

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Trade Balance	Mar	N/A	USD28.7bn
China: Exports / Imports YoY	May	N/A	12.9% / 21.5%
US: Household Change in Net Worth	1Q18	N/A	USD2076bn
US: Consumer Credit	Apr	USD14bn	USD11.62bn
Germany: Labor Costs YoY / QoQ	1Q18	N/A	1.5% / 0.4%

Source: Bloomberg

## II. Macro News

- **Thailand Says It May Skirt Global Monetary Tightening Until 2019.** Thailand is becoming an oasis of monetary policy stability as other emerging markets scramble to raise interest rates. The country's Finance Ministry anticipates that borrowing costs will be left at 1.5 percent this year. [Bloomberg]
- **Argentina Secures \$50 Billion in IMF Backing to Bolster Economy.** Argentina secured a \$50 billion stand-by arrangement from the International Monetary Fund to help restore investor confidence as the government takes aim at double-digit inflation and a widening budget deficit. [Bloomberg]
- **Bernanke Says U.S. Economy Faces a 'Wile E. Coyote' Moment in 2020.** U.S. economic growth could face a challenging slowdown as the Trump Administration's powerful fiscal stimulus fades after two years, according to former Federal Reserve Chairman Ben Bernanke. [Bloomberg]

## III. Industry News

- **A-share listing channels expanded.** China's securities regulator released rules on China Depositary Receipts and initial public offerings on Wednesday night, a move to expand channels for innovative companies to list on the mainland's A-share market. [China Daily]
- **New e-commerce platform to boost trade and ties with Africa.** China's cross-border trade with Africa is expected to see rapid growth, thanks to an e-commerce platform launched on Wednesday that will further bolster commercial ties and cooperation between the two sides. [China Daily]
- **Commercial ties with CEEC deepening.** China will explore more opportunities to boost trade in consumption goods, service industries and e-commerce with Central and Eastern European nations. "The cooperation between China and the CEE countries has deepened and widened with trade volumes growing at a steady pace," said Commerce Minister Zhong Shan. [China Daily]

## IV. Corporate News

- **With sale of Minneapolis tower, disposals at Chinese giant HNA this year cross US\$14.5bn.** HNA Group has sold an office tower in Minneapolis, Minnesota to a unit of S. Korea's Samsung Group for US\$320mn. The sale, along with Tuesday's agreement to offload its stake in Spain's NH Hotel Group for €619mn, brings the total amount of disposals at the Chinese conglomerate this year to more than US\$14.5bn. [SCMP]
- **US reaches deal with China's ZTE.** ZTE Corp has signed a deal with the US government that will lift a ban on it from buying US technology, US Commerce Secretary Wilbur Ross said on Thursday. Ross said that ZTE and its affiliates have agreed to pay a \$1 billion fine and set aside \$400 million in an escrow account. [China Daily]

- **Air China to launch direct flight between Chengdu, London.** A direct flight linking the city of Chengdu, capital of Southwest China's Sichuan province, with London will be launched in July. The Air China flight, operated by an Airbus 330-300 aircraft, will begin on July 3. [China Daily]
- **Geely signs cooperation deal with Shell in Britain.** Geely Auto Group and Shell signed a global strategic cooperation agreement broadening their cooperation beyond just lubricants, as the "Challenge 100 Degrees-Geely Goes Global, Powered by Shell" European Tour came to a conclusion at the iconic center of British motorsport in Goodwood Wednesday. [China Daily]
- **PICC gets approval for \$1.6b float.** The People's Insurance Co (Group) of China Ltd, the country's largest property and casualty insurer by premium income, has received regulatory approval to raise at least \$1.6 billion through a long-delayed IPO on the Shanghai Stock Exchange. [China Daily]
- **Huawei announces \$81m investment in Southeast Asia.** Huawei announced an investment of \$81mn in SE Asia in three years on the 4th Annual Huawei Asia-Pacific Innovation Day. Huawei Technologies (Thailand) signed a MoU with Thailand's National Science and Technology Development Agency and National Innovation Agency, outlining a series of joint research and innovation objectives. [China Daily]
- **Tsingtao beer to cash in on SCO ties.** Tsingtao Brewery is eyeing business expansion across members of the Shanghai Cooperation Organization (SCO). The company said strengthening economic and trade ties between China and other SCO members were set to bring more business opportunities to Tsingtao beer and the city. [China Daily]
- **Geely, Tencent buy rail stake.** Zhejiang Geely Holding Group and Tencent Holdings have won a bid to acquire a 49 percent stake in a subsidiary of state-owned China Railway Corp, Geely said. The aim of the deal is to create a three-way joint venture that hopes to provide a one-stop platform for wi-fi access to train users [The Standard]
- **Melco expects Japan license bids by 2020.** Melco International Development will focus on developing its business in Japan over the next few years, said chairman and chief executive Lawrence Ho Yau-lung, adding that he expects Japan to launch bids for casino licenses not early than 2020. [The Standard]
- **Petrochina Director Yu Baocai Resigns for Positions Adjustment.** Petrochina announced that due to the adjustment of positions, Yu Baocai tendered his resignation to the Company and ceased to hold the position of director of the Company with immediate effect. [AASocks]
- **Country Garden 5M18 Contracted Sales Up 37% to RMB334.68 billion.** Country Garden announced that for the five months ended 31 May 2018, the group achieved contracted sales of approximately RMB334.68 billion, up 37.04% year on year. [AASocks]
- **Chow Tai Fook Aims 300 Retail Outlets Net Opening This Yr; Sees Higher Gross Margin.** Chow Tai Fook for 2017/2018 delivered same-store sales growth of 8.0% and 10.2% for 2017/2018 for the two major markets: Mainland China and Hong Kong & Macau. 204 retail outlets were opened in net, making the total to 2,585. Looking ahead into FY2019, the group aimed at net opening of 300 retail outlets. [AASocks]
- **Great Wall Motor 5M18 Sales Volume 409,300 Units, Up Over 3% YoY.** Great Wall Motor announced that for 5M18, sales volume increased 3.29% year on year to 409,300 units; whereas production volume added 5.42% to 408,900 units. [AASocks]
- **Wal-Mart China, Tencent Strike Strategic Cooperation on Digital Retail.** Wal-Mart China and TENCENT announced for the deep strategic cooperation with focuses of shopping experience upgrade, accurate marketing, comprehensive payment services and strengthening membership added-value etc. [AASocks]

## V. Overnight Market Recap

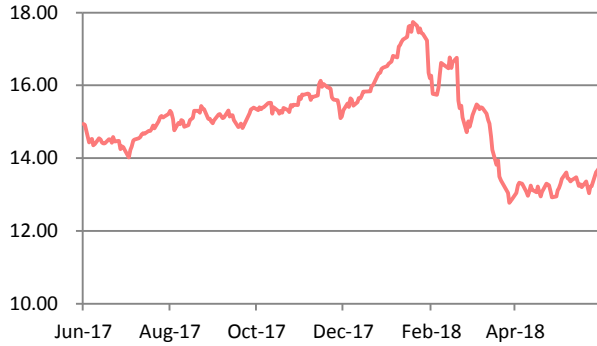
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,770	(2.0)	(0.1)	2.4	3.7	1.1	4.5	13.8	3.6
	Dow Jones	25,241	95.0	0.4	3.4	3.6	1.4	3.7	19.2	2.1
	Nasdaq Composite	7,635	(54.2)	(0.7)	2.6	5.1	2.8	11.6	20.8	10.6
	Russell 2000	1,668	(8.2)	(0.5)	2.1	5.1	6.1	9.6	17.8	8.6
	VIX Index	12.13	0.5	4.2	(21.4)	(17.5)	(26.7)	26.6	19.4	9.9
Europe Equity	Euro Stoxx 50	3,460	(1.1)	(0.0)	1.6	(2.8)	1.4	(3.7)	(2.9)	(1.3)
	DAX	12,811	(19.0)	(0.1)	1.6	(0.8)	3.7	(2.6)	0.8	(0.8)
	CAC	5,448	(9.2)	(0.2)	0.9	(1.3)	3.7	0.9	3.5	2.6
	FTSE 100	7,704	(8.0)	(0.1)	0.3	1.8	7.0	4.2	3.4	0.2
APAC Equity	HSI	31,513	253.5	0.8	3.4	3.7	2.8	10.0	20.9	5.3
	HSCEI	12,408	124.2	1.0	3.6	2.2	0.6	9.9	16.5	6.0
	HSI VIX	15.90	0.1	0.4	(12.6)	(13.6)	(31.6)	(2.0)	33.1	8.9
	CSI 300	3,831	(6.3)	(0.2)	0.8	(1.2)	(6.0)	(4.3)	7.6	(5.0)
	SH Composite	3,109	(5.7)	(0.2)	0.5	(1.6)	(5.4)	(5.5)	(1.3)	(6.0)
	SZ Composite	1,768	(11.2)	(0.6)	0.0	(3.7)	(4.8)	(6.5)	(4.6)	(6.9)
	Nikkei 225	22,823	197.5	0.9	2.8	1.4	6.8	0.1	14.6	0.3
Commodities (USD)	KOSPI	2,471	16.8	0.7	2.6	0.8	1.5	0.3	4.5	0.1
	Brent (Future)	77.32	2.0	2.6	(0.4)	1.5	20.2	24.3	60.9	15.6
	WTI (Future)	65.95	1.2	1.9	(1.6)	(4.5)	9.7	15.0	44.5	9.2
	Gold	1,297	0.8	0.1	(0.1)	(1.3)	(1.9)	3.9	1.5	(0.4)
	Copper (Future)	7,332	112.0	1.6	7.0	7.4	5.5	11.7	30.4	1.2
FX	Baltic Dry Index	1,340.00	91.0	7.3	22.9	(6.4)	11.9	(21.3)	62.6	(1.9)
	Dollar Index	93.44	(0.2)	(0.2)	(0.6)	0.7	4.2	(0.4)	(3.4)	1.4
	EUR	1.18	0.0	0.2	0.9	(0.6)	(4.2)	0.2	5.2	(1.7)
	JPY	109.70	(0.5)	(0.4)	0.8	(0.5)	(3.1)	3.5	0.3	2.8
	CNY	6.39	0.0	(0.1)	0.3	(0.4)	(1.0)	3.6	6.3	1.8
CDS	CNH	6.39	0.0	0.2	(0.3)	(0.4)	(0.7)	3.7	6.1	1.9
	ChinaGov CDS	55.24	(0.3)	(0.6)	(2.3)	(9.3)	(3.3)	(1.6)	(23.4)	10.3
	CDX Emerging Market	96.68	(0.2)	(0.2)	(0.2)	(0.5)	(2.6)	0.2	1.1	(2.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.92	(0.0)	(0.7)	1.9	1.9	1.7	1.3	1.0	1.4
	2-Year Treasury Yield	2.49	(0.0)	(1.1)	2.5	2.5	2.3	1.8	1.3	1.9
	5-Year Treasury Yield	2.76	(0.0)	(1.6)	2.7	2.8	2.7	2.1	1.7	2.2
	10-Year Treasury Yield	2.92	(0.1)	(1.7)	2.9	3.0	2.9	2.4	2.2	2.4
	2-10 Spread	42.88	(2.3)	(5.0)	42.9	47.0	63.2	57.7	86.6	51.8
China rates	O/N China Repo Rate	2.50	(0.0)	(1.2)	2.8	2.5	2.6	2.6	2.9	3.0
	1-Week China Repo Rate	2.71	(0.0)	(0.4)	2.8	2.7	2.6	3.1	2.9	3.1
	O/N SHIBOR	2.56	(0.0)	(0.3)	2.8	2.5	2.6	2.6	2.8	2.8
	1-Week SHIBOR	2.78	(0.0)	(0.3)	2.9	2.7	2.9	2.8	2.9	3.0

Source: Bloomberg

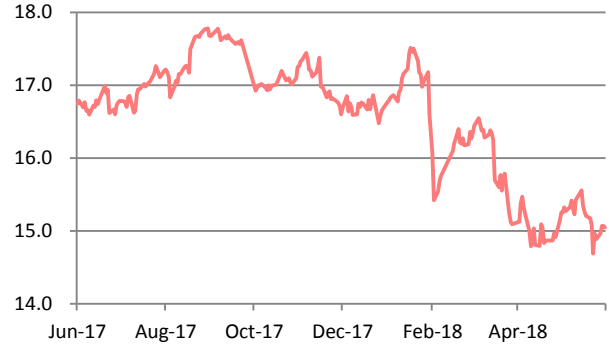
## VI. Key Indicators

**Hang Seng Index PE Ratio**



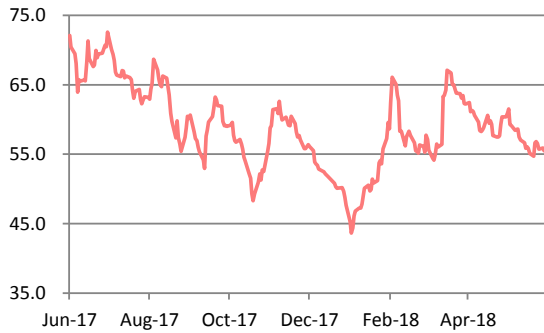
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



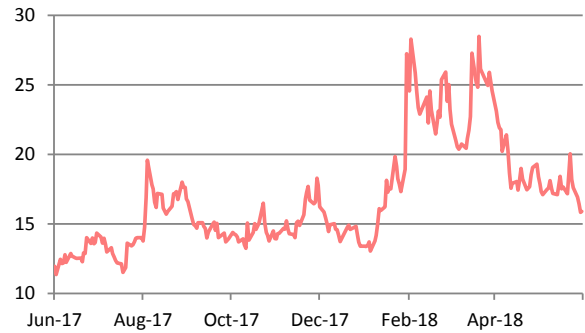
Source: Bloomberg

**China 5Y CDS Index\_USD**



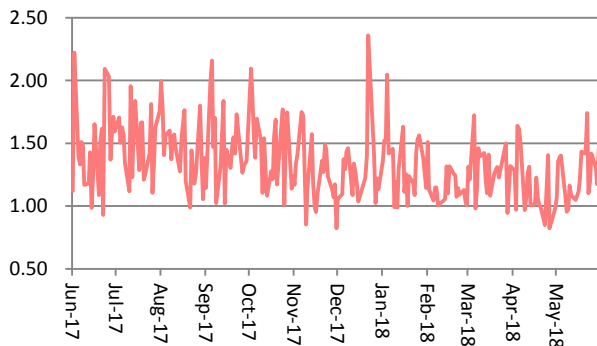
Source: Bloomberg

**Hang Seng Index VIX**



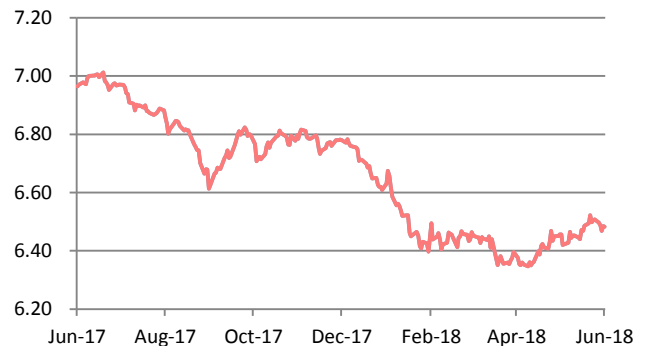
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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