

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Factory Orders MoM	May	-0.20%	-0.80%
S. Korea: CPI YoY	Jun	1.70%	1.50%
Australia: Building Approvals YoY / MoM	May	N/A	1.9%/-5.0%
Australia: RBA Cash Rate Target	3-Jul	1.50%	1.50%
Canada: Markit Manufacturing	Jun	N/A	56.2

Source: Bloomberg

## II. Macro News

- **China Factory Gauge Slips in June as Trade War Hits Exports.** China's official factory gauge fell more than expected in June. The manufacturing purchasing managers index stood at 51.5 in June, versus 51.9 the prior month, and the forecast of 51.6 in a Bloomberg survey of economists. The non-manufacturing PMI rose to 55, versus 54.9 in May. [Bloomberg]
- **Germany approves Greece debt relief package.** German parliament has approved a debt relief package for Greece that is meant to help wean the country off its rescue loans as its eight-year bailout program comes to a close. Lawmakers in Berlin voted 410-226 to support the package, which Greece's European creditors and the IMF agreed. [The Standard]
- **Euro-Area Inflation Hits 2% Level Amid Boost From Oil Prices.** Euro-area inflation hit the symbolic 2 percent level in June for the first time in more than a year, supported by higher oil prices. The pickup in rate of price growth from 1.9 percent was in line with the median estimate of economists surveyed by Bloomberg. [Bloomberg]

## III. Industry News

- **Hong Kong exchange explores rule change to curb back-door listings, formation of shell companies.** Hong Kong Exchanges and Clearing on Friday proposed a number of new rules to crack down on back-door listings and related "shell companies", including a ban that prohibits listed companies from selling major assets or shareholdings within three years after a change of ownership. [SCMP]
- **Canada to announce final retaliatory tariff list against US goods.** Canadian Foreign Affairs Minister Chrystia Freeland is expected to reveal what US goods will be slapped with a 10% surtax from July 1. The tariffs are part of countermeasures of the overall C\$16.6bn on imports of steel, aluminum and other products from the U.S. in response to the US imposing a 25% steel tariff and 10-percent tariff on aluminum from Canada. [China Daily]
- **Indonesia Surprises With Half-Point Rate Hike to Bolster Rupiah.** Indonesia's central bank stepped up its policy action with a bigger-than-forecast interest rate hike, the third increase in six weeks, to halt a deepening slide in the currency. The seven-day reverse repurchase rate was raised by 50 basis points to 5.25% on Friday. [Bloomberg]

## IV. Corporate News

- **Digital tokens on offer for Xiaomi's IPO shares.** Blackmoon, a Moscow company that is setting itself up as a bridge between the digital realm of cryptocurrencies and the real world of financial assets, is offering punters a digital route to partake in the initial public offering of the world's fourth-largest smartphone maker. [SCMP]
- **Soros, Hillhouse Said to Place Orders in \$6.1 Billion Xiaomi IPO.** Billionaire George Soros and Chinese investment firm Hillhouse Capital are seeking to invest in Xiaomi Corp.'s Hong Kong initial public offering, which aims to raise as much as \$6.1 billion. [Bloomberg]

- **Bain Is Said to Near Deal to Acquire DSM Sinochem Pharma Venture.** Buyout firm Bain Capital is nearing an agreement to acquire the pharmaceutical joint-venture of Dutch chemicals firm Royal DSM NV and China's Sinochem Group. [Bloomberg]
- **Fosun-Backed BabyTree Group Applies for Hong Kong IPO.** Chinese parenting website BabyTree filed pre-listing documents with the Hong Kong stock exchange, according to the filing dated June 28. Fosun, Alibaba's Taobao and TAL Education are among the investors of BabyTree. [Bloomberg]
- **Tsinghua Unigroup Said in Talks on \$2.5B Linxens Deal.** Tsinghua Unigroup Ltd., the state-linked Chinese technology giant, is in advanced talks to acquire French smart-card components maker Linxens. The Beijing-based company could announce an agreement with Linxens's owner, private equity firm CVC Capital Partners, as soon as the next couple weeks. [Bloomberg]
- **China CNOOC plans \$2.2 bln LNG terminal in east China.** China National Offshore Oil Company plans to build a receiving terminal of liquefied natural gas in the eastern province of Jiangsu that is expected to cost 14.4bn yuan (\$2.17bn), media reported. The project, located in the city of Yancheng, will include a berth to anchor 100k tonne vessels, land-based storage and a pipeline grid and is expected to be completed in Dec-2020, Xinhua Daily reported. [Bloomberg]
- **ZTE Replaces Board, but Power Structure Remains.** ZTE Corp. replaced its board of directors on Friday to satisfy U.S. authorities' demands and secure a deal to save the Chinese telecom giant's stricken business, but the changes may be less sweeping than they appear, a Wall Street Journal review of corporate records found. [WSJ]
- **Huawei announces release dates for its commercial 5G networks.** Xu Zhijun, Huawei's vice-president, said that the company's commercial non-standalone 5G networks will be available from October. And its standalone 5G networks will be available from April next year. [China Daily]
- **Audi acquires 1% stake in SAIC Volkswagen JV.** Audi AG has become a shareholder in the joint venture between its parent company Volkswagen AG and China's SAIC Motor Corp, which marks another step in its drive to localize vehicles with a second partner in its largest market worldwide. [China Daily]
- **AIIB approves over \$5.3b in project investment since operation.** The Asian Infrastructure Investment Bank has approved investment for projects worth over \$5.3 billion since it started operations about two and a half years ago, according to AIIB President Jin Liqun. [China Daily]
- **Foxconn breaks ground on new plant in US Wisconsin.** Electronics manufacturer Foxconn broke ground on a massive display-screen producing complex in the US state of Wisconsin on Thursday, with the participation of President Donald Trump. [China Daily]
- **PICC committed to innovation.** PICC will commit to a more innovation-driven business model in the future. It disclosed a package of 131 innovation-driven measures and mapped out schedules for each key project, which are aimed to turn the co. into one of the leading innovative financial groups globally by 2025, according to its chairman. [China Daily]
- **Xiaomi prices HK public offer at bottom of range.** Xiaomi Corp priced its Hong Kong IPO at the bottom of an indicative range, said people close to the transaction, Reuters reports. Xiaomi priced its share offering at HK\$17 per share, the bottom of a price range of HK\$17 to HK\$22, the people said. [The Standard]
- **7ROAD: Considers Prioritizing Acquisitions of Games' Intellectual Property.** 7ROAD's chairman Meng Shuqi said that the proceeds from its IPO will be partially used for acquisitions of popular intellectual property overseas or in China, or acquisitions of well-known intellectual property providers. [AASocks]
- **Best Mart 360° Plans Listing Application in Short Term.** Best Mart 360° plans to apply for listing on Main Board in short term, raising \$200 million, report said. The company kick-started business in 2013 and is now operating over 70 branches in Hong Kong, according to its official website. [AASocks]
- **Longfor Property Substantial Shareholder Adds Stakes at \$110 Million.** Longfor Property (00960.HK) announced that its substantial shareholder Charm Talent acquired 5.106 million shares on market, involving approximately \$110 million, during 25-27 June. [AASocks]

## V. Overnight Market Recap

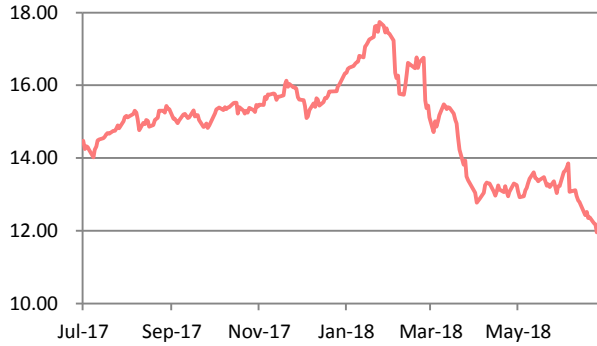
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,727	8.3	0.3	0.4	(0.3)	4.3	0.5	12.3	2.0
	Dow Jones	24,307	35.8	0.1	0.2	(1.3)	1.1	(2.5)	13.2	(1.7)
	Nasdaq Composite	7,568	57.4	0.8	0.5	0.2	9.0	7.1	23.9	9.6
	Russell 2000	1,655	12.0	0.7	(0.1)	0.4	9.5	6.6	16.0	7.8
	VIX Index	15.60	(0.5)	(3.0)	(10.0)	15.9	(26.1)	70.5	39.0	41.3
Europe Equity	Euro Stoxx 50	3,372	(23.4)	(0.7)	0.1	(2.4)	0.8	(3.9)	(3.4)	(3.8)
	DAX	12,238	(67.8)	(0.6)	(0.3)	(3.8)	2.0	(5.7)	(1.9)	(5.3)
	CAC	5,277	(46.8)	(0.9)	(0.1)	(3.5)	2.4	(1.0)	1.6	(0.7)
	FTSE 100	7,548	(89.1)	(1.2)	0.5	(2.0)	7.4	(1.6)	2.3	(1.8)
APAC Equity	HSI	28,955	457.8	1.6	(1.3)	(5.0)	(3.8)	(5.1)	12.4	(3.2)
	HSCEI	11,073	204.6	1.9	(2.4)	(7.9)	(7.7)	(8.3)	6.8	(5.4)
	HSI VIX	20.45	(0.9)	(4.1)	11.4	16.1	(21.8)	38.0	46.0	40.1
	CSI 300	3,408	(103.0)	(2.9)	(4.3)	(9.6)	(11.8)	(17.1)	(6.7)	(15.5)
	SH Composite	2,776	(71.9)	(2.5)	(2.9)	(9.7)	(11.5)	(17.6)	(13.2)	(16.1)
	SZ Composite	1,582	(25.4)	(1.6)	(0.3)	(9.4)	(14.1)	(18.2)	(17.0)	(16.7)
	Nikkei 225	21,812	(492.6)	(2.2)	(2.4)	(1.6)	2.4	(4.2)	8.8	(4.2)
KOSPI	2,272	(54.6)	(2.4)	(3.7)	(6.9)	(7.0)	(8.6)	(5.1)	(7.9)	
Commodities (USD)	Brent (Future)	77.30	(2.1)	(2.7)	3.4	0.7	14.3	16.1	61.3	15.6
	WTI (Future)	73.94	(0.2)	(0.3)	8.6	12.3	16.4	20.0	57.1	22.4
	Gold	1,242	(10.6)	(0.8)	(1.9)	(3.8)	(6.8)	(5.4)	1.8	(4.6)
	Copper (Future)	6,523	(103.0)	(1.6)	(3.4)	(5.4)	(2.8)	(9.5)	9.9	(10.0)
	Baltic Dry Index	1,385.00	56.0	4.2	3.9	19.8	36.3	9.7	57.0	1.4
FX	Dollar Index	94.87	0.4	0.4	0.6	0.8	5.4	3.3	(0.8)	3.0
	EUR	1.16	(0.0)	(0.4)	(0.6)	(0.5)	(5.1)	(3.1)	2.4	(3.0)
	JPY	110.90	0.1	0.1	1.0	(0.9)	(3.8)	1.5	2.3	1.7
	CNY	6.67	0.0	(0.7)	(1.9)	(3.9)	(5.8)	(2.6)	2.0	(2.4)
	CNH	6.69	0.1	0.8	2.2	(4.1)	(6.1)	(2.8)	1.7	(2.5)
CDS	ChinaGov CDS	71.24	3.6	5.3	20.8	27.4	12.9	43.5	2.5	42.2
	CDX Emerging Market	96.00	0.0	0.0	(0.0)	(0.9)	(2.3)	(3.3)	0.6	(3.1)

	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	1.4	1.0	1.4
	2-Year Treasury Yield	2.55	0.0	0.8	2.5	2.5	2.3	1.9	1.4	1.9
	5-Year Treasury Yield	2.75	0.0	0.6	2.7	2.7	2.6	2.2	1.9	2.2
	10-Year Treasury Yield	2.87	0.0	0.4	2.9	2.9	2.8	2.5	2.3	2.4
	2-10 Spread	31.86	(0.9)	(2.8)	34.0	42.9	49.5	54.0	93.6	51.8
China rates	O/N China Repo Rate	2.40	0.2	9.1	2.4	2.8	2.5	2.6	2.6	3.0
	1-Week China Repo Rate	2.40	(0.5)	(17.2)	2.8	2.8	2.5	3.1	2.8	3.1
	O/N SHIBOR	2.52	(0.1)	(4.1)	2.5	2.8	2.6	2.7	2.7	2.8
	1-Week SHIBOR	2.78	(0.1)	(2.9)	2.8	2.9	2.9	2.8	2.8	3.0

Source: Bloomberg

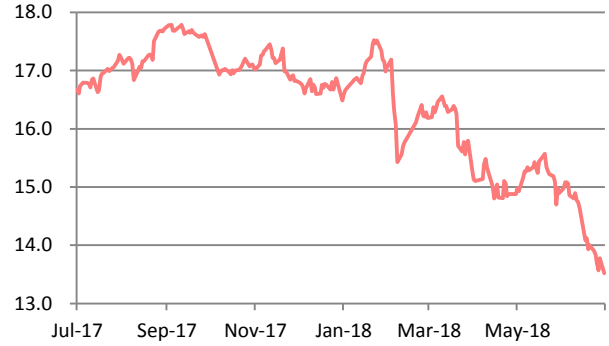
## VI. Key Indicators

**Hang Seng Index PE Ratio**



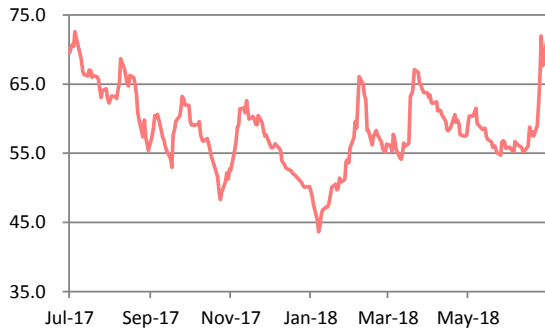
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



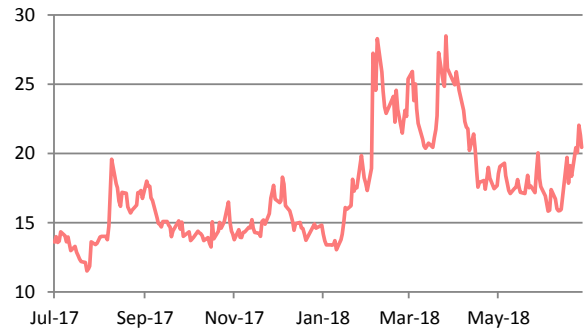
Source: Bloomberg

**China 5Y CDS Index\_USD**



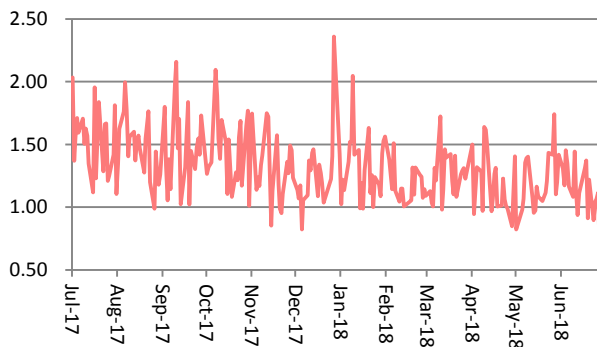
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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