching up to Singapore, China is grinding through a managed deceleration on top of the world's fastest-aging demographics, and the divergence inside the region is now wider than the divergence between the region and the rest of the world.

Thailand recorded its weakest quarter of the post-pandemic era — GDP growth 2.4% with the IMF projecting 1.6% for 2026, corruption at a 19-year low, and English proficiency literally last among 116 countries assessed. The country isn't in crisis; it's in managed decline.

Vietnam posted 8.02% GDP growth and a record \$27.6B in FDI disbursement, but Samsung alone accounts for ~20% of total exports and trade-to-GDP is ~170%. The growth story is real and fragile in equal measure — one US tariff decision away from crisis.

Malaysia held the regional middle on every output metric. The structural drags are now visible: the ringgit has lost 40% since 2013, ~1.7M Malaysians live abroad (60% in Singapore), and Bumiputera policies enter their 54th year against an originally intended 20-year sunset.

China remains the unavoidable regional anchor — but in a defensive posture. Population peaked in 2022 at 1.42B; FDI down 80% from the 2021 peak to \$33B; foreign-executive exit bans still in force; Feb 2026 crypto crackdown extended to stablecoins. World-class infrastructure built for a working-age population that will be 25% smaller within a generation. Execution-heavy where the state has been coercive (semiconductors, EVs, crypto ban — all Delivered); ambivalent where it should be most reformist.

Across the four Live countries, the region's most actionable signal this quarter is the divergence in initiative execution — which governments are moving from announcement to delivery, and which are stuck. See pages 4–6 for the full Initiative Execution Tracker.

REGIONAL SCORECARD

Aggregate metrics across ASEAN-5 · China shown separately

Quarter-on-quarter aggregates derived from the five ASEAN performance matrices. China is reported as a separate column rather than folded into the aggregate because its scale (~10x the largest ASEAN-5 economy) would distort simple means. Best and worst performers are identified within the ASEAN-5 set per metric.

Metric	ASEAN-5 Aggregate	Best (ASEAN-5)	Worst (ASEAN-5)	QoQ	China
Mean GDP Growth (2025)	5.0%	Vietnam · 8.0%	Thailand · 2.4%	◆	China · 5.0%
Total FDI Disbursed (2025)	\$107B	Indonesia · \$50B	Philippines · \$9B	▲	China · \$33B (-13% YoY)
Mean Corruption CPI	38.6	Malaysia · 50	Philippines · 32	▼	China · 43
Mean English Proficiency	504	Malaysia · 581	Thailand · 402	▼	China · 464 (rank #86)
Median Alpha Fragility Index	68*	Malaysia · 42	Thailand · 69	▲	China · ~72 (est.)

Q2 takeaway. ASEAN-5 grew at 5.0% in aggregate but lost ground on corruption (mean CPI down) and English proficiency (Thailand drag pulls the regional mean). Median fragility increased — Thailand's AFI rose to 69 (very high) while Malaysia held at 42 (moderate). China prints inside the ASEAN-5 range on growth and corruption but sits below the ASEAN-5 mean on English (464 vs 504) and above ASEAN-5 worst on fragility (~72 vs Thailand 69). The dispersion is widening — both inside ASEAN-5 and between ASEAN-5 and China.

* **Alpha Fragility Index (AFI):** Pacific Alpha Intelligence's proprietary 0–100 scorecard measuring structural fragility in emerging markets. **Higher score = more fragile.** Calculated from five equally weighted pillars (Perceived Corruption & Rule of Law; Policy Execution Reliability; Governance & Political Stability; Economic Concentration Risk; Geopolitical Exposure), each scored 0–20. Detailed methodology and sources on the Methodology page.

INITIATIVE EXECUTION TRACKER

Talk vs. delivery — across all covered initiatives

Every Pacific Alpha Intelligence policy initiative is scored on a four-stage execution scale: **Announced** (stated intent, no budget) → **Funded** (budget allocated) → **Legislated** (law passed) → **Delivered** (measurable KPI movement). The country that consistently moves initiatives further along the scale earns credibility; the country that stays at Announced is graded on talk alone.

Country	Announced	Funded	Legislated	Delivered	Execution Index
Vietnam	6	3	1	1	1.73 / 4.00
Thailand	4	2	1	2	2.11 / 4.00
Malaysia	4	4	1	2	2.09 / 4.00
China	4	1	2	3	2.40 / 4.00

With China now in the tracker and a Crypto/Digital-Asset row added to every country, the rank order is **China > Thailand > Malaysia > Vietnam** on Execution Index. China's lead is driven by Delivered industrial-policy initiatives (semiconductors, EV/battery, the Feb 2026 crypto crackdown) — execution is high precisely where the state has been most coercive. Thailand earns its rank from the 5-year digital-asset tax exemption (Delivered Jan 2025) and the BOI-accelerated EV programme. Vietnam still trails because five of eleven initiatives — the headline reform commitments — remain at Announced, including the draft digital-asset law. Execution Index measures delivery on stated commitments; it does not measure whether the underlying policy is good for foreign capital — China's crypto ban scores 'Delivered' but its USD-investor impact is negative.

VIETNAM

Initiative	Stage	Status Note
Radical Administrative Reform — 40% Permit Cut	FUNDED	E-government budget allocated; comprehensive permit reform not yet legislated.
Fast-Track Land Clearance for Industrial Zones	ANNOUNCED	Provincial pilots only; no national 90-day mandate.
National English Emergency Programme	ANNOUNCED	No funded national programme; EPI score gain Q2 negligible.
Anti-Corruption — Execution Without Paralysis	ANNOUNCED	Campaigns continue; reform of approach to reduce approval freeze not in motion.
One-Stop Digital FDI Portal	FUNDED	Multiple portals in build; consolidation not complete.
Capital Repatriation Liberalisation	ANNOUNCED	Limited FX easing; full liberalisation off the table.
Vocational Training Scale-Up — 500,000 Workers	FUNDED	TVET budget allocated; scale below target trajectory.
Electricity Grid Reliability Mandate	DELIVERED	Significant grid capex; outage frequency declining.

Semiconductor & Advanced Manufacturing Incentives	LEGISLATED	Decree on advanced manufacturing incentives in force.
Skilled Immigration Fast-Track	ANNOUNCED	Visa easing piecemeal; 30-day mandate not adopted.
Digital-Asset / Crypto Framework Law	ANNOUNCED	Draft Law on the Digital Technology Industry covering crypto-assets pending; targeted for 2026 National Assembly passage. No licensing regime yet.

THAILAND

Initiative	Stage	Status Note
Constitutional Reform — End Military Veto	ANNOUNCED	No political coalition behind rewrite; deeply contested.
Anti-Corruption Emergency — CPI to 45 by 2028	ANNOUNCED	CPI worsened to 19-year low this quarter — actively regressing.
National English Emergency — Mod by 2030	ANNOUNCED	EPI dropped 66 points to rank 116; programme not funded.
Household Debt Restructuring — 75% of GDP by 2029	FUNDED	Bank of Thailand macroprudential measures partially deployed.
EV & Advanced Manufacturing — BOI Acceleration	DELIVERED	\$9B in FDI commitments; BOI approvals materially accelerated.
Tourism Beyond Beach Mass-Market	FUNDED	Medical tourism and MICE budgets allocated; results pending.
Digital Economy Transformation — ASEAN Data Hub	LEGISLATED	PDPA in force; 5G deployment legislated; data-centre build proceeding.
Agricultural Productivity Reform	ANNOUNCED	Structural challenge unaddressed; no major reform package.
5-Year Digital-Asset Tax Exemption	DELIVERED	0% capital-gains on digital assets in force Jan 2025–Dec 2029; transaction volume +65% YoY in 2025. Renewal beyond 2029 is the next milestone.

MALAYSIA

Initiative	Stage	Status Note
Phase Out Bumiputera Quotas — Tertiary Education	ANNOUNCED	Politically explosive; no reform proposed by major party.
Brain Repatriation — 100,000 Returnees by 2030	FUNDED	TalentCorp programme exists but has retained <5,000 in 15 years.
Bank Negara Statutory Independence	DELIVERED	BNM operates with de facto independence; statutory framework holding.
Penang+1 Semiconductor Diversification	FUNDED	Johor cluster announced as second hub; infrastructure capex underway.
Bumiputera Equity Carve-Out — 30% to 15% by 2030	ANNOUNCED	No political movement; equity rule remains 30% on listed companies.
MACC Independence — Report to Parliament	ANNOUNCED	No reform proposed; MACC continues to report to PM.

Vocational Training Scale-Up — 200,000 Workers	FUNDED	TVET capacity expansion budgeted; below FDI-demand trajectory.
ASEAN Halal Hub Formalisation	DELIVERED	Halal certification authority status active; export markets expanding.
Energy Transition — 50% Renewables by 2030	LEGISLATED	National Energy Transition Roadmap (NETR) in force; capex pipeline filling.
Klang Port Modernisation	FUNDED	Westports automation capex committed; transshipment recovery early.
Anwar Digital-Asset Legislation (2025–26)	ANNOUNCED	PM signalled new crypto/blockchain legislation after Abu Dhabi visit Jan 2025; no draft text yet. SCM securities regime remains the operative framework.

CHINA

Initiative	Stage	Status Note
Family Formation Subsidies — National Programme	FUNDED	Provincial cash subsidies expanding; no national programme at the scale needed to move fertility from 1.0 toward replacement.
Foreign Executive Exit-Ban Rollback	ANNOUNCED	No rollback in motion; exit bans continue to chill FDI.
Education English Mandate — Quality Reform	ANNOUNCED	EF EPI rank 86 of 123; IELTS mean 5.9 (Vietnam 6.2). Curriculum reform discussed, not delivered.
Foreign Business Audit Compromise (HFCAA)	LEGISLATED	PCAOB inspection access maintained since 2022; ongoing fragility.
Property Sector Workout — Transparent Resolution	ANNOUNCED	Ad-hoc developer rescues continuing; no Resolution Trust-style mechanism.
Tech Independence Framework — Semiconductors	DELIVERED	SMIC, YMTC, Hua Hong all expanding; massive state capital commitment in force.
EV & Battery Industrial Leadership	DELIVERED	BYD/CATL global leadership consolidated; export-market access the swing variable.
Pension Reform — Retirement Age Increase	LEGISLATED	Gradual age increase enacted in 2024–25; implementation through 2035.
Belt and Road — Debt Sustainability Reform	ANNOUNCED	Ad-hoc restructurings continue; no codified sustainability framework.
Crypto Crackdown — Stablecoin + Tokenization Ban	DELIVERED	Feb 2026 PBoC/CSRC + 6-agency joint notice extends 2021 ban to stablecoins and tokenization. RMB-pegged stablecoins abroad require state approval. Enforcement tightening.

CROSS-COUNTRY COMPANY EXPOSURE

Stocks positioned across multiple regional initiatives

Companies whose revenue or earnings benefit from initiatives in more than one Pacific Alpha country. Higher initiative count = more option value as regional reform momentum builds.

Ticker	Company	Mkt	Countries	Initiatives	Regional Thesis
STRA	Strategic Education	US	VN, TH, MY, CN	6	Cross-country bet on education and vocational reform. Vietnam and Thailand English programmes at Announced stage; China English Mandate also Announced (EPI rank 86). Malaysia private education benefits from Bumiputera quota pressure.
GRAB	Grab Holdings	US	VN, TH, MY	4	Regional digital-economy infrastructure play. Three covered countries have administrative-reform or digital-economy initiatives at Funded or Legislated stage. Direct beneficiary of friction reduction.
DUOL	Duolingo	US	VN, TH, CN	3	Pure-play exposure to English emergency programmes. Vietnam and Thailand both Announced; China would be the largest TAM expansion of any country in coverage if Beijing funds quality reform.
BABA	Alibaba	US	CN	2	China Foreign Executive Exit-Ban Rollback (Announced) and AI Application Leadership (Medium-priority). Foreign-executive confidence is a major BABA constraint; cloud + AI applications under competitive pressure from ByteDance.
1211.HK	BYD	CN	CN	1	Pure-play on China EV & Battery Industrial Leadership (Delivered). Global EV leader; dominant volume + integrated battery. Export-market access the single biggest swing variable.
0981.HK	SMIC	CN	CN	1	China Tech Independence Framework (Delivered). Leading mainland foundry; primary beneficiary of state-funded self-sufficiency mandate. US export-control trajectory is the swing variable.
ENLT	Enlight Renewable Energy	US	VN, TH	2	Regional renewables developer. Thailand renewable transition Legislated; Vietnam infrastructure programme Delivered. Already materializing.
SEA	Sea Limited	US	VN	2	Single-country concentrated bet on Vietnam digital-economy reform. Limited regional diversification but high country-execution beta.

■ Informational only — not investment advice. Stocks listed are positioned to benefit from Pacific Alpha policy initiatives. Performance depends on initiative execution stage progression.

REGIONAL CURRENCY DASHBOARD

Local-currency vs USD across ASEAN-5 + China

Pacific Alpha country reports publish equity returns in local currency. For USD-based investors, FX drag often matters as much as the underlying equity move. This page makes the FX picture visible.

Country	Code	Current	1-Year	5-Year	10-Year	USD-investor drag
Vietnam	VND	~25,300	-1.5%	-9.8%	-15.2%	Minimal
Thailand	THB	~36.0	-4.8%	-16.5%	-12.0%	Material
Malaysia	MYR	~4.45	+2.1%	-14.2%	-39.8%	Historical disaster
Philippines	PHP	~58.5	-3.2%	-11.5%	-29.4%	Material
Indonesia	IDR	~16,400	-2.5%	-13.8%	-23.7%	Material
China	CNY	~7.20	-0.8%	-9.5%	-16.3%	Moderate

KEY OBSERVATIONS

The ringgit's recent stabilisation is the regional anomaly worth noting. After a decade of -40% against USD, MYR has gained 2.1% over the past year — the only major Asia-Pacific currency in this dataset in positive territory on a 1Y basis. The Anwar government's BNM credibility is doing real work. USD-investors should not extrapolate the prior decade, but the structural drag claim needs to be tempered.

USD-investor FX drag varies meaningfully across the region. Vietnam's managed dong delivers the smallest drag (~1-2%/yr) — a real advantage for foreign portfolio allocation. China's CNY is moderate at ~2-3%/yr under PBoC management. Thailand at ~5%/yr is a material headwind. Malaysia's 10Y disaster mostly predates the current government but still anchors USD-investor priors.

All six currencies have weakened against USD over five and ten years. There is no covered currency that has appreciated against the dollar over a multi-year horizon. Local-currency equity returns can look strong on Bloomberg; USD-translated returns are systematically worse. Currency hedging or USD-listed proxies (SE, GRAB, STRA, DUOL, BABA, BIDU) deserve a place in regional allocation.

CNY moves are now the dominant cross-currency variable for ASEAN FX. Any PBoC widening of the managed-float band reverberates across ASEAN — historically the THB, MYR, and IDR follow CNY moves within days. Watch the daily fixing for the signal.

REGIONAL CRYPTO DASHBOARD

Digital-asset posture across Pacific Alpha Live countries

Six-pillar grading across grassroots adoption, transaction volume, stablecoin penetration, regulatory clarity, infrastructure, and economic context. Sources: Chainalysis 2025 Global Crypto Adoption Index (released Oct 2025); TRM Labs Q1 2026 Global Crypto Adoption Index; national regulators.

Country	Overall	Adoption	Volume	Stable.	Reg. Clarity	Infra.	Econ. Ctx	Headline
Vietnam	A-	A+	B+	A	C-	B-	A-	Chainalysis 2025 rank #4 globally; framework still in draft.
Thailand	B+	B	B+	B+	A-	B	C+	+65% YoY volume in 2025; 5-year tax exemption is doing its job.
Malaysia	B	B-	C+	B-	B	B-	B-	Mature regulator; shariah-DeFi is the under-exploited regional edge.
China	D	D	D+	F	D	F	D	Feb 2026 crackdown widened to stablecoins; Hong Kong is the only legal venue.

KEY OBSERVATIONS

Vietnam and Thailand are now the regional crypto poles — for opposite reasons. Vietnam wins on grassroots adoption (Chainalysis rank #4) with a regulatory void; Thailand wins on regulatory clarity (5-year capital-gains tax exemption, 400+ licensed firms) with thinner organic adoption. Vietnam's framework catching up, or Thailand's adoption deepening, will reshape the regional ranking by 2027.

China is the inverse story: clear policy, hidden activity. Beijing's Feb 2026 joint notice from PBoC + CSRC + 6 other agencies extended the 2021 ban to tokenization and stablecoins. No RMB-pegged stablecoin can be issued abroad without state approval. Hong Kong's Mar 2026 stablecoin licenses are the only regulated venue touching mainland-adjacent capital.

Stablecoins (USDT/USDC) are now the dominant rail in every emerging Asia market. TRM Labs Q1 2026: global stablecoin volume up 83% YoY. In Vietnam they fund remittances; in Thailand they settle tourism flows; in Malaysia they hedge ringgit weakness. The narrative has shifted from speculative tokens to functional money.

Measurement caveat — Chainalysis vs TRM disagree by up to 30%. Neither index sees off-chain OTC fully. Pacific Alpha uses the directional ranking, not the absolute number. Where both indices agree (e.g., Vietnam in top 5), we treat it as a strong signal.

Pillar definitions. Adoption — % of adults holding crypto; P2P + CEX + DeFi value-received. Volume — raw and PPP-normalized on-chain/CeFi flows. Stable. — stablecoin penetration (USDT/USDC share of crypto activity; fiat-pegged-stablecoin issuance regime). Reg. Clarity — legal clarity, not friendliness alone (a clear, strict regime outranks an ambiguous tolerant one for institutional capital). Infra. — licensed exchanges, banking rails, ETFs, institutional access. Econ. Ctx — inflation, capital-control friction, and remittance dependence that drive structural demand.

REGIONAL RISK WATCH

Negative items rising across the region

Macro and political risks tracked across Pacific Alpha countries. Each tagged with the specific stocks or sectors most exposed if the risk materializes.

Thailand political destabilization spillover. Three PMs in two years; Constitutional Court has removed elected governments. Risk premium on Thai assets compresses regional valuation multiples.

Most exposed: KBANK, SCB, BH

US tariff and sanctions overhang. Vietnam trade-to-GDP at 170%; China subject to Section 301 escalation cycles. A single US trade-policy shift hits Vietnamese exports and re-prices Chinese ADR exposure simultaneously.

Most exposed: FPT, SEA, Indonesian palm oil, BABA, BIDU, JD

Currency stress contagion. Ringgit -40% since 2013; baht and dong under structural pressure; CNY managed depreciation accelerating. Capital outflows from one Asia currency tend to cluster regionally.

Most exposed: Regional banks, FX-sensitive importers

Brain drain to Singapore. ~1.7M Malaysians abroad, 60% in Singapore. Vietnam and Thailand losing skilled workers on similar but smaller scale. Compounds against regional high-skill FDI absorption.

Most exposed: Malaysian banks, TalentCorp programme stocks

China deceleration impact on ASEAN exports. China is the destination for ~20–25% of ASEAN-5 exports. A further slowdown compresses the manufacturing-led growth story underpinning Vietnam and Malaysia. Compounded by China's own FDI collapse (–80% from 2021 peak).

Most exposed: Indonesian commodities, Vietnamese manufacturing, Thai EV supply

China policy reversibility tax on multinationals. Feb 2026 crypto crackdown extended to stablecoins. Exit bans on foreign executives ongoing. Each Party-driven reset re-prices the China-exposure of every multinational with mainland revenue.

Most exposed: BABA, BIDU, JD, multinationals with >15% China revenue

Hong Kong stablecoin regime fragility. HKMA Stablecoins Ordinance creates a regulated venue touching Chinese capital, but the regime is structurally fragile to Beijing pushback. A single PBoC notice could constrain HK-licensed issuers.

Most exposed: HK-listed exchanges, OSL Group, HKEX

MASTER CATALYST CALENDAR — Q3 2026

Cross-country events to watch next quarter

Consolidated calendar across all Pacific Alpha Live countries. Color-coded by category: **Macro**, **Central Bank**, **Political**, **Geopolitical**, **Corporate**.

Date	Country	Event	Category	Detail
Jul 2026	Vietnam	Q2 GDP release	Macro	GSO; consensus tracks above 8% growth.
Jul 2026	Thailand	Q2 GDP preliminary	Macro	NESDC; tests the IMF 1.6% 2026 forecast.
Jul 2026	Thailand	No-confidence motion (potential)	Political	Anutin coalition strain.
Jul 2026	Malaysia	BNM MPC meeting	Central Bank	OPR currently 3.00%.
Q3 2026	China	HKMA stablecoin licenses — first round	Geopolitical	First licensed issuers under HK Stablecoins Ordinance (Aug 2025); first regulated venue touching Chinese capital.
Aug 2026	Vietnam	SBV rate decision	Central Bank	Rate held at 4.5% expected.
Aug 2026	Malaysia	Q2 GDP release	Macro	DOSM; track toward 4.5–5.5% target.
Aug 2026	Thailand	BoT MPC + Q2 GDP final	Central Bank	Combined rate and growth day.
Sep 2026	Vietnam	National Assembly autumn session	Political	FDI law amendments on agenda.
Sep 2026	Vietnam	Q3 FDI commitments report	Macro	MPI quarterly figures.
Sep 2026	Malaysia	BNM MPC + Q2 GDP detail	Central Bank	Rate decision and consumer demand.
Sep 2026	Thailand	Constitutional Court rulings pending	Political	Potential for government instability.
Sep 2026	Vietnam	Digital-asset law on autumn agenda	Political	National Assembly autumn session: draft Law on the Digital Technology Industry covering crypto-assets. Passage would shift Vietnam from grey-zone to regulated.
Oct 2026	Vietnam	Q3 GDP preliminary	Macro	Early H2 momentum signal.
Oct 2026	Vietnam	US tariff review window	Geopolitical	Section 301/232 reviews; trade-surplus exposure.
Oct 2026	Thailand	Q3 tourism arrivals data	Macro	Trajectory toward 35.5M 2026 target.
Oct 2026	Malaysia	Budget 2027 announcement	Political	Major fiscal event; Penang+1 & TVET signals.
Oct 2026	Malaysia	ASEAN Summit (Malaysia chair)	Geopolitical	Anwar hosts; regional trade announcements.

Oct 2026	Thailand	Bitkub IPO window (rumored)	Corporate	Largest Thai crypto exchange; first listed-equity proxy for the SE Asia regulated-crypto thesis.
Oct 2026	Malaysia	Anwar digital-asset bill (expected)	Political	PM-signalled crypto/blockchain legislation; no draft text yet — Q4 is the credibility test.
Q4 2026	China	e-CNY cross-border pilot expansion	Central Bank	PBoC has hinted at ASEAN settlement pilots; state CBDC framed as the alternative to private stablecoins.
Q4 2026	Vietnam	MiCA Phase 2 milestones (EU)	Geopolitical	Second-order regulatory benchmark; EU rules historically shape APAC frameworks within 18 months.
Nov 2026	Vietnam	14th Party Congress preparations	Political	Leadership succession signals.
Nov 2026	Thailand	Budget 2027 deliberations	Political	Cabinet proposal; fiscal stance.
Nov 2026	Malaysia	Petronas annual report preview	Corporate	Sovereign wealth disclosure pressure.
Dec 2026	Malaysia	Q3 FDI figures	Macro	MITI/BNM Q3 disbursement.

TOP 6 REGIONAL CONVICTIONS · Q2 2026

High-conviction positioning views for the quarter ahead

Each conviction is anchored to specific country reports and initiative execution stages. Conviction level reflects analytical confidence; it is not a recommendation to trade.

01. Long STRA on regional English & vocational programmes

Vietnam (#2, #7) and Thailand (#6) English programmes at Announced; Malaysia (#1, #7) vocational and education at Funded; China English Mandate Announced — largest TAM expansion in coverage if Beijing funds quality reform. Optionality across four countries; any country moving English to Funded is a near-term catalyst.

Tickers: STRA · **Conviction:** High

02. Long INARI on Penang+1 semiconductor diversification

Malaysia #4 at Funded stage; Johor cluster announced. Real cluster-build momentum, not announcement-only. Bosch and Intel capacity expansions confirm. Compounded by ongoing China + Taiwan supply-chain de-risking among Western OEMs.

Tickers: INARI, GTECH, KESM · **Conviction:** High

03. Long HK-licensed digital-asset infrastructure as the only regulated venue touching Chinese capital

China's Feb 2026 ban extension to stablecoins + tokenization shuts the mainland on-ramps. Hong Kong's Mar 2026 stablecoin licenses are the only regulated venue with proximate access to Chinese balance sheets. Structurally fragile to Beijing pushback (sized accordingly), but the optionality is asymmetric: small upside on regime longevity is large in absolute terms given the size of the captured demand.

Tickers: OSL Group (863.HK), HKEX (388.HK), HSBC (5.HK) as ancillary beneficiary · **Conviction:** Medium

04. Long regional banks on anti-corruption credibility

Vietnam anti-corruption Announced (paradoxically enforcement-heavy); Malaysia MACC reform Announced; China anti-corruption Delivered but coercive — distinguish institutional reform from political consolidation. Country risk premium compression on credible reform.

Tickers: VCB, PBK, MAYBANK, 1398.HK (ICBC) · **Conviction:** Medium

05. Short Thai consumer & retail on household debt squeeze

Thailand household debt ~90% of GDP — highest in SE Asia. Monetary policy cannot transmit; consumption ceiling structural. Restructuring programme only at Funded stage.

Tickers: CPALL, BTS, GLOBAL · **Conviction:** Medium

06. Long GRAB on regional digital-economy infrastructure

Three countries with digital-economy or administrative-reform initiatives at Funded or Legislated. Grab benefits from any country moving further. Already a regional play; gets sharper.

Tickers: GRAB · **Conviction:** Medium

■ Informational only — not investment advice. Convictions are research views based on policy-execution analysis, not portfolio recommendations.

METHODOLOGY & SOURCES

How the Quarterly Review is constructed

The C-is-global-average grading rule. Every KPI and overall country grade is calibrated against global distribution, not regional peers. C = global median, B = above average, D = below average, F = bottom decile.

The four-stage execution scoring. Every policy initiative is scored Announced (intent only) → Funded (budget allocated) → Legislated (law passed) → Delivered (measurable KPI movement). The Execution Index is the mean stage score across a country's initiatives.

The Alpha Fragility Index. Five equally weighted pillars, each scored 0–20. Total max 100. Higher score = more fragile. Pillars and sources:

1. **Perceived Corruption & Rule of Law.** Transparency International CPI 2025; World Justice Project Rule of Law Index 2025.
2. **Policy Execution Reliability.** Pacific Alpha Intelligence analysis of stated vs. delivered outcomes; national statistics offices, IMF Article IV, OECD country reviews.
3. **Governance & Political Stability.** World Bank Worldwide Governance Indicators; Economist Intelligence Unit Democracy Index 2025.
4. **Economic Concentration Risk.** UN COMTRADE export concentration; sector composition from national statistics offices.
5. **Geopolitical Exposure.** Pacific Alpha Intelligence proprietary scoring of alliance dependency, sanctions exposure, and flashpoint proximity.

Editorial standard. The Quarterly Review uses the same editorial register as country reports — harshest reasonable verdict supported by hard data, no hedge words, no empty intensifiers. Anchors are named (specific country, KPI, initiative, ticker).

Coverage scope — Asia Pacific (ASEAN-5 + China). Vietnam, Thailand, Malaysia, and China are Live; Philippines and Indonesia are in Q3 2026 preparation; Singapore, Japan, and India follow in Q4 2026. China is included from Q2 2026 onward. Because China's scale (~10x the largest ASEAN-5 economy) would distort simple regional means, China is reported as a separate column in the Regional Scorecard rather than folded into the aggregate. China is included on equal footing in the Initiative Execution Tracker, Currency Dashboard, Crypto Dashboard, Cross-Country Company Exposure, Risk Watch, Convictions, and Master Calendar.

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Pacific Alpha Intelligence is an independent quarterly assessment of Asia Pacific country performance against stated goals and honest global benchmarks. The Quarterly Review sits above the individual country reports as the regional synthesis layer.

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