

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: S&P CoreLogic CS 20-City Home Prices YoY	May	N/A	6.79%
US: Conference Board Consumer Confidence	Jun	127.50	128.0
Japan: PPI Service YoY	May	1.00%	0.90%
S. Korea: Consumer Confidence	May	N/A	107.90
HK: Exports / Imports YoY	May	8.50% / 11.3%	8.10% / 11.1%

Source: Bloomberg

II. Macro News

- **US manufacturing sector slowdown in June.** The US Purchasing Managers' Index (PMI) survey for June highlighted a clear loss of momentum for the manufacturing sector, following the strong growth rates seen in recent months, according to data released by the IHS Markit. [China Daily]
- **Xi seeks stronger bilateral ties with France.** President Xi Jinping met yesterday with French Prime Minister Edouard Philippe in Beijing, saying China is willing to work with France to enrich the content of the comprehensive strategic partnership between the two countries. [The Standard]
- **Europe Vows to Keep Fighting Trump on Trade, Seeing Risk to WTO.** President Donald Trump's aggressive approach to recasting U.S. partnerships and his direct assault on the World Trade Organization will unwind decades of progress and return global commerce to a free-for-all, according to an internal European Union memo. [Bloomberg]

III. Industry News

- **China Plans Coal Use Cuts in Key Areas to Curb Pollution.** China aims to slash annual coal consumption in Beijing, Tianjin, Hebei, Pearl River Delta, Henan and Shandong by about 10% by 2020 from 2015 levels, Xinhua reports, citing a guideline from the State Council. [Bloomberg]
- **Growth strong despite SUV sales dip.** The growth rate in sales of SUVs in China was overtaken by that of sedans in May, the first time in almost seven years, as overall sales grew steadily in the country. A total of 2.28mn vehicles were sold last month, up 9.6% YoY, according to statistics from the China Association of Automobile Manufacturers. [China Daily]
- **Beijing Said to Have No Plan to Target U.S. Firms in China.** The Chinese government has no plan to target U.S. companies operating in the nation amid escalating trade tensions, as that would run counter to Beijing's goal of attracting foreign investments, South China Morning Post reports. [Bloomberg]

IV. Corporate News

- **Bank of Jiujiang Offers H.K. IPO Shrs at HK\$10.48-HK\$10.96 Each.** Bank of Jiujiang offers 360m shares at HK\$10.48-HK\$10.96 apiece in initial public offering in Hong Kong, according to statement published in South China Morning Post. Trading expected to begin July 10. [Bloomberg]
- **China Renaissance, Kaisa Property Apply for Hong Kong IPO.** China Renaissance Holdings Ltd., IES Technology (Holdings) Ltd. and Kaisa Property Holdings Ltd. have applied to list shares on HKEX, according to the exchange's website. [Bloomberg]

- **Huawei In Talks With Australia Aimed at Easing Security Concerns.** China's Huawei Technologies Co. said it's in talks with the Australian government aimed at easing national security concerns as it seeks to supply next-generation mobile-phone technology to the local market. [Bloomberg]
- **Li Ka-shing Invests \$30M in Xiaomi's Hong Kong IPO.** The billionaire invests \$30m in Xiaomi through Li Ka-shing Foundataion, Hong Kong Economic Journal reports, citing CK Hutchison Co-Managing Director Canning Fok. [Bloomberg]
- **Wanda Plans \$1.8 Billion Overhaul of Entertainment Assets.** Billionaire Wang Jianlin's Dalian Wanda Group Co. plans to undertake a 11.6 billion yuan (\$1.8 billion) reorganization of its domestic entertainment business, reviving an overhaul that was scrapped in 2016 amid regulatory scrutiny. [Bloomberg]
- **Bank of China Is Said Set to Name Liu Liange as President.** Liu Liange, president of Export-Import Bank of China, is set to become president at Bank of China, Securities Times says. Bank of China may announce the appointment internally as soon as Tuesday. [Bloomberg]
- **Meituan Reveals \$2.9bn Loss After Filing for HK IPO.** Meituan Dianping filed for an IPO in Hong Kong and revealed the scope of its losses for the first time. The company unveiled a net loss of 19bn yuan (\$2.9bn) last year on revenue of 33.9 billion yuan, according to its initial filing. [Bloomberg]
- **Jack Ma Embraces Blockchain for Ant But Warns of Bitcoin Bubble.** Jack Ma has declared Bitcoin a potential bubble, reiterating his caution over the volatile crypto-currency as his Ant Financial on Monday launched blockchain-based money transfers between Hong Kong and the Philippines. [Bloomberg]
- **ZTE's global smartphone sales likely to slump more than half because of US export ban.** ZTE Corp, the Chinese telecoms maker embroiled in an export ban row with the US, estimated that its global smartphone sales this year may not even reach half of what it achieved in 2017. [SCMP]
- **Volkswagen's JV opens 'mega factory' in S.China.** FAW-Volkswagen has expanded its production capacity in China with the opening of the second phase of its S.China base in the city of Foshan on June 22. With ongoing investment that is set to total some 10bn yuan by 2020, production at the base will double to 600,000 cars per year. [China Daily]
- **AIIB investments top \$4.2bn in 2017.** Investments in projects and funds by the Asian Infrastructure Investment Bank surpassed \$4.2bn in 2017. The figure was a sharp increase from \$1.7bn of investments a year earlier as the bank funded 23 approved projects in sectors incl. transport, energy and telecommunication, up from 8 projects in 2016. [China Daily]
- **AB InBev breweries go solar.** Anheuser-Busch InBev, the world's biggest brewer by production volume, will convert half of its plants in China into solar-powered factories by 2020, to increase the share of non-fossil energy in the country, said a senior executive. [China Daily]
- **Japanese automaker Suzuki gets set to pull out of China.** Suzuki Motor Corp has announced it is to pull out of China after struggling to compete in the world's largest car market for over 20 years. Executives at the Japanese carmaker said they are in talks to dissolve its existing Chinese joint venture, Changan Suzuki Automobile Co. [China Daily]
- **HNA sells stake in New York tower, report says.** SL Green Realty Corp is buying a stake in the office tower at 245 Park Avenue in New York City from embattled Chinese conglomerate HNA Group, Reuters said citing the Wall Street Journal. SL Green would have operating control of the property and a preferred position in the joint venture. [The Standard]
- **Tencent Reports Malicious PR Cases to PRC Security Bureau.** Tencent issued a statement, slamming malicious PR articles are polluting the environment of normal public opinions and undermining the healthy development of Internet ecosystem. Tencent said it has reported such cases to Security Bureau in PRC and will facilitate their actions. [AASocks]
- **XTEP Int'l Not Aware of Reasons for Price & Volume Movements; Chairman & Senior Mgmt Add Stakes.** XTEP Int'l announced that it has noted the decrease in the trading price and the increase in trading volume of the shares yesterday (25 June). The Board confirmed that it is not aware of any reasons for the price and volume movements. [AASocks]

V. Overnight Market Recap

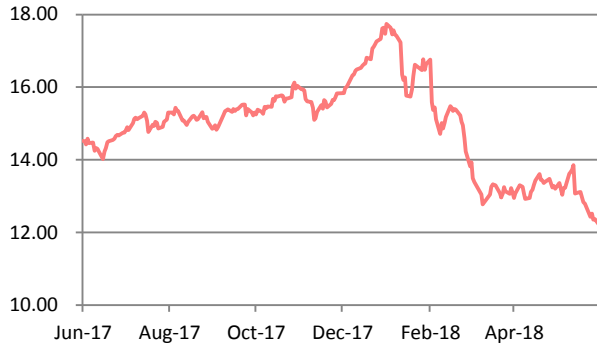
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,717	(37.8)	(1.4)	(2.0)	(0.2)	2.2	1.4	11.4	1.6
	Dow Jones	24,253	(328.1)	(1.3)	(2.9)	(2.0)	0.2	(2.0)	13.3	(1.9)
	Nasdaq Composite	7,532	(160.8)	(2.1)	(2.8)	1.3	4.3	8.6	20.6	9.1
	Russell 2000	1,658	(28.1)	(1.7)	(2.1)	1.9	7.4	7.3	17.0	7.9
	VIX Index	17.33	3.6	25.9	40.8	31.1	(17.6)	69.1	75.1	57.0
Europe Equity	Euro Stoxx 50	3,369	(72.4)	(2.1)	(2.8)	(4.2)	2.8	(5.2)	(5.4)	(3.8)
	DAX	12,270	(309.4)	(2.5)	(4.4)	(5.2)	4.1	(6.1)	(3.9)	(5.0)
	CAC	5,284	(103.5)	(1.9)	(3.1)	(4.7)	4.3	(1.5)	(0.2)	(0.5)
	FTSE 100	7,510	(172.4)	(2.2)	(1.6)	(2.9)	9.0	(1.1)	0.8	(2.3)
APAC Equity	HSI	28,961	(377.3)	(1.3)	(4.4)	(5.3)	(5.2)	(2.1)	11.9	(3.2)
	HSCEI	11,209	(131.0)	(1.2)	(5.6)	(7.0)	(8.1)	(3.8)	6.4	(4.3)
	HSI VIX	20.43	2.1	11.3	27.9	15.8	(18.9)	48.7	62.8	39.9
	CSI 300	3,560	(48.4)	(1.3)	(5.1)	(6.7)	(8.2)	(12.2)	(2.9)	(11.7)
	SH Composite	2,859	(30.4)	(1.1)	(5.4)	(9.0)	(8.8)	(13.5)	(10.2)	(13.5)
	SZ Composite	1,587	(10.1)	(0.6)	(6.2)	(12.3)	(11.3)	(16.1)	(16.3)	(16.4)
	Nikkei 225	22,338	(178.7)	(0.8)	(1.5)	(0.5)	7.6	(2.4)	10.8	(1.9)
Commodities (USD)	KOSPI	2,358	0.7	0.0	(0.8)	(4.2)	(3.2)	(2.9)	(1.3)	(4.4)
	Brent (Future)	74.73	(0.8)	(1.1)	(0.8)	(2.2)	6.1	14.5	64.1	11.8
	WTI (Future)	68.08	(0.5)	(0.7)	3.4	0.4	4.0	13.6	57.1	12.8
	Gold	1,266	(4.9)	(0.4)	(1.0)	(2.5)	(6.4)	(1.3)	1.7	(2.8)
	Copper (Future)	6,755	(34.0)	(0.5)	(3.0)	(1.9)	1.4	(5.2)	16.5	(6.8)
FX	Baltic Dry Index	1,341.00	(6.0)	(0.4)	(7.0)	24.5	19.1	(1.8)	51.7	(1.8)
	Dollar Index	94.29	(0.2)	(0.2)	(0.5)	0.0	5.4	1.0	(3.1)	2.4
	EUR	1.17	0.0	0.5	0.7	0.7	(6.0)	(1.3)	4.7	(2.5)
	JPY	109.77	(0.2)	(0.2)	(0.7)	(0.2)	(3.9)	3.2	2.0	2.8
	CNY	6.54	0.0	(0.5)	(1.6)	(2.3)	(4.1)	(0.0)	4.6	(0.5)
CDS	CNH	6.54	0.0	0.5	1.3	(2.2)	(4.4)	(0.0)	4.7	(0.4)
	ChinaGov CDS	58.98	1.5	2.6	5.3	7.8	(11.6)	13.9	(12.8)	17.8
	CDX Emerging Market	96.04	(0.2)	(0.2)	0.2	(1.2)	(2.1)	(3.0)	0.5	(3.1)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.88	(0.0)	(1.2)	1.9	1.9	1.8	1.3	1.0	1.4
	2-Year Treasury Yield	2.53	(0.0)	(0.3)	2.5	2.5	2.3	1.9	1.3	1.9
	5-Year Treasury Yield	2.75	(0.0)	(0.6)	2.8	2.8	2.6	2.2	1.8	2.2
	10-Year Treasury Yield	2.88	(0.0)	(0.5)	2.9	2.9	2.8	2.5	2.1	2.4
	2-10 Spread	34.53	(0.4)	(1.2)	35.0	45.1	50.7	57.2	80.1	51.8
China rates	O/N China Repo Rate	2.55	0.6	27.5	2.4	2.5	2.7	2.6	2.6	3.0
	1-Week China Repo Rate	3.54	0.7	23.8	3.0	2.9	2.9	2.9	2.8	3.1
	O/N SHIBOR	2.56	(0.0)	(0.9)	2.6	2.5	2.6	2.6	2.7	2.8
	1-Week SHIBOR	2.83	0.0	0.2	2.8	2.8	2.9	2.9	2.9	3.0

Source: Bloomberg

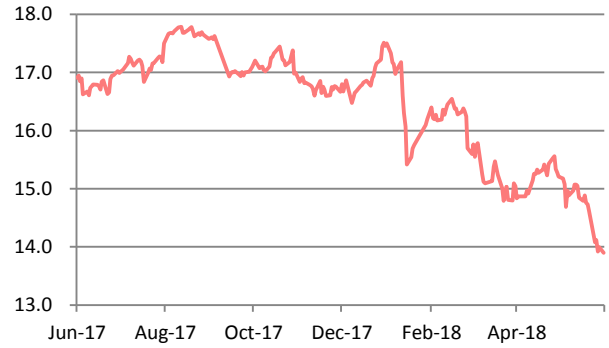
VI. Key Indicators

Hang Seng Index PE Ratio



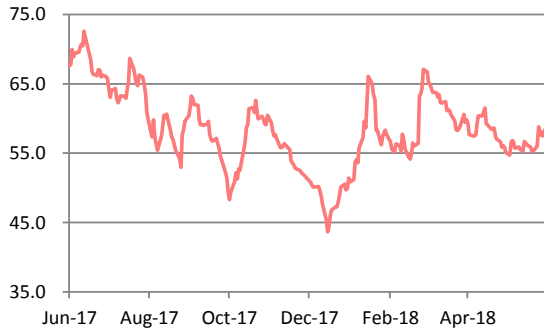
Source: Bloomberg

Shanghai Composite Index PE Ratio



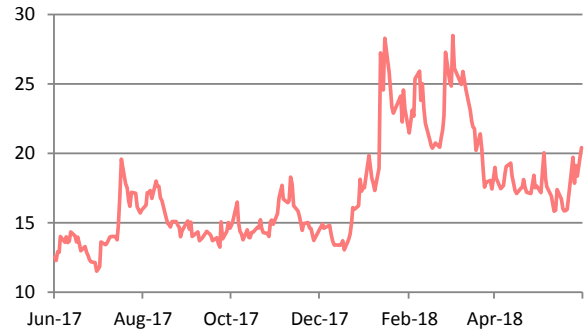
Source: Bloomberg

China 5Y CDS Index_USD



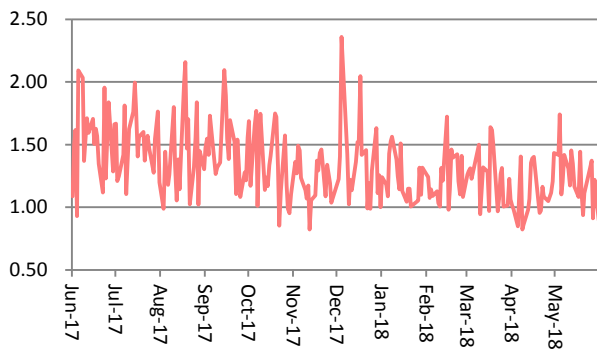
Source: Bloomberg

Hang Seng Index VIX



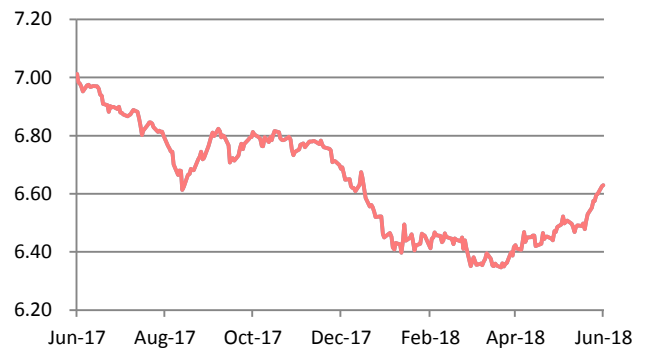
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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