



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

- **Trump Vows China's Economy Won't Surpass U.S. on His Watch.** President Donald Trump said he was "very happy" with the trade war and that China wouldn't become the world's top superpower under his watch. "We're taking in billions of dollars," Trump told Fox News Channel's Steve Hilton when asked about the end game on the trade war. "China is obviously not doing well like us." [Bloomberg]
- **South Africa, Nigeria to Hold, Zambia Less Sure.** A raft of central banks will make interest rate decisions in Sub-Saharan Africa next week, including the continent's two largest economies, South Africa and Nigeria. Arguably the region's most challenged central bank, the Bank of Zambia, holds its monetary policy meeting on Wednesday. [Bloomberg]
- **Singapore Posts 3.8% Growth in First Quarter.** Singapore's economy grew at a faster pace in the first quarter than the government previously estimated. GDP rose an annualized 3.8% from the prior quarter, higher than the government's earlier projection of 2% and above the median forecast of 2.3% in a Bloomberg survey of economists. [Bloomberg]

III. Industry News

- **Chinese local automakers struggle as sales of new energy vehicles and SUVs soar.** Hampered by significant market share losses, Chinese auto brands are struggling to compete for customers with automakers around the globe. The sales volume of Chinese passenger cars in April declined 27.9% YoY to 585,000 units, according to the CAAM. [China Daily]
- **New car sales plummet in April, continuing downward trend.** The downward spiral in China's new vehicle market continued in April, marking the 10th straight monthly fall in the world's largest car market. Statistics from the CAAM show April sales tallied 1.98mn, down 14.6 % YoY, which is the largest fall this year. [China Daily]
- **Dutch Want EU Rules to Prevent Big Tech Snapping Up Startups.** The Dutch government reiterated a European desire for tougher rules for big technology companies like Apple Inc. and Google to acquire small competing startups. Mona Keijzer, the Dutch state secretary for economic affairs and climate policy, has proposed implementing three measures on a European level to prevent large technology companies from becoming too dominant. [Bloomberg]

IV. Corporate News

- **Huawei vows to protect its users' rights.** Huawei Technologies Co said on Monday that it will continue to provide security updates and after-sales services for all its smartphone and tablet products, covering those that have been sold and that are in stock globally. [China Daily]
- **China Telecom, BAIC Group team up on 5G to build ICV ecosystem.** China Telecom has inked a strategic partnership with BAIC Group to jointly build an intelligent connected vehicle ecosystem, according to the State-owned Assets Supervision and Administration Commission on Monday. [China Daily]

- **Xiaomi reports 27.2% revenue growth in Q1.** China's tech giant Xiaomi reported a 27.2% increase in revenue in the first quarter of this year. Its revenue in the first three months of 2019 totaled nearly 43.8bn yuan (about USD6.4bn), the Beijing-headquartered company announced Monday in an unaudited quarterly financial report. [China Daily]
- **HKEX to Remove Kangmei Pharma From China Connect List May 21.** Shanghai-listed Kangmei Pharmaceutical will be removed from the list of China Connect Securities with effect from May 21, the Hong Kong stock exchange said in a statement on its website. [Bloomberg]
- **Huaneng, China's Jiangsu to Invest \$23 Billion in Offshore Wind.** China Huaneng Group Co. agreed to work with the nation's eastern province of Jiangsu to invest 160 billion yuan (\$23 billion) in an offshore wind project there. The development will have a total capacity of more than 10 gigawatts, Huaneng said in statement. [Bloomberg]
- **Infineon Technologies Suspends Shipments to Huawei.** German chipmaker Infineon Technologies has suspended deliveries to Huawei, Nikkei Asian Review reports. Unclear whether Infineon would resume doing business with Huawei after it clarifies the legal issues this week, Nikkei cites one of the people as saying. [Bloomberg]
- **Top U.S. Tech Giants Begin to Cut Off Vital Huawei Supplies.** Top U.S. corporations from chipmakers to Google have frozen the supply of critical software and components to Huawei Technologies Co., complying with a Trump administration crackdown that threatens to choke off China's largest technology company. [Bloomberg]
- **Galaxy Entertainment To Submit Plan for Osaka Casino Resort.** Galaxy Entertainment will submit a proposal to develop a casino resort in Osaka by Friday, Hong Kong Economic Journal reports, citing co.'s deputy chairman Francis Lui. [Bloomberg]
- **China East Education Gauges Demand for Hong Kong IPO.** China East Education Holdings starts gauging investor demand from Monday for its proposed Hong Kong IPO, according to Bloomberg. The co plans to allocate 45% of IPO proceeds for acquisition of land and construction of facilities, 15% for establishment of schools in selected markets, 15% for new majors and curriculum research, 15% for upgrade of school facilities and 10% for working capital. [Bloomberg]
- **Tencent, Pearson Among Backers of \$100 Million U.K. AI Startup.** Prowler.io, an artificial intelligence company based in Cambridge, England, has been valued at \$100 million following a funding round involving a group of investors that includes Chinese technology giant Tencent Holdings Ltd. and Pearson Plc. [Bloomberg]
- **CNPC Mulls Opening Tens of Gas Stations in Myanmar.** China National Petroleum Corp is weighing a plan, which may reach tens of millions of USD, to open tens of gas stations in Myanmar, as a part of its move to expand its retail oil business, company officials were quoted as saying by Reuters. [AASocks]
- **Listing Committee Censures Weiqiao Textile for Breaching Listing Rules.** The Listing Committee censured WEIQIAO TEXTILE for the Listing Rules for failing to comply with the disclosure and shareholders' approval requirements for certain connected transactions and for a delay in financial reporting. [AASocks]
- **China Mobile, China TravelSky Team Up on Big Data Application.** China Mobile has recently held the contract signing ceremony for strategic cooperation agreement with China TravelSky Holding Company Limited. Under the agreement, both parties will commence strategic collaboration in big data application, smart mobility, capital and other realms by combining their strategic pivot, resources and capabilities and edges. [AASocks]
- **China Mobile 4G Net Loss 718,000 in Apr.** China Mobile announced that the number of 4G customers was 722.6 million in April, representing a net reduction of 718,000 from March, reversing March's uptrend with 4.256 million net addition. [AASocks]
- **Ping An's OneConnect to Go Public in Hong Kong in Sept Soonest.** Ping An's Hong Kong IPO of up to US\$1.0 billion for its OneConnect, which will go public in September the soonest, people with direct knowledge of the matter were quoted as saying by Reuters. [AASocks]

V. Overnight Market Recap

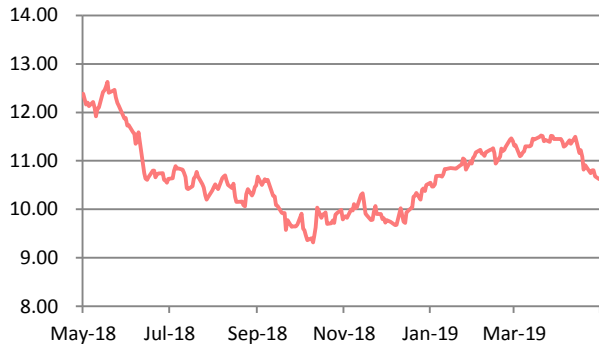
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,840	(19.3)	(0.7)	1.0	(2.2)	2.4	7.2	3.9	13.3
	Dow Jones	25,680	(84.1)	(0.3)	1.4	(3.3)	(0.7)	5.0	2.7	10.1
	Nasdaq Composite	7,702	(113.9)	(1.5)	0.7	(3.7)	3.3	10.5	4.2	16.1
	Russell 2000	1,525	(10.8)	(0.7)	0.1	(2.6)	(3.2)	2.5	(6.9)	13.1
	VIX Index	16.31	0.4	2.2	(20.6)	34.9	12.8	(21.6)	24.7	(35.8)
Europe Equity	Euro Stoxx 50	3,370	(55.9)	(1.6)	1.5	(3.7)	3.3	6.8	(5.7)	12.3
	DAX	12,041	(197.7)	(1.6)	1.4	(1.5)	5.4	7.1	(7.9)	14.0
	CAC	5,359	(79.6)	(1.5)	1.8	(4.0)	3.1	7.7	(4.9)	13.3
	FTSE 100	7,311	(37.7)	(0.5)	2.1	(2.0)	2.0	3.7	(7.0)	8.7
APAC Equity	HSI	27,788	(158.9)	(0.6)	(1.2)	(7.3)	(2.9)	7.0	(11.0)	7.5
	HSCEI	10,633	(55.3)	(0.5)	(1.2)	(9.6)	(5.9)	1.4	(13.9)	5.0
	HSI VIX	18.81	(0.2)	(0.9)	(10.7)	23.8	6.2	(24.2)	9.9	(24.9)
	CSI 300	3,618	(31.0)	(0.8)	(0.8)	(12.2)	5.1	12.1	(7.7)	20.2
	SH Composite	2,871	(11.7)	(0.4)	(0.5)	(12.2)	4.3	8.3	(10.7)	15.1
	SZ Composite	1,522	(11.5)	(0.7)	(1.3)	(14.5)	5.4	9.8	(17.7)	20.0
	Nikkei 225	21,302	51.6	0.2	0.5	(4.4)	(1.1)	(1.3)	(7.7)	6.0
Commodities (USD)	KOSPI	2,056	(0.1)	-	(1.1)	(6.8)	(7.3)	(0.5)	(16.2)	1.2
	Brent (Future)	71.97	(0.2)	(0.3)	2.5	0.2	7.5	13.6	(9.0)	34.0
	WTI (Future)	63.10	0.3	0.5	3.4	(1.2)	11.0	15.8	(12.4)	39.3
	Gold	1,278	0.3	0.0	(1.7)	0.1	(3.6)	4.1	(1.3)	(0.5)
	Copper (Future)	6,029	(27.0)	(0.4)	0.3	(6.9)	(5.9)	(2.5)	(12.0)	1.1
FX	Baltic Dry Index	1,040.00	8.0	0.8	1.4	31.6	65.1	3.2	(16.1)	(18.2)
	Dollar Index	97.93	(0.1)	(0.1)	0.6	0.5	1.4	1.3	4.6	1.9
	EUR	1.12	0.0	0.1	(0.5)	(0.8)	(1.5)	(1.9)	(5.3)	(2.6)
	JPY	110.06	(0.0)	(0.0)	0.7	1.6	0.5	2.7	0.8	(0.4)
	CNY	6.91	(0.0)	0.1	(0.5)	(2.9)	(2.8)	0.5	(7.7)	(0.5)
CDS	CNH	6.94	(0.0)	(0.1)	0.4	(3.2)	(3.0)	(0.1)	(8.3)	(0.9)
	ChinaGov CDS	49.29	0.5	1.0	4.2	22.2	(4.1)	(31.9)	(12.9)	(26.3)
	CDX Emerging Market	95.28	0.1	0.1	0.2	(1.1)	(1.6)	0.5	(1.8)	0.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.37	(0.0)	(0.3)	2.4	2.4	2.4	2.4	1.9	2.4
	2-Year Treasury Yield	2.22	0.0	1.0	2.2	2.4	2.5	2.8	2.6	2.5
	5-Year Treasury Yield	2.20	0.0	1.5	2.2	2.4	2.5	2.9	2.9	2.5
	10-Year Treasury Yield	2.42	0.0	1.0	2.4	2.6	2.6	3.1	3.1	2.7
	2-10 Spread	19.29	0.4	2.3	21.0	17.7	14.3	25.7	49.0	19.2
China rates	O/N China Repo Rate	3.00	0.4	15.4	2.0	2.5	2.0	2.5	2.5	1.0
	1-Week China Repo Rate	2.65	(0.2)	(5.4)	2.5	2.5	2.4	2.9	2.8	3.5
	O/N SHIBOR	2.58	0.5	21.1	2.4	2.7	2.0	2.6	2.5	2.6
	1-Week SHIBOR	2.68	0.1	3.4	2.7	2.7	2.4	2.7	2.8	2.9

Source: Bloomberg

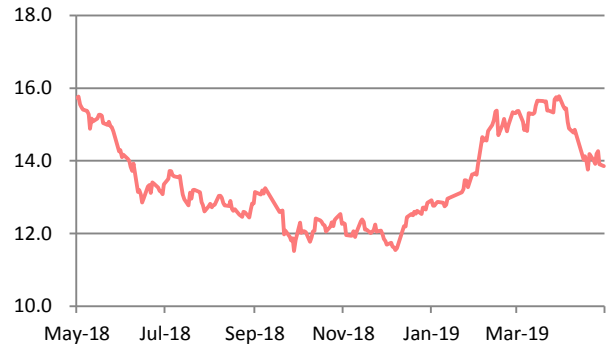
VI. Key Indicators

Hang Seng Index PE Ratio



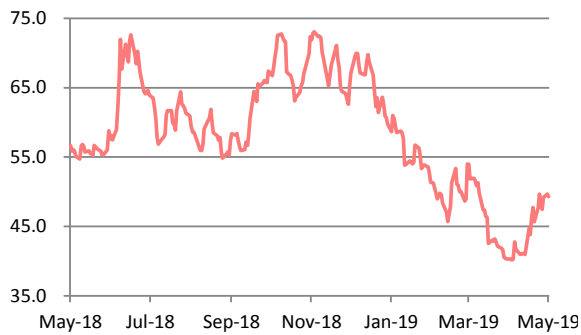
Source: Bloomberg

Shanghai Composite Index PE Ratio



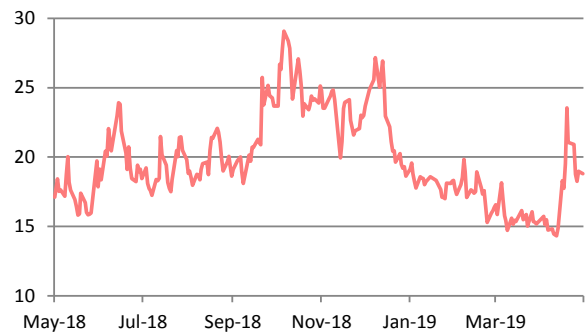
Source: Bloomberg

China 5Y CDS Index_USD



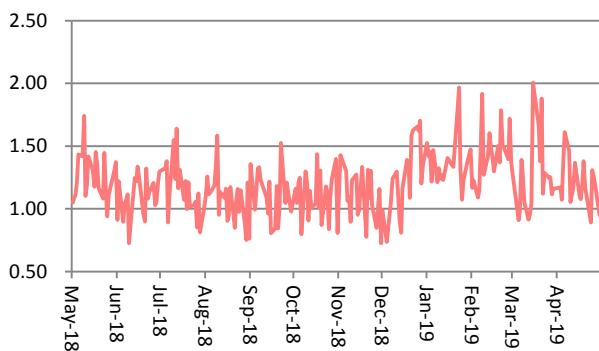
Source: Bloomberg

Hang Seng Index VIX



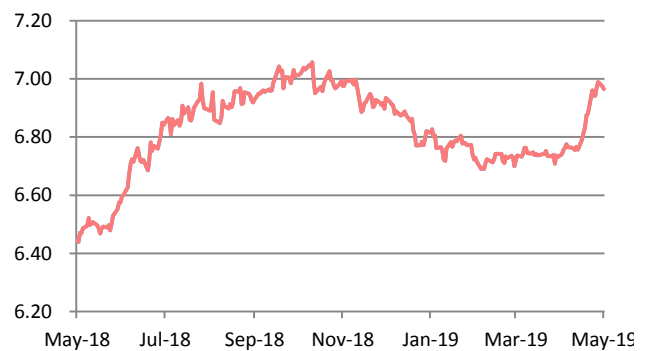
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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