



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: GDP Price Index	1Q A	1.2%	1.7%
China: Non-Manufacturing PMI	Apr	55.0	54.8
U.K.: UK Financing Loans for Housing	Mar	38850	39083
Germany: Import Price Index YoY	Mar	2.1%	1.6%
Eurozone: Consumer Confidence	Apr	96	96

Source: Bloomberg

## II. Macro News

- **China Cancels Interest on Ethiopian Loans to End-2018.** Chinese President Xi Jinping announced debt relief during a meeting with Prime Minister Abiy Ahmed ahead of Belt and Road Forum, Fana Broadcasting reports, citing the premier's office. [Bloomberg]
- **World Bank Keeps East Asia 2019 GDP Forecast at 6%; China 6.2%.** The World Bank maintains Developing East Asia and Pacific's 2019 GDP forecast at 6 percent in its latest World Bank East Asia and Pacific Economic update. China 2019 GDP forecast maintained at 6.2%; 2020 maintained at 6.2%. [Bloomberg]
- **Li Says China's Economy Still Facing Downward Pressure.** China will continue to deepen reform, expand opening, reduce administrative interference and cut taxes and fees to boost the economy, Premier Li Keqiang said in his meeting with visiting IMF Managing Director Christine Lagarde, according to Xinhua News Agency. [Bloomberg]

## III. Industry News

- **Singapore Takes Split-Second Chance to Be FX Hub for Asia's Rich.** Singapore is grabbing a sub-second opportunity to win a bigger slice of the world's \$5.1 trillion-a-day foreign exchange market. The Southeast Asian nation is encouraging major foreign-exchange players to build systems in the country that would remove the sub-second delay caused by routing trades via Tokyo or London. [Bloomberg]
- **Argentina Soybean Crushers Push For Meal Exports to China.** Representatives of Argentina's soybean crushing industry met Chinese government officials, importers and crushers at the Argentine embassy in Beijing, crop export and crushing group Ciara-Cec says in statement. Argentina pushed for China to accept Argentine soy meal shipments. [Bloomberg]
- **Dubai gets 'China-ready' as business footfalls see steady uptick.** Dubai will continue its "China-ready" efforts to cash in on the steady growth in the number of business visitors from China, especially those enrolled in high-tech and service events during the past five years, said industry insiders. [China Daily]

## IV. Corporate News

- **Ministers back UK govt Huawei verdict.** Government ministers and security officials have defended the United Kingdom's apparent refusal to ban Huawei from building its 5G network infrastructure in Britain, amid criticism that the move poses a national security risk. [SCMP]
- **Facebook revenue jumps as US privacy penalty looms.** Facebook Inc beat analysts' estimates for quarterly revenue on Wednesday, aided by growth in its Instagram business and a surge in advertising sales, while also setting aside up to \$5 billion to cover anticipated official US privacy penalties. [SCMP]

- **China Baowu has big plans for 5G.** The world's first 5G-based metallurgy industrial Internet of Things project will be launched by China Baowu Steel Group in July, according to two strategic cooperative agreements signed on Wednesday to facilitate the project. [SCMP]
- **MACOM and Goertek Form Joint Venture to Service China's 5G Build Out.** MACOM Technology Solutions Holdings, Inc., a leading supplier of semiconductor solutions, announced that it has entered into an agreement to establish a joint venture company with Goertek Inc., a multibillion-dollar electronic components company based in Shandong, China. [Bloomberg]
- **Hillhouse Is Said to Plan IPO for China Pet Hospital Assets.** Hillhouse Capital is planning an initial public offering for some animal hospital assets in China that could raise at least \$500 million. The private equity firm has asked potential advisers to pitch for a role on the proposed offering. [Bloomberg]
- **H.K. Airlines Offers Pilots Transfers to Other Carriers.** Hong Kong Airlines has offered its pilots secondments or permanent employment with other carriers linked to HNA Group, or Emirates as the company tries to scale back amid financial issue, South China Morning Post reports, citing internal memos. [Bloomberg]
- **Deutsche Bank, Commerzbank Far From Deal Agreement.** As of Wednesday, Deutsche Bank and Commerzbank had no plans to disclose their intentions to merge by Friday when Deutsche Bank is scheduled to report earnings, Wall Street Journal reports. [Bloomberg]
- **Aramco Earning More Than Next Five Oil Majors Combined Fuels M&A.** Saudi Arabian Oil Co. earned \$224 billion from operations last year, exceeding that of the next five global oil companies combined. That may explain its acquisition spree. [Bloomberg]
- **China's Grid Companies Seek Batteries for Flexibility.** China Southern Power Grid Co. has issued a request for proposal to explore how batteries could help integrate renewable energy. The proposal seeks feasibility studies on how batteries greater than 100 megawatts could provide backup power for contingency events in provinces with high levels of renewable energy penetration. [Bloomberg]
- **Microsoft Sales Top Estimates Amid Flurry of Cloud Wins.** Microsoft Corp.'s cloud computing business fueled quarterly sales and profit that topped analysts' estimates, boosted by several new deals with large corporate clients. Revenue rose 14 percent from a year earlier to \$30.6 billion in the quarter ended March 31. [Bloomberg]
- **Huawei reportedly gets nod to help build British 5G network.** The United Kingdom has given the green light to Chinese telecom giant Huawei Technologies Co to help build the country's next generation mobile communication technology network, said the Daily Telegraph newspaper. [China Daily]
- **China's Fosun expected to bid for UK travel firm.** Chinese conglomerate Fosun International is considering a bid for all or part of United Kingdom-based travel company Thomas Cook, according to reports. Fosun is understood to be one of a number of potential bidders that have held preliminary talks with Thomas Cook, which is the UK's oldest travel company. [China Daily]
- **Didi expands service in Japan.** Didi Mobility Japan announced Wednesday the official launch of its taxi-hailing service in Tokyo and Kyoto. The company is a joint venture between Didi Chuxing and SoftBank Corp. This represents Didi Japan's expansion into the country's three core cities following its launch in September 2018 in Osaka. [China Daily]
- **China Telecom Achieves 1st 5G SA Audio Conversation.** China Telecom has recently achieved the first 5G SA-based audio conversation of the industry, according to announcement made by the group. The Chinese telecom giant is pushing hard the development of SA industry chain, while audio service is an underlying business capability of 5G. [AASocks]
- **Viva Biotech seeks \$1.52b in IPO.** Viva Biotech, drug discovery platform operator, launches its Hong Kong IPO today to raise as much as HK\$1.52bn, with a minimum investment of HK\$2,227.22. The Shanghai-based company provides structure-based drug discovery services to biotechnology and pharmaceutical customers worldwide for their pre-clinical stage innovative drug development. [The Standard]

## V. Overnight Market Recap

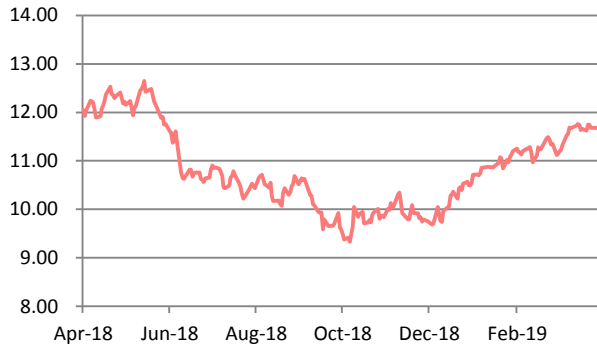
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,927	(6.4)	(0.2)	0.7	4.6	9.9	8.2	10.9	16.8
	Dow Jones	26,597	(59.3)	(0.2)	0.5	4.2	7.5	6.5	10.4	14.0
	Nasdaq Composite	8,102	(18.8)	(0.2)	1.3	6.1	13.1	10.7	15.7	22.1
	Russell 2000	1,588	3.0	0.2	0.3	5.0	7.1	5.8	2.4	17.8
	VIX Index	13.14	0.9	7.0	7.9	(19.5)	(24.6)	(45.7)	(26.3)	(48.3)
Europe Equity	Euro Stoxx 50	3,503	(1.2)	(0.0)	1.5	6.1	10.7	10.7	0.5	16.7
	DAX	12,313	77.7	0.6	2.4	8.5	9.1	8.9	(0.9)	16.6
	CAC	5,576	(15.6)	(0.3)	1.2	6.0	13.2	10.8	3.0	17.9
	FTSE 100	7,472	(51.3)	(0.7)	0.5	4.1	9.7	6.7	1.3	11.1
APAC Equity	HSI	29,806	(157.4)	(0.5)	(0.0)	4.5	8.1	19.2	(1.7)	15.3
	HSCEI	11,664	(67.2)	(0.6)	0.3	3.8	7.3	14.6	(3.6)	15.2
	HSI VIX	15.14	(0.6)	(3.8)	(5.7)	(16.5)	(14.8)	(45.6)	(16.6)	(39.5)
	CSI 300	4,030	11.1	0.3	(1.4)	7.7	26.6	26.2	5.3	33.9
	SH Composite	3,202	3.0	0.1	(1.9)	5.2	23.1	23.0	2.7	28.4
	SZ Composite	1,748	19.0	1.1	(1.4)	4.3	32.4	35.2	(3.4)	37.9
	Nikkei 225	22,200	(59.7)	(0.3)	(0.4)	6.0	7.0	4.5	0.1	11.1
Commodities (USD)	KOSPI	2,201	(19.5)	(0.9)	(2.0)	2.3	0.7	6.3	(10.4)	7.5
	Brent (Future)	74.57	0.1	0.1	4.0	10.6	20.6	(3.3)	0.5	38.2
	WTI (Future)	65.89	(0.4)	(0.6)	2.9	11.5	22.2	(2.6)	(3.6)	44.4
	Gold	1,276	3.3	0.3	0.1	(3.6)	(2.4)	3.4	(3.7)	(0.6)
	Copper (Future)	6,448	41.0	0.6	(0.5)	2.2	8.9	4.4	(8.1)	8.1
FX	Baltic Dry Index	821.00	31.0	3.9	11.2	19.2	(9.3)	(45.8)	(40.3)	(35.4)
	Dollar Index	98.17	0.5	0.6	1.2	1.6	2.4	1.5	7.6	2.0
	EUR	1.12	(0.0)	(0.6)	(1.3)	(1.4)	(2.2)	(2.0)	(8.3)	(2.7)
	JPY	112.19	0.3	0.3	0.1	(2.0)	(2.3)	0.2	(2.5)	(2.2)
	CNY	6.72	(0.0)	0.1	(0.5)	(0.2)	1.0	3.3	(6.2)	2.3
CDS	CNH	6.73	0.0	0.1	0.9	(0.3)	0.2	3.3	(6.2)	2.0
	ChinaGov CDS	40.75	0.1	0.2	(0.8)	(21.5)	(31.4)	(41.4)	(31.4)	(39.0)
	CDX Emerging Market	95.55	(0.8)	(0.8)	(1.0)	(0.9)	(1.0)	0.3	(2.6)	0.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	(0.0)	(0.2)	2.4	2.4	2.4	2.3	1.8	2.4
	2-Year Treasury Yield	2.32	(0.0)	(1.9)	2.4	2.3	2.6	2.8	2.5	2.5
	5-Year Treasury Yield	2.31	(0.0)	(2.0)	2.4	2.2	2.6	3.0	2.8	2.5
	10-Year Treasury Yield	2.52	(0.0)	(1.8)	2.6	2.4	2.7	3.1	3.0	2.7
	2-10 Spread	19.83	(0.1)	(0.4)	17.7	15.5	14.9	26.6	53.6	19.2
China rates	O/N China Repo Rate	2.76	0.3	10.4	2.8	2.5	2.3	2.2	3.0	1.0
	1-Week China Repo Rate	2.90	(0.3)	(9.4)	2.9	2.5	2.6	2.5	3.5	3.5
	O/N SHIBOR	2.75	(0.1)	(2.7)	2.8	2.5	2.3	2.2	2.7	2.6
	1-Week SHIBOR	2.76	0.1	2.4	2.8	2.7	2.6	2.6	2.9	2.9

Source: Bloomberg

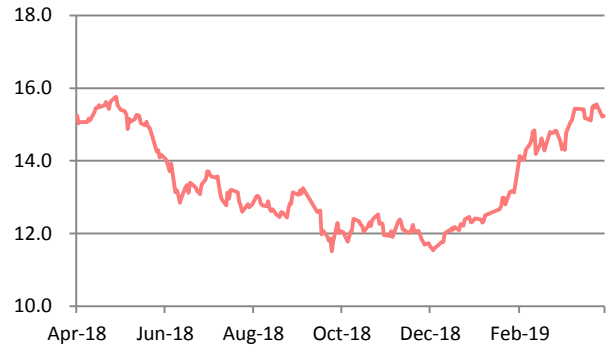
## VI. Key Indicators

**Hang Seng Index PE Ratio**



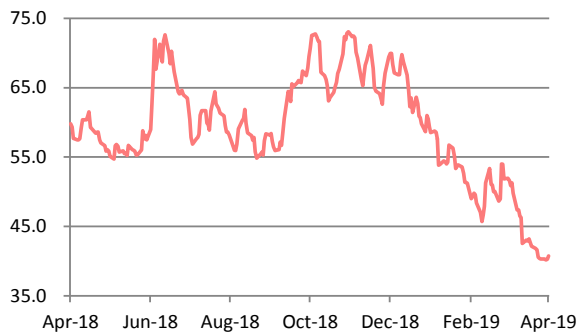
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



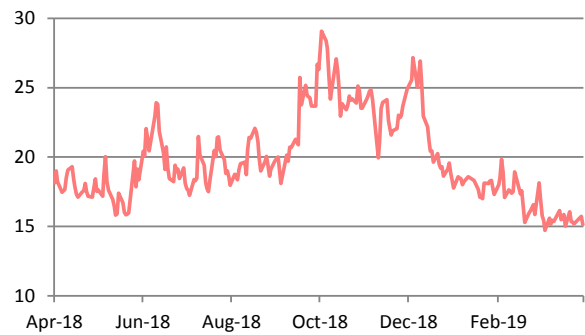
Source: Bloomberg

**China 5Y CDS Index\_USD**



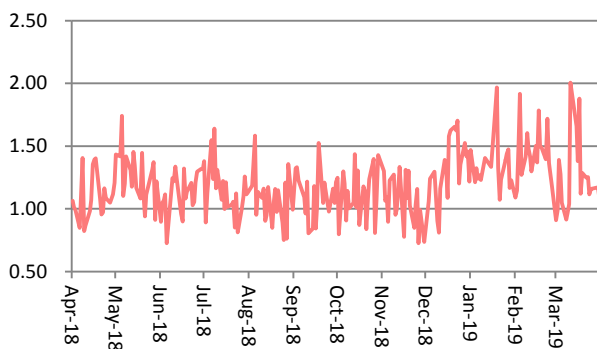
Source: Bloomberg

**Hang Seng Index VIX**



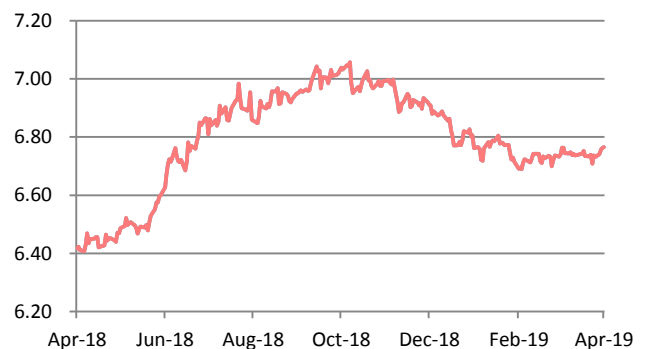
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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