

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: New Home Prices MoM	May	N/A	0.57%
U.S.: U of Mich. Sentiment	Jun	98.5	98.0
India: Exports / Imports YoY	May	N/A	5.20% / 4.60%
Japan: BOJ Policy Balance Rate	15-Jun	-0.10%	-0.10%

Source: Bloomberg

II. Macro News

- **Trump Is Said to Approve Tariffs on \$50 Billion in Chinese Goods.** President Donald Trump has decided to impose tariffs on about \$50 billion in Chinese imports, according to two people familiar with the matter, in a move likely to escalate trade tensions between the world's two biggest economies. [Bloomberg]
- **U.K. Inflation Stays Put as Fuel Prices Rise Most Since 2011.** The biggest increase in auto-fuel prices in more than seven years helped keep U.K. inflation from continuing its downward path last month. Consumer-price growth stayed at 2.4 percent in May, as forecast by both the Bank of England and economists surveyed by Bloomberg. [Bloomberg]
- **China Eases Curbs on Foreign Investors to Encourage Inflows.** China has made it easier for overseas investors to take their money out of the country, in a move that may in turn encourage increased foreign investment. A 20% limit on repatriating funds for companies in the QFII Investors program has been removed. [Bloomberg]

III. Industry News

- **Russia Is Said to Seek Oil-Cuts Rollback for Most OPEC+ Nations.** Russia plans to propose that OPEC and its allies be allowed to return production to October 2016 levels, rolling back most but not all of their output cuts within three months. [Bloomberg]
- **PBOC Seen Mirroring Fed With Hike While Keeping Other Taps Open.** The People's Bank of China will raise borrowing costs in the open market if the U.S. Federal Reserve decides to increase rates this week, according to a Bloomberg survey. [Bloomberg]
- **China Imports Surge to Highest in More Than 3 Years.** China's imports of coal surged 106% w/w to 5.1m tons in week ended June 11, the highest level in at least three years, according to Global Ports data compiled by Bloomberg since February 2015. [Bloomberg]

IV. Corporate News

- **Rusal Says Share Transfers from HKEX to MOEX to Take Longer Time.** The company was informed that procedure involving deposit of shares into CREST has been modified and all parties that contact Computershare to arrange share transfer will need to provide additional declarations, Rusal says in filing to Hong Kong stock exchange. [Bloomberg]
- **Baidu, China Mobile Partner to Explore AI.** The two companies will explore autonomous driving and commercialization of artificial intelligence in intelligent devices and connected homes. They will use Baidu's technologies and algorithms in the areas of image recognition, voice recognition and natural language processing to explore creative applications of AI in the telecommunications industry. [Bloomberg]

- **Bank Of China Considers Social Bond Sales In Other Currencies.** Bank of China says it is considering selling social and sustainability bonds in other currencies, particularly in offshore yuan, after the lender's debut issuance of such bonds in May. [Bloomberg]
- **Swire Is Said in Talks to Sell Hong Kong Towers for \$1.8 Billion.** Swire Properties Ltd. is in talks to sell its stakes in two Hong Kong towers to Hengli Investments Holding Group for more than HK\$14 billion (\$1.8 billion), according to people familiar with the matter, adding to a spate of deals in the world's priciest office market. [Bloomberg]
- **Anta Sports, China Dongxiang Deny Content in Critical Report.** Anta Sports noted a report published by GMT Research contains "certain speculations" on its financial performance and the board "vigorously" denies the allegations, Anta says in filing to Hong Kong stock exchange Thursday evening. [Bloomberg]
- **Wuzhou Intl Says It Defaulted on Some Payment Obligations.** Wuzhou Intl is in financial difficulties and has defaulted on some payment obligations, company says in a filing to stock exchange Thursday evening. The company is currently liaising with creditors for alternative payment arrangements. [Bloomberg]
- **Foxconn looks to AI after maker of Apple and Amazon products celebrates 30 years in China.** Foxconn's net foreign exchange reserves in mainland China over the past 30 years now add up to US\$237.4 billion, representing 7.6 per cent of the country's total, and the company accounts for nearly 4 per cent of China's annual export value. [SCMP]
- **Didi Chuxing tightens car-pooling rules after murder threatens to dent image.** China's biggest ride-sharing company Didi Chuxing said its car-pooling service drivers can only pick up passengers of the same sex in early morning and late evening, part of an on-going effort to regain trust following a murder of a female passenger earlier this year. [SCMP]
- **UAE's Emirates SkyCargo, China's Alibaba join hands over cross-border logistics.** The United Arab Emirates (UAE) flagship carrier Emirates Airline on Wednesday partnered with China's e-commerce giant Alibaba Group over cross-border logistics, the Emirates Airline said in an e-mailed statement. [China Daily]
- **CRRC unit delivers 160 km/h maglev train for commuters.** China's first self-developed 160 kilometer-an-hour magnetic levitation train rolled off the production line, as a family of maglev products gradually emerges in the nation. This type of maglev train, suitable for commuting between urban areas and satellite towns, was delivered on Tuesday by CRRC Zhuzhou Locomotive Co Ltd. [China Daily]
- **Huawei's ICT powers interconnected world.** Huawei aims to accelerate digital transformation across all industries by boosting innovation on new information and communications technology (known as ICT) and creating intelligent connectivity, according to senior representatives of the company. [China Daily]
- **ABC, Tencent Secure Comprehensive Cooperation Agreement.** Agricultural Bank of China entered into a comprehensive cooperation agreement with Tencent pursuant to which, both parties will deepen cooperation in digital banking construction, smart cities and rural ecosystem construction, fintech, investment financing and so on. [AASocks]
- **China Shenhua May Commercial Coal Production Up 2.5% year on year.** China Shenhua announced that in May, commercial coal production reached 24.7 million tons and coal sales 35 million tons, up 2.5% and 3.9% year on year. [AASocks]
- **HSBC Holdings Issues 1st Sovereign Green Bond This Yr for Indonesia.** John Flint, Chief Executive of HSBC Holdings, revealed that the bank has issued the first Asian sovereign green bonds this year for Indonesia, compared to 48 green bonds issued last year. Flint said the group also supports green loans. [AASocks]
- **Stanchart Expects to Hire 750 Staff in Poland New Biz Hub.** As reported by Reuters, Standard Chartered Bank announced that a new global business service hub will be opened in Warsaw, the Polish capital. The new office will house 750 staff members in the coming 5 years. [AASocks]

V. Overnight Market Recap

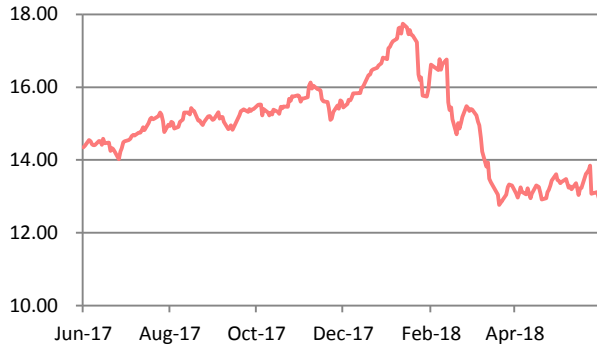
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,782	6.9	0.2	0.4	2.6	1.3	4.0	14.4	4.1
	Dow Jones	25,175	(25.9)	(0.1)	(0.3)	1.9	1.2	2.1	17.9	1.8
	Nasdaq Composite	7,761	65.3	0.8	1.6	5.6	3.7	11.9	25.9	12.4
	Russell 2000	1,685	8.2	0.5	1.0	5.3	6.9	10.1	19.5	9.7
	VIX Index	12.12	(0.8)	(6.3)	(0.1)	(17.2)	(26.9)	28.7	11.2	9.8
Europe Equity	Euro Stoxx 50	3,527	47.6	1.4	1.9	(1.1)	3.8	(1.5)	(0.9)	0.7
	DAX	13,107	216.5	1.7	2.3	0.8	7.3	(0.1)	2.7	1.5
	CAC	5,528	75.7	1.4	1.5	(0.2)	5.4	2.4	5.1	4.1
	FTSE 100	7,766	62.1	0.8	0.8	0.5	8.8	3.6	3.5	1.0
APAC Equity	HSI	30,440	(285.0)	(0.9)	(3.4)	(2.3)	(3.5)	5.5	19.1	1.7
	HSCEI	11,951	(84.9)	(0.7)	(3.7)	(3.9)	(6.0)	5.1	15.5	2.1
	HSI VIX	15.88	0.0	0.2	(0.1)	(9.6)	(22.8)	6.4	24.2	8.8
	CSI 300	3,773	(15.0)	(0.4)	(1.5)	(3.8)	(7.9)	(5.2)	6.9	(6.4)
	SH Composite	3,044	(5.6)	(0.2)	(2.1)	(4.6)	(7.5)	(6.8)	(2.8)	(8.0)
	SZ Composite	1,722	(9.5)	(0.6)	(2.6)	(6.4)	(8.1)	(9.4)	(7.9)	(9.3)
	Nikkei 225	22,739	(227.8)	(1.0)	(0.4)	0.1	4.7	1.2	15.1	0.3
Commodities (USD)	KOSPI	2,423	(45.4)	(1.8)	(1.2)	(1.6)	(2.9)	(2.5)	2.4	(1.9)
	Brent (Future)	75.94	(0.8)	(1.0)	(1.8)	(3.1)	16.8	20.2	62.0	13.7
	WTI (Future)	66.89	0.3	0.4	1.4	(6.0)	9.5	17.0	50.7	10.9
	Gold	1,302	2.9	0.2	0.4	0.9	(1.1)	3.6	3.8	(0.1)
	Copper (Future)	7,177	(80.0)	(1.1)	(2.1)	4.2	2.7	5.7	25.9	(1.0)
FX	Baltic Dry Index	1,404.00	14.0	1.0	0.6	(4.4)	22.1	(13.3)	64.2	2.8
	Dollar Index	94.88	1.3	1.4	1.6	1.9	5.3	1.1	(2.6)	3.1
	EUR	1.16	(0.0)	(1.9)	(2.0)	(2.3)	(6.1)	(1.6)	3.7	(3.7)
	JPY	110.63	0.3	0.3	0.9	(0.2)	(3.8)	1.9	0.4	2.0
	CNY	6.40	0.0	(0.1)	(0.2)	(1.0)	(1.3)	3.2	6.1	1.6
CDS	CNH	6.42	0.0	0.4	0.4	(0.9)	(1.5)	2.9	6.0	1.4
	ChinaGov CDS	55.09	(0.6)	(1.0)	0.1	(5.7)	0.3	3.1	(13.8)	10.0
	CDX Emerging Market	96.16	(0.2)	(0.2)	(0.6)	(1.4)	(3.1)	(2.7)	0.3	(3.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.92	0.0	0.1	1.9	1.9	1.8	1.3	1.0	1.4
	2-Year Treasury Yield	2.56	(0.0)	(0.2)	2.5	2.6	2.3	1.8	1.4	1.9
	5-Year Treasury Yield	2.81	(0.0)	(0.8)	2.8	2.9	2.6	2.2	1.8	2.2
	10-Year Treasury Yield	2.94	(0.0)	(1.1)	2.9	3.1	2.8	2.4	2.2	2.4
	2-10 Spread	36.96	(2.7)	(6.8)	44.4	50.7	54.9	51.3	80.8	51.8
China rates	O/N China Repo Rate	2.59	0.1	3.6	2.6	2.5	2.6	2.7	2.9	3.0
	1-Week China Repo Rate	2.30	(0.5)	(17.9)	2.7	3.1	2.6	2.9	2.9	3.1
	O/N SHIBOR	2.59	0.0	0.1	2.6	2.8	2.6	2.7	2.8	2.8
	1-Week SHIBOR	2.81	0.0	0.3	2.8	2.8	2.9	2.9	2.9	3.0

Source: Bloomberg

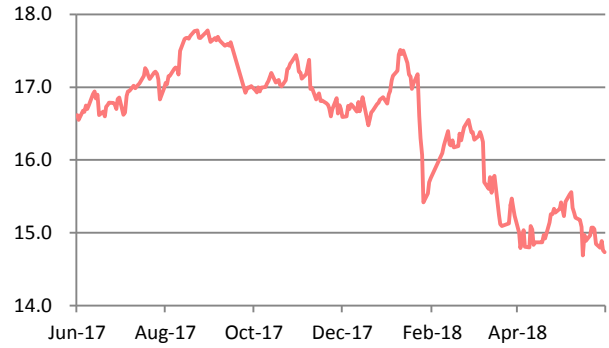
VI. Key Indicators

Hang Seng Index PE Ratio



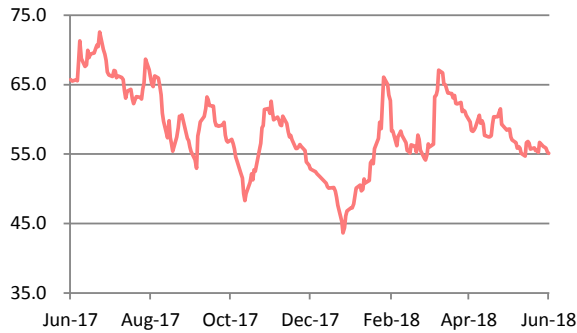
Source: Bloomberg

Shanghai Composite Index PE Ratio



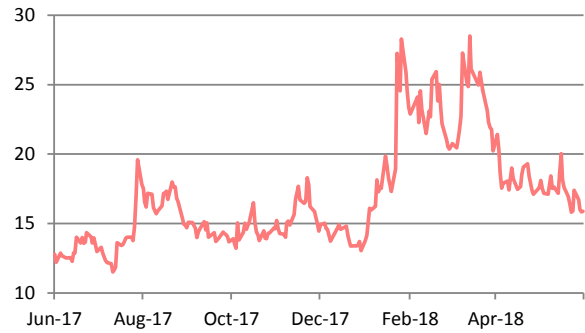
Source: Bloomberg

China 5Y CDS Index_USD



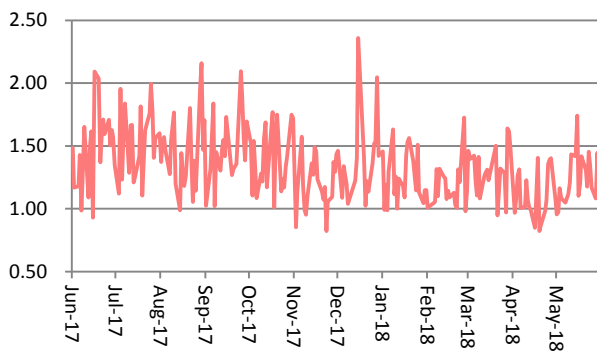
Source: Bloomberg

Hang Seng Index VIX



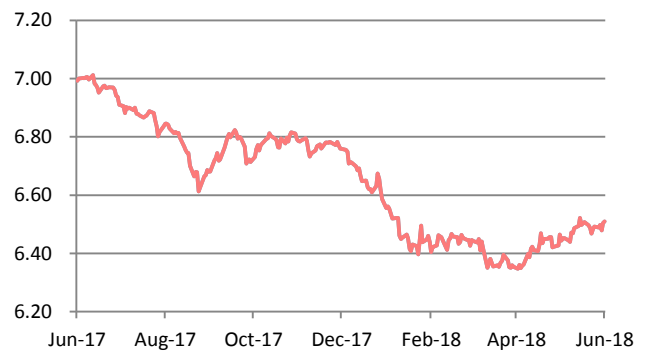
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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