



## 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

- **Turkey Central Bank Undoes Tightening, Brings Rate Down to 24%.** Turkey's central bank effectively lowered its main interest rate by 150 basis points, undoing a limited tightening of policy it delivered about two weeks ago to support the lira. "A lower cash rate would support employment growth and bring forward the time when inflation is consistent with the target," Governor Philip Lowe said in a speech in Brisbane Tuesday. [Bloomberg]
- **RBA to Consider Cutting Interest Rates Next Month.** Australia's central bank chief said he'll consider easing monetary policy at next month's meeting to drive faster hiring, saying unemployment needs to fall below 5% to help return inflation to target. [Bloomberg]
- **Fed Chairman Powell Warns of Economic Risks From Rising Business Debt.** Federal Reserve Chairman Jerome Powell said financial regulators must take seriously potential dangers that rising levels of business debt pose to the U.S. economy but said some comparisons to last decade's subprime-mortgage bubble overstate the risks. [WSJ]

## III. Industry News

- **HK After-hr Trading Session to Extended by 2 Hrs from Mid-Jun.** HKEX announced that it is to extend its after-hours trading session (T+1 Session) by two hours. Effective 17 June, trading in the T+1 Session will be open from 5:15 pm to 3 am. The T+1 Session Cutoff Time (the deadline for system input of post-trade after the T+1 Session) will be extended from 1:45 am to 3 am. [AAStocks]
- **China's 5G Commercial Use to Kick in from Oct.** Mainland China plans to kick off the nationwide commercial use of 5G starting from 1 October, making it the third country to unroll the next generation of technology service following South Korea and America, as Chinese media cited ZTE. [AAStocks]
- **China's banks post forex settlement deficit in April.** China's commercial banks saw a net forex settlement deficit of 73.7bn yuan, or 11bn US dollars, in April, the country's forex regulator said. This widened from a deficit of 41.2bn yuan reported in March, but was smaller than a deficit of 101.3bn yuan in Feb, according to the SAFE. [China Daily]

## IV. Corporate News

- **Nike, Adidas and other footwear giants urge Trump to remove tariffs immediately and end trade war with China.** Nike, Adidas and other footwear giants urged Donald Trump to reconsider his tariffs on shoes made in China, saying the policy would be "catastrophic for our consumers, our companies and the American economy as a whole". [SCMP]
- **Huawei founder Ren Zhengfei says clash with the US was 'inevitable'.** Huawei Technologies founder Ren Zhengfei said he foresaw the clash with the US government, saying it was a matter of time before the Chinese telecommunications equipment maker threatened US interests and attracted retaliation. [SCMP]

- **Hong Kong-listed developer Beijing Capital Land fast tracks projects to stay competitive.** Hong Kong-listed Chinese state-owned developer Beijing Capital Land has reduced its average project cycle by 58 days to boost sales as authorities on the mainland show no signs of easing off on the cooling measures. [SCMP]
- **US Postpones Huawei Ban for 90 Days.** The US Department of Commerce announced on Monday to loosen the restriction on Huawei's purchases of US-made products with a 90-day temporary license. Thus, the Chinese tech firm's current internet services capability will be restored, having access to mobile app updates to maintain its existing customer services. [AASocks]
- **Huawei Founder: US' 90-day Provisional License Not Mean Much as Huawei Prepared Already.** The 90-day provisional license granted by Washington does not mean much to Huawei, as the company has been well-prepared, the Founder Ren Zhengfei told CCTV. [AASocks]
- **US Handset Component Supplier Lumentum: Suspends All Shipments to Huawei.** Lumentum confirmed that it has halted all of its shipments to Huawei, making it the first US enterprise to make such formal confirmation of suspension upon the sanction. [AASocks]
- **China Eastern Air Makes Formal Claims Against Boeing over 737 MAX Grounding.** China Eastern Air has officially made claims against Boeing over 737 MAX grounding, being the first carrier to pursue claims against the aircraft maker, reported Sina Finance. The claims covered losses incurred by prolonged grounding of 14 Boeing 737 MAX jets since 11 March, and delayed delivery of 737 MAX planes ordered by China Eastern Air earlier. [AASocks]
- **Sands China Ltd. Grants Options, Involving Over 1.7M Shrs.** Sands China Ltd. announced that share options to subscribe for shares of US\$0.01 each in the capital were granted by the Company under its equity award plan adopted on November 8, 2009 (as amended on Feb 19, 2016) to certain eligible employees (Grantees), involving 1.7056mn shares, subject to acceptance by the Grantees. [AASocks]
- **Agile Group Winds Bid for Chongqing Residential Plot at RMB860M.** Agile Group announced that it won the tender for a residential plot in the municipality of Chongqing at a total consideration of about RMB860mn. The site measures approximately 50,000sq.m. and has an estimated GFA of about 100,000sq.m., with a land premium of around RMB8,540 per sq.m. of floor space. [AASocks]
- **Tencent Founder Charles Chen Donates Over \$4B Shrs to Set Up Education Charitable Trust.** Tencent co-founder Charles Chen Yidan donated company shares worth over HK\$4 billion to establish a charitable trust dedicated to education, with donation process completed last year, according to the group's WeChat article. [AASocks]
- **MGM CHINA: No Concerns About Trade War Impact on Licensing.** MGM China has no concerns about trade battle impacts on their gaming licensing, as the company operates independently of MGM Resorts International, the CEO Grant R. Bowie told the press after an event. [AASocks]
- **Xinyi Energy Is Said to Raise \$465 Million in Hong Kong IPO.** Xinyi Energy Holdings Ltd., a Chinese solar farm operator, raised \$465 million after pricing its Hong Kong initial public offering near the bottom of a marketed range, people with knowledge of the matter said. The unit of Xinyi Solar Holdings Ltd. sold 1.88bn shares at HK\$1.94 apiece. Xinyi Energy offered the shares at HK\$1.89 to HK\$2.35 each. [Bloomberg]
- **Union Gaming Lowers Casino Rev. Est. on Risks to Macau VIPs.** Las Vegas Sands, MGM Resorts and Wynn estimates were lowered by Union Gaming analyst John DeCree, who sees significant regional VIP risks in Macau threatening the casino operators' revenues. [Bloomberg]
- **HSBC Plans to Add Over 1,000 Jobs at China Tech Centers.** HSBC Holdings plans to add more than 1,000 jobs this year in its technology development centers in China, Reuters reports, citing the company's Chief Information Officer Darryl West. Annual investments of \$3-\$3.5b planned over next few years on its group technology operations globally. [Bloomberg]
- **Adidas eyes China expansion.** Adidas, which unveiled a new Asia-Pacific and China headquarters in Shanghai earlier this year, plans to open 1,000 new retail outlets by the end of this year and gear up its digital growth momentum in the country. [China Daily]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,864	24.1	0.8	1.1	(1.5)	2.6	8.1	5.1	14.3
	Dow Jones	25,877	197.4	0.8	1.4	(2.4)	(0.6)	5.8	4.2	10.9
	Nasdaq Composite	7,786	83.3	1.1	0.7	(2.9)	3.4	11.7	5.5	17.3
	Russell 2000	1,545	20.3	1.3	0.1	(0.9)	(2.8)	3.8	(4.9)	14.6
	VIX Index	14.95	(1.4)	(8.3)	(17.2)	20.4	10.7	(28.1)	13.1	(41.2)
Europe Equity	Euro Stoxx 50	3,387	16.7	0.5	0.7	(3.2)	3.5	8.3	(5.6)	12.8
	DAX	12,143	102.2	0.8	1.3	(0.6)	6.0	9.0	(7.8)	15.0
	CAC	5,385	26.9	0.5	0.8	(3.5)	3.3	9.1	(4.5)	13.8
	FTSE 100	7,329	18.0	0.2	1.2	(1.8)	2.1	5.3	(7.0)	8.9
APAC Equity	HSI	27,657	(130.4)	(0.5)	(2.2)	(7.7)	(4.0)	6.3	(11.5)	7.0
	HSCEI	10,635	1.2	0.0	(1.6)	(9.6)	(6.9)	1.8	(13.9)	5.0
	HSI VIX	18.21	(0.6)	(3.2)	(12.9)	19.9	5.1	(22.5)	6.4	(27.2)
	CSI 300	3,667	49.0	1.4	(1.6)	(8.9)	4.2	14.1	(6.1)	21.8
	SH Composite	2,906	35.4	1.2	(1.1)	(9.6)	3.6	9.8	(9.6)	16.5
	SZ Composite	1,549	27.0	1.8	(1.9)	(11.6)	4.8	11.8	(16.5)	22.1
	Nikkei 225	21,272	(29.3)	(0.1)	1.0	(4.3)	(0.7)	(1.7)	(7.3)	6.3
Commodities (USD)	KOSPI	2,061	5.5	0.3	(1.0)	(7.4)	(8.0)	(0.8)	(16.8)	0.6
	Brent (Future)	72.18	0.2	0.3	1.3	(3.0)	7.0	14.7	(9.7)	33.5
	WTI (Future)	63.13	(0.1)	(0.2)	2.0	(4.7)	9.3	14.6	(13.2)	37.9
	Gold	1,275	(3.1)	(0.2)	(1.7)	(0.1)	(4.2)	3.7	(1.3)	(0.6)
	Copper (Future)	5,996	(33.0)	(0.5)	(0.5)	(7.4)	(6.0)	(3.8)	(12.8)	0.5
FX	Baltic Dry Index	1,041.00	1.0	0.1	(0.2)	31.8	64.2	2.3	(13.2)	(18.1)
	Dollar Index	98.06	0.1	0.1	0.6	0.8	1.6	1.4	4.7	1.9
	EUR	1.12	(0.0)	(0.0)	(0.4)	(0.8)	(1.5)	(2.1)	(5.2)	(2.6)
	JPY	110.50	0.4	0.4	0.8	1.3	0.2	2.2	0.3	(0.8)
	CNY	6.90	(0.0)	0.1	(0.4)	(2.8)	(2.6)	0.4	(7.5)	(0.3)
CDS	CNH	6.93	(0.0)	(0.1)	0.4	(3.1)	(3.2)	(0.0)	(8.3)	(0.9)
	ChinaGov CDS	48.82	(0.7)	(1.5)	(1.5)	21.0	(4.9)	(32.1)	(13.8)	(27.0)
	CDX Emerging Market	95.45	0.2	0.2	0.2	(0.9)	(1.4)	0.5	(1.6)	0.2

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.37	0.0	0.0	2.4	2.4	2.4	2.4	1.9	2.4
	2-Year Treasury Yield	2.25	0.0	1.5	2.2	2.4	2.5	2.8	2.6	2.5
	5-Year Treasury Yield	2.23	0.0	1.0	2.1	2.4	2.5	2.9	2.9	2.5
	10-Year Treasury Yield	2.43	0.0	0.4	2.4	2.6	2.6	3.1	3.1	2.7
	2-10 Spread	16.67	(2.6)	(13.6)	21.2	20.0	14.5	24.7	49.0	19.2
China rates	O/N China Repo Rate	2.55	(0.2)	(6.9)	2.5	2.6	1.8	2.6	2.5	1.0
	1-Week China Repo Rate	2.65	(0.1)	(3.6)	2.4	3.1	1.9	2.5	2.7	3.5
	O/N SHIBOR	2.75	0.2	6.4	2.5	2.6	1.9	2.6	2.5	2.6
	1-Week SHIBOR	2.70	0.0	0.8	2.6	2.7	2.4	2.7	2.8	2.9

Source: Bloomberg

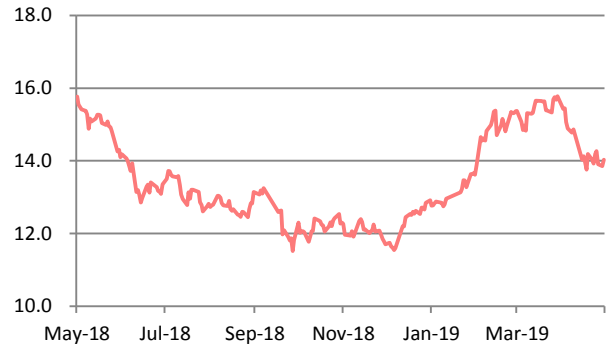
## VI. Key Indicators

**Hang Seng Index PE Ratio**



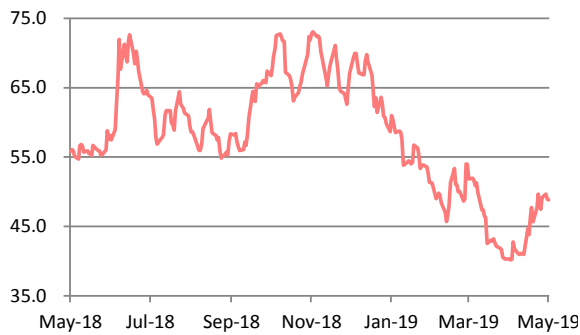
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



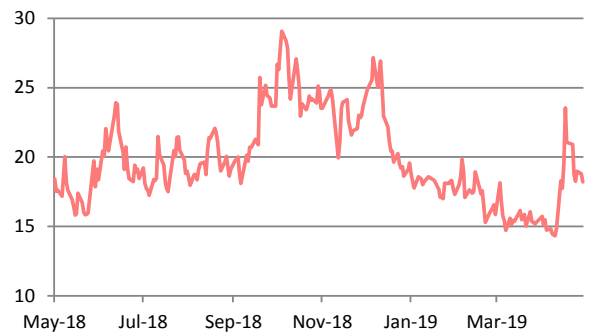
Source: Bloomberg

**China 5Y CDS Index\_USD**



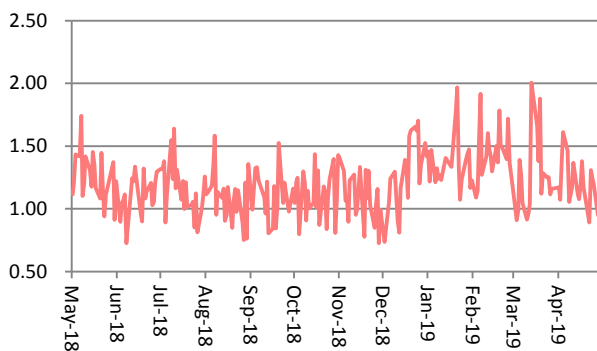
Source: Bloomberg

**Hang Seng Index VIX**



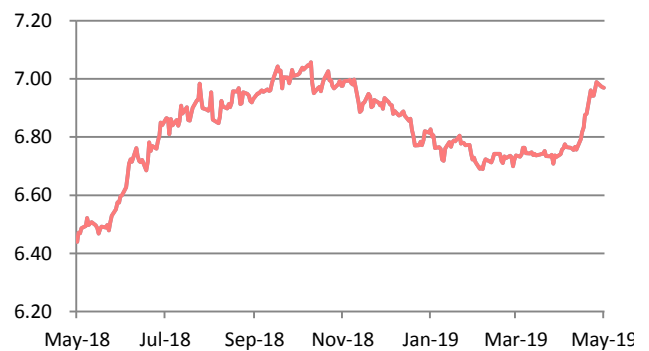
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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