

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit US Manufacturing PMI	May P	52.7	52.6
China: Industrial Profits YoY	Apr	N/A	13.9%
U.K.: House Price Index YoY	Mar	1.0%	0.6%
Germany: Markit Germany Services PMI	May P	55.4	55.7
Eurozone: Government Spending QoQ	1Q	-0.3%	1.6%

Source: Bloomberg

II. Macro News

- **Japan's Unexpected GDP Growth Comes With Reasons for Caution.** Japan's economy surprised with solid growth during the first quarter of the year, but that is likely to give little comfort to policy makers worried about economic momentum ahead of a looming sales tax increase. GDP expanded an annualized 2.1% in three months through March. [Bloomberg]
- **IMF Lagarde: Global Econ Subject to Risks if Trade War Not Resolved.** IMF Managing Director Christine Lagarde delivered a warning that the trade war between the US and the PRC could pose a risk to the global economic outlook if it is not resolved. [AASocks]
- **Trade Talk In Limbo with No Schedule for Next Meeting.** Trade talks entered into standoff as China and America had not discussed the schedule for another meeting, CNBC citing inside sources. Beijing is strongly dissatisfied with the sanction on Huawei with tougher and tougher rhetoric on her government media, despite no details on retaliation. [AASocks]

III. Industry News

- **China's power use up 5.8% in April.** China's electricity consumption, a key barometer of economic activity, rose 5.8 percent year-on-year in April, official data showed. Total power use reached 553.4 billion kilowatt hours last month, according to the National Energy Administration. [China Daily]
- **Quarterly earnings of Chinese internet firms surpass market estimates.** Quarterly earnings of leading Chinese internet companies have surpassed earnings estimates, with new spending power and additional revenue sources expected to lend further support to the economy. [China Daily]
- **China's raw coal production sees stable expansion in Jan-April.** China's raw coal production rose 0.6% YoY to 1.11bn metric tons in first four months of year, according to the NBS. In April alone, raw coal output edged up 0.1% YoY to 290m tons. The daily average output of raw coal stood at 9.81mn tons last month, according to the bureau. [China Daily]

IV. Corporate News

- **Sands China to follow up The Parisian and The Venetian with The Londoner as part of US\$2.2 billion** Macau expansion plan. Sands China last week unveiled plans to upgrade the 1,200-room Holiday Inn at Sands Cotai Central in Macau, rebranding it as The Londoner, a destination resort in line with its other European city-based brands, The Venetian and The Parisian. [SCMP]
- **Google suspends some business with Huawei in wake of Trump trade blacklist.** Alphabet Inc's Google has suspended business with Huawei that requires the transfer of hardware, software and technical services except those publicly available via open source licensing, a source familiar with the matter told Reuters on Sunday, in a blow to the Chinese technology company that the US government has sought to blacklist around the world. [SCMP]

- **Huawei Foreign Suppliers, Bondholders Lose Heavily on Trump Ban.** Huawei Technologies Co.'s foreign suppliers and bondholders lost heavily after the Trump administration placed the Chinese mobile phone equipment giant on a blacklist that curtails its access to critical U.S. suppliers. [Bloomberg]
- **CICC Expects CSI 300 to Add PICC, Wens and 14 Others in June.** CICC lists 16 stocks that may be added to China's CSI 300 Index after its June review, including PICC and Guangdong Wens, as well as 17 others that may be deleted. [Bloomberg]
- **Hansoh Pharmaceutical Starts Gauging Hong Kong IPO Demand.** Hansoh Pharmaceutical starts gauging investor demand for proposed Hong Kong initial public offering from Monday, according to terms of the deal obtained by Bloomberg. [Bloomberg]
- **Genus Announces China Deal With Beijing Capital Agribusiness.** Genus announces a strategic porcine collaboration in China with Beijing Capital Agribusiness Co. Ltd, according to a statement. Genus will receive upfront and milestone cash payments totaling \$20m, subject to certain conditions being fulfilled. [Bloomberg]
- **StanChart bullish on BRI gains.** Emphasis on quality over quantity of projects and multilateral ways of engagement are two critical talking points for the Belt and Road Initiative, which has entered into a new stage, said Jose Vinals, group chairman of Standard Chartered Plc. [China Daily]
- **Samsung to invest over \$14b in China chip plant.** Total investment by Samsung in the second phase of its chip plant in Xi'an, capital of Northwest China's Shaanxi province, will exceed \$14 billion, sources with Samsung China Semiconductor Co Ltd said Friday. [China Daily]
- **Tech giants set sights on Africa.** Microsoft Corporation has become the latest company joining the rush to tap into the software engineering talent in Africa. The tech giant has announced plans to spend \$100 million on a development center with offices in Kenya and Nigeria. [China Daily]
- **China Unicom Signs Reform Cooperation Agreement in Yunnan.** China Unicom announced that China Unicom Yunnan has entered into Cooperation Agreement in Relation to Comprehensive Reform Under the "Double-hundred Action" of Yunnan Branch of China United Network Communications Corporation Limited with Hengtong Optic- Electric, Ningbo Akin Electronic Technology and Beijing Ichinae Science & Technology. [AASocks]
- **US Mulls Temporary License on Huawei.** Following President Trump's execution order to slam a ban on Huawei, the US Commerce Department is weighing the issue of a temporary license to the Chinese tech giant in a bid to avoid interruption on prevailing network operations and equipment, as Reuters cited the spokeswoman of the department. [AASocks]
- **Wynn Resorts Mulls Selling US Casino to MGM.** Wynn Resorts is in talks over the US\$2.6 billion disposal of its casino outside of Boston to MGM Resorts. The project, with 671 hotel rooms, is expected to open in June. Agricultural Bank of China. [AASocks]

V. Overnight Market Recap

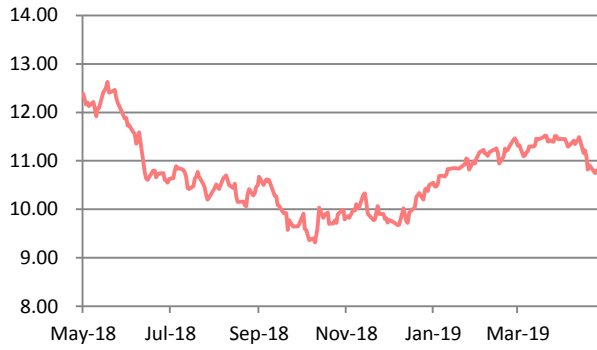
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,860	(16.8)	(0.6)	(0.8)	(1.6)	2.7	8.2	5.4	14.1
	Dow Jones	25,764	(98.7)	(0.4)	(0.7)	(3.0)	(0.7)	5.3	4.2	10.4
	Nasdaq Composite	7,816	(81.8)	(1.0)	(1.3)	(2.3)	4.4	13.1	6.3	17.8
	Russell 2000	1,536	(21.5)	(1.4)	(2.4)	(1.9)	(2.9)	4.5	(5.6)	13.9
	VIX Index	15.96	0.7	4.4	(0.5)	32.0	13.8	(29.0)	18.9	(37.2)
Europe Equity	Euro Stoxx 50	3,426	(12.9)	(0.4)	1.9	(2.1)	5.1	9.9	(4.1)	14.1
	DAX	12,239	(71.4)	(0.6)	1.5	0.1	7.3	10.6	(6.4)	15.9
	CAC	5,438	(9.9)	(0.2)	2.1	(2.5)	4.7	10.4	(3.1)	15.0
	FTSE 100	7,349	(4.9)	(0.1)	2.0	(1.5)	1.7	5.8	(5.5)	9.2
APAC Equity	HSI	27,946	(328.6)	(1.2)	(1.3)	(6.7)	(2.0)	8.2	(10.0)	8.1
	HSCEI	10,689	(122.9)	(1.1)	(1.4)	(9.2)	(4.8)	2.1	(13.5)	5.6
	HSI VIX	18.98	0.7	3.9	(19.4)	25.0	3.6	(24.5)	10.4	(24.2)
	CSI 300	3,649	(95.2)	(2.5)	(2.2)	(11.5)	5.7	13.4	(6.5)	21.2
	SH Composite	2,882	(73.4)	(2.5)	(1.9)	(11.9)	4.4	8.9	(9.7)	15.6
	SZ Composite	1,533	(51.6)	(3.3)	(2.3)	(13.8)	5.9	11.2	(16.2)	20.9
	Nikkei 225	21,250	187.1	0.9	(0.4)	(3.9)	(0.5)	(1.2)	(7.0)	6.6
KOSPI	2,056	(11.9)	(0.6)	(2.5)	(6.5)	(7.0)	(0.5)	(15.8)	1.5	
Commodities (USD)	Brent (Future)	72.21	(0.4)	(0.6)	2.3	1.5	8.9	16.9	(6.9)	35.8
	WTI (Future)	62.76	(0.1)	(0.2)	1.8	(0.7)	11.7	19.0	(10.8)	40.0
	Gold	1,278	(9.2)	(0.7)	(0.7)	0.3	(4.5)	4.7	(1.1)	(0.3)
	Copper (Future)	6,056	(44.0)	(0.7)	(1.1)	(7.6)	(2.1)	(2.4)	(12.0)	1.5
	Baltic Dry Index	1,040.00	8.0	0.8	1.4	31.6	67.2	3.7	(18.3)	(18.2)
FX	Dollar Index	98.00	0.1	0.1	0.7	0.5	1.6	1.2	4.6	1.9
	EUR	1.12	(0.0)	(0.1)	(0.7)	(0.8)	(1.5)	(1.8)	(5.3)	(2.6)
	JPY	110.08	0.2	0.2	0.1	1.5	0.5	2.3	0.7	(0.5)
	CNY	6.92	0.0	(0.5)	(1.3)	(3.3)	(2.2)	0.3	(8.0)	(0.6)
	CNH	6.95	0.0	0.3	1.5	(3.1)	(3.0)	0.2	(8.2)	(0.8)
CDS	ChinaGov CDS	48.68	1.7	3.6	7.8	20.7	(7.6)	(30.3)	(14.0)	(27.2)
	CDX Emerging Market	95.16	(0.1)	(0.1)	(0.4)	(1.3)	(1.8)	(0.0)	(1.9)	(0.1)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.37	(0.0)	(0.6)	2.4	2.4	2.4	2.3	1.9	2.4
	2-Year Treasury Yield	2.20	0.0	0.3	2.2	2.4	2.5	2.8	2.5	2.5
	5-Year Treasury Yield	2.17	0.0	0.1	2.2	2.4	2.5	2.9	2.9	2.5
	10-Year Treasury Yield	2.39	(0.0)	(0.1)	2.4	2.6	2.7	3.1	3.1	2.7
	2-10 Spread	18.86	(1.2)	(5.8)	21.1	17.7	14.2	27.1	50.5	19.2
China rates	O/N China Repo Rate	2.20	(0.1)	(3.5)	2.2	2.5	1.8	2.6	2.5	1.0
	1-Week China Repo Rate	2.90	0.3	13.3	2.5	2.5	2.0	2.6	2.7	3.5
	O/N SHIBOR	2.13	(0.1)	(6.4)	2.2	2.7	1.8	2.6	2.6	2.6
	1-Week SHIBOR	2.59	(0.0)	(0.7)	2.6	2.7	2.4	2.6	2.8	2.9

Source: Bloomberg

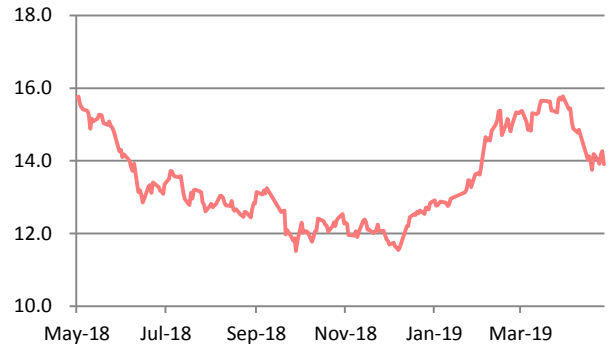
VI. Key Indicators

Hang Seng Index PE Ratio



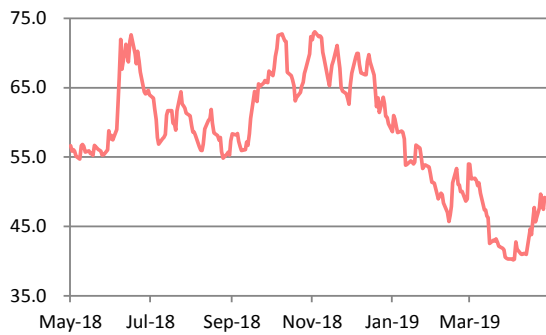
Source: Bloomberg

Shanghai Composite Index PE Ratio



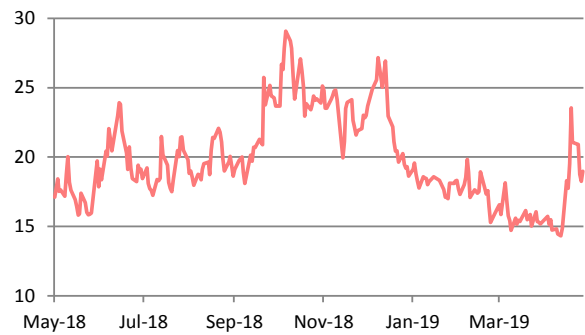
Source: Bloomberg

China 5Y CDS Index_USD



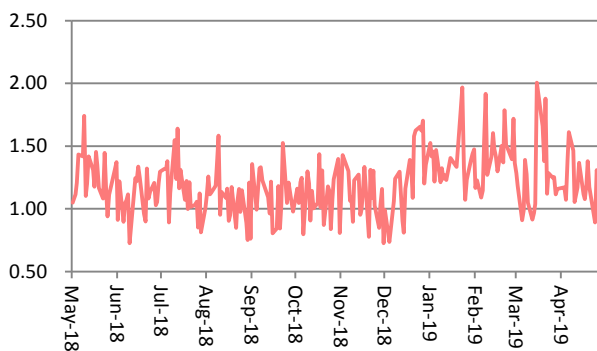
Source: Bloomberg

Hang Seng Index VIX



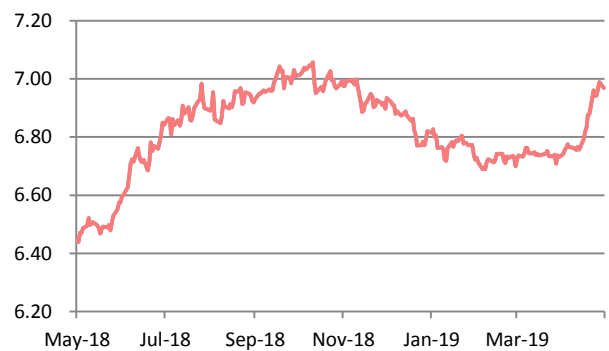
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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