

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Factory Orders MoM	Apr	-0.40%	1.60%
Australia: Company Operating Profits QoQ	1Q18	N/A	2.20%
Japan: Monetary Base YoY	May	N/A	7.80%
Indonesia: CPI / Core YoY	May	N/A	3.41% / 2.69%
Eurozone: PPI YoY	Apr	N/A	2.10%

Source: Bloomberg

## II. Macro News

- **China Says Door for Trade Talks Is 'Always Open'.** Foreign Ministry Spokeswoman Hua Chunying says at regular briefing that China's door for trade talks is "always open", in response to question about whether U.S. Commerce Secretary Wilbur Ross still planned to visit June 2-4 for trade talks. [Bloomberg]
- **China to cut import tariffs for 1,449 taxable items of daily consumer goods.** China will cut most-favored-nation tariffs for 1,449 taxable items of daily consumer goods starting July 1, from an average tariff rate of 15.7% to 6.9%, an official statement said. On average, tariffs were cut by 55.9%, said Customs Tariff Commission of the State Council. [China Daily]
- **China signs more trade deals with Belt and Road countries.** China and countries participating in the Belt and Road Initiative inked trade deals worth \$389.1bn in the first four months, the MOC said. It represented a growth of 19.2% YoY, Gao Feng, spokesperson for the ministry, told a press briefing. [Bloomberg]

## III. Industry News

- **HKEX ready for bigger market role.** Hong Kong is set to play a bigger role in connecting the mainland and overseas capital markets. Starting on June 1, U.S.-based financial index compiler MSCI will include 226 large cap A shares, tradeable through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, in its emerging market index. [China Daily]
- **Chinese government to release, implement new negative lists.** China is expected to release and implement two updated foreign investment negative lists by June 30, a concrete move to further liberalize market access for foreign investors, the Ministry of Commerce said. [China Daily]
- **Hong Kong insurance regulator set to name former industry commissioner Clement Cheung as CEO.** Hong Kong insurance regulator set to name former industry commissioner Clement Cheung as CEO. Cheung, 56, is the favoured candidate, one of the people said, because of his experience as commissioner between 2006 to 2009, during which time he had to shepherd the local industry through the global financial crisis. [SCMP]

## IV. Corporate News

- **Chinese property developers scrap bond issues as country tightens access to corporate credit.** Country Garden and Hopson Development this week dropped their plans to issue onshore bonds as regulators tighten access to credit in the overheated sector, sources with knowledge of the matter said on Friday. [SCMP]
- **Mobile software provider Meitu makes first buy-backs since listing in 2016.** Meitu, for the first time since listing in Dec 2016, bought 32.86mn shares from May 25 to 30 at HK\$7.98 to HK\$8.78 each or an average of HK\$8.42 each. It had announced a voluntary buy-back plan to acquire US\$100mn worth of shares from the open market on May 25. [SCMP]

- **Harbin Pharmaceutical, GNC to form joint venture.** China's Harbin Pharmaceutical Group Holding Co., Ltd (Hayao) and GNC Holdings, Inc. (GNC) of the United States are in talks to form a joint venture to explore the Chinese health products market. [China Daily]
- **Sinochem integrating technology, internet.** Sinochem Group is making efforts to combine internet technology with its traditional business. Sinochem Energy High-Tech Co Ltd, a newly established subsidiary of the group, announced a car plate payment system that allows drivers to refuel their cars once a camera scans its license plate. [China Daily]
- **Chinese electric automaker BYD vows to push industry change.** "BYD's mission is to change the world through technological innovation that reduces greenhouse gases and our dependency on fossil fuels," Stella Li, president of BYD Motors, a US subsidiary of China's automaker BYD Company Ltd, told Xinhua. [China Daily]
- **Hsu Fu Chi partners with JD for logistics breakthrough.** Chinese snack and candy maker Hsu Fu Chi International Ltd inked a deal with the nation's second-largest e-commerce player, JD.com, to launch the latter's first "unbounded plant" in South China. [China Daily]
- **Alibaba's delivery arm to build global logistics hubs.** Alibaba's delivery arm, Cainiao Network, announced plans to open five logistics hubs in Asia, Europe and the Middle East to enhance its global logistics capabilities. Hangzhou, Kuala Lumpur, Dubai, Moscow and Liege are among the first batch of cities being considered for building the global hubs, the company said. [China Daily]
- **Anta Sports names new vice president and CFO.** Anta Sports Products announced on Friday that Yeung Chi Tat has resigned as an independent non-executive director, effective today and will become a vice president responsible for overall risk management and internal control affairs, internal audit. [The Standard]
- **China-built jets for HNA's fleet.** Chinese conglomerate HNA Group agreed to add locally built aircraft to its fleet as part of an effort to bolster a state-owned planemaker that is developing jets to eventually compete against giants Airbus and Boeing. [The Standard]
- **BOC Aviation orders three Boeing Dreamliners for US\$845m.** Aircraft operating leasing company, BOC Aviation 2588, said today it agreed to purchase three Boeing 787-9 Dreamliners from Boeing at a total price of US\$845 million. The list price comprises the price for airframe, optional features and engine. [The Standard]
- **China's Oceanwide Said to Explore Property Sales for Cash.** Chinese property developer Oceanwide Holdings Co. is exploring the sale of its residential projects in Beijing, according to people familiar with the matter, as the company seeks to raise money before a looming deadline to repay debt. [Bloomberg]
- **Cathay Pacific Plans 9 Routes, to Hire 1,200 This Year.** Most of them are long haul, Hong Kong Economic Journal reports, citing Cathay Pacific Airways CEO Rupert Hogg. One of the new routes is direct flight between Hong Kong and Dublin, which began service on June 2 and is exclusive in the Asia Pacific region. [Bloomberg]
- **Barcelo Is Said to Weigh Offer for HNA's Stake in NH Hotel.** Spain's Grupo Barcelo is considering an offer for HNA Group Co.'s 670 million euro (\$780 million) stake in NH Hotel Group SA, Spain's Grupo Barcelo is considering an offer for HNA Group Co.'s 670 million euro (\$780 million) stake in NH Hotel Group SA. [Bloomberg]
- **TCL Multimedia Acquires CI Tech with RMB790mn.** TCL Multimedia announced it would acquire a 100% equity interest in CI Tech at cash consideration of RMB793mn. TCL will fully enjoy and integrate CI Tech's development and various achievements in the fields of IoT, cloud computing and AI, and expand into the B2B market in a relatively short period of time. [AASocks]
- **Longfor PPT's Major Shareholder Raises Stake with Nearly HK\$130mn.** Longfor Property announced that its major shareholder Charm Talent raised stake in the company during the period from May 29th to 30th 2018 at an average price of HK\$22.8273 per share, involving approximately HK\$127mn. [AASocks]

## V. Overnight Market Recap

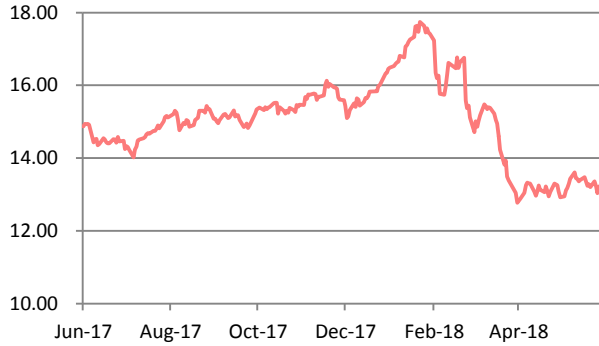
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,735	29.4	1.1	0.3	2.7	1.6	3.6	12.1	2.3
	Dow Jones	24,635	219.4	0.9	(0.7)	1.5	0.4	1.4	16.2	(0.3)
	Nasdaq Composite	7,554	112.2	1.5	1.7	4.8	4.1	11.5	19.8	9.4
	Russell 2000	1,648	14.4	0.9	1.2	5.3	7.5	7.5	17.3	7.3
	VIX Index	13.46	(2.0)	(12.8)	7.4	(8.9)	(31.3)	15.2	38.1	21.9
Europe Equity	Euro Stoxx 50	3,454	46.9	1.4	(1.8)	(2.7)	3.9	(3.4)	(3.8)	(1.4)
	DAX	12,724	119.4	0.9	(1.7)	(0.7)	6.8	(2.6)	(0.8)	(1.5)
	CAC	5,466	67.1	1.2	(1.4)	(0.9)	6.4	1.4	2.3	2.9
	FTSE 100	7,702	23.6	0.3	(0.2)	1.8	8.9	4.9	2.0	0.2
APAC Equity	HSI	30,493	24.4	0.1	(0.3)	1.9	(0.3)	4.6	17.6	1.9
	HSCEI	12,020	41.8	0.3	(0.2)	1.1	(1.5)	4.4	12.7	2.7
	HSI VIX	17.62	(0.6)	(3.2)	(0.2)	(7.6)	(30.6)	7.1	47.8	20.7
	CSI 300	3,771	(31.8)	(0.8)	(1.2)	(0.1)	(6.1)	(6.2)	8.1	(6.5)
	SH Composite	3,075	(20.3)	(0.7)	(2.1)	(0.2)	(5.5)	(7.1)	(1.0)	(7.0)
	SZ Composite	1,746	(21.2)	(1.2)	(3.5)	(1.7)	(4.2)	(8.2)	(2.4)	(8.1)
	Nikkei 225	22,171	(30.5)	(0.1)	(1.2)	(1.3)	4.7	(2.4)	9.9	(2.6)
Commodities (USD)	KOSPI	2,439	16.0	0.7	(0.9)	(0.9)	1.5	(2.5)	2.8	(1.2)
	Brent (Future)	76.79	(0.8)	(1.0)	0.5	5.0	20.3	20.5	51.7	14.8
	WTI (Future)	65.81	(1.2)	(1.8)	(6.9)	(2.1)	7.9	12.8	36.1	8.9
	Gold	1,293	(5.1)	(0.4)	(0.7)	(0.8)	(1.8)	1.0	2.2	(0.7)
	Copper (Future)	6,896	44.0	0.6	0.2	2.2	(0.4)	0.9	21.0	(4.8)
FX	Baltic Dry Index	1,156.00	66.0	6.1	4.2	(16.5)	(4.2)	(30.4)	39.3	(15.4)
	Dollar Index	94.16	0.2	0.2	(0.1)	1.8	4.2	1.4	(3.1)	2.2
	EUR	1.17	(0.0)	(0.3)	0.1	(2.8)	(5.0)	(2.0)	4.0	(2.9)
	JPY	109.54	0.7	0.7	0.1	0.3	(3.0)	2.4	1.7	2.9
	CNY	6.42	0.0	(0.2)	(0.4)	(1.4)	(1.0)	3.1	6.0	1.3
CDS	CNH	6.41	0.0	0.1	0.4	(1.2)	(1.0)	2.9	5.3	1.6
	ChinaGov CDS	55.72	(0.8)	(1.5)	1.1	(6.0)	(0.7)	(0.2)	(25.7)	11.3
	CDX Emerging Market	96.79	(0.0)	(0.0)	(0.4)	(0.7)	(2.4)	0.4	1.0	(2.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.90	0.0	0.5	1.9	1.8	1.6	1.3	1.0	1.4
	2-Year Treasury Yield	2.47	0.0	1.8	2.5	2.5	2.2	1.8	1.3	1.9
	5-Year Treasury Yield	2.75	0.1	1.9	2.8	2.8	2.6	2.1	1.7	2.2
	10-Year Treasury Yield	2.90	0.0	1.5	2.9	2.9	2.9	2.4	2.2	2.4
	2-10 Spread	42.86	0.1	0.3	45.1	44.7	62.0	58.3	86.7	51.8
China rates	O/N China Repo Rate	2.80	(0.6)	(17.4)	2.5	2.5	2.8	2.6	2.9	3.0
	1-Week China Repo Rate	2.80	(2.1)	(42.9)	2.9	2.7	3.0	3.1	3.0	3.1
	O/N SHIBOR	2.80	(0.0)	(1.1)	2.5	2.6	2.8	2.6	2.8	2.8
	1-Week SHIBOR	2.90	(0.0)	(0.0)	2.8	2.8	2.9	2.9	2.9	3.0

Source: Bloomberg

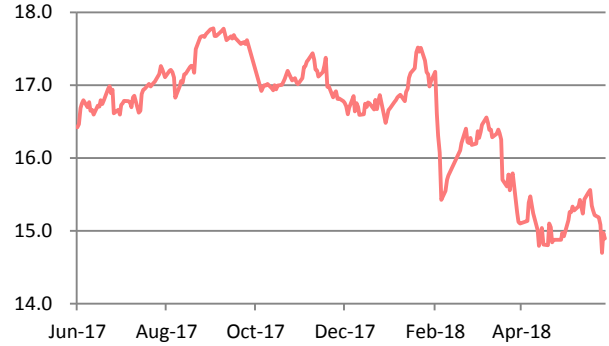
## VI. Key Indicators

**Hang Seng Index PE Ratio**



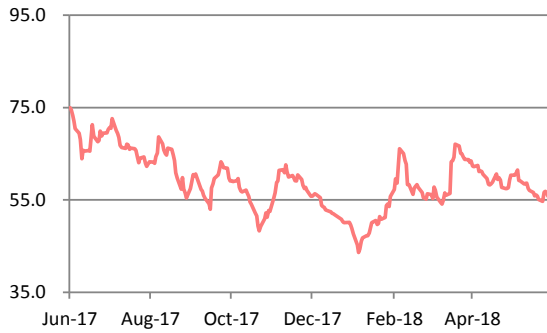
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



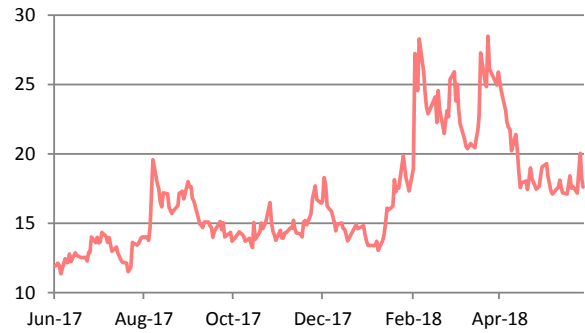
Source: Bloomberg

**China 5Y CDS Index\_USD**



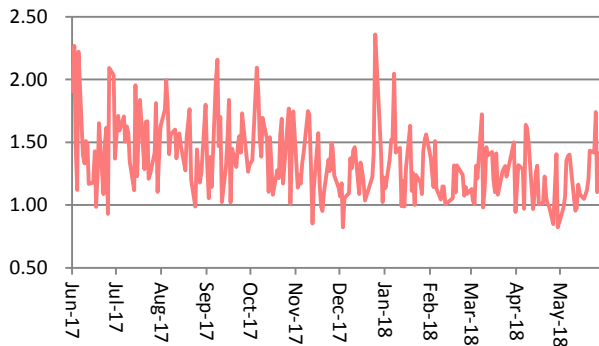
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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