



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Conf. Board Consumer Confidence	May	130.5	129.2
China: Manufacturing PMI	May	49.9	50.1
U.K.: Nationwide House PX NAS YoY	May	1.2%	0.9%
Germany: Unemployment Claims Rate SA	May	4.9%	4.9%
Eurozone: Consumer Confidence	May	96	96

Source: Bloomberg

II. Macro News

- **China looks to Russia, Central Asia for support amid tensions with US.** Beijing is stepping up efforts to seek support from regional and global players such as Russia and Central Asian nations as its geostrategic rivalry with Washington heats up. [SCMP]
- **Americans Snap Up Imports From Vietnam at China's Expense.** Imports from the Southeast Asian economy jumped 40.2% in the first three months of 2019 from a year earlier, while orders from South Korea rose 18.4%, latest U.S. Census Bureau data show. At the same time, American imports of Chinese goods plunged 13.9% as trade tensions heated up. [Bloomberg]
- **Egypt Mulling Blackstone Unit's Offer to Take Over Power Plants.** Egypt is considering offers from a Blackstone Group unit and Edra Power Holdings Sdn Bhd of Malaysia to take over three power plants co-built by Siemens AG, a move that could cut the North African nation's debts while bringing in much-needed foreign investment. [Bloomberg]

III. Industry News

- **New regulation fixes vehicle tax woes.** A new vehicle purchase tax regulation, which will come into force in July, is expected to further reduce consumer cost to buy a car and regulate dealer practice. The regulation will adjust taxable value to the amount consumers actually paid to sellers, instead of manufacturer's suggested retail price. [China Daily]
- **China banks and asset managers fined for masking bad debt.** China's financial regulators are stepping up penalties on banks and asset managers caught hiding debts as Beijing grows increasingly wary of the country's opaque cache of unpaid loans. [FT]
- **China pays record \$22bn in corporate subsidies in 2018.** China increased its subsidies to domestically listed companies to a record level last year to help them weather a slowdown in the world's second-largest economy, in a move likely to further strain trade talks in Washington. [FT]

IV. Corporate News

- **HK's second-wealthiest man Lee Shau-kee hands over Henderson Land reins to his two sons as he retires as chairman.** Lee Shau-kee has retired as chairman of Henderson Land Development after the company's annual shareholders' meeting, joining a list of the city's ageing tycoons to make way for their scions to take over. [SCMP]
- **SoftBank Plans Second AI Venture Fund of More Than \$55 Million.** SoftBank Group Corp.'s early-stage venture capital arm is setting up a second investment fund dedicated to unearthing promising startups in artificial intelligence, propelling founder Masayoshi Son's ambition of staking out a position in the nascent technology. [Bloomberg]

- **Deutsche Bank Reviews Capital Raising as Option for Overhaul.** Deutsche Bank AG is considering options including a capital increase as part of a wider overhaul it plans to unveil in the next two months, people with knowledge of the matter said. [Bloomberg]
- **Amazon in Talks for Office Space in One Manhattan West.** Amazon is in talks with owners of skyscrapers One Manhattan West and its soon-to-be sister project Two Manhattan West, New York Post reports. The company seeks 100,000 sq ft. or more. [Bloomberg]
- **Tesla Gets Ready to Reveal Prices of Made-in-China Model 3 Car.** Tesla Inc. is getting close to revealing new prices for the Model 3 in China as it nears local manufacturing of the car. The California-based carmaker plans to make an announcement about its China-made Model 3 cars on May 31, Tesla said in a social media posting, inviting people to guess the price of the domestic Model 3 before it's officially announced. [Bloomberg]
- **Huawei Video, Tencent Video Team Up for Account Linking.** Huawei Video and Tencent Video held a signing ceremony to officially begin their in-depth cooperation. Both sides will enable account linking, operation collaboration and technology sharing encompassing video content, thus providing Huawei end-users with content and services through the team-up. [AASocks]
- **Sunny Op Regret US Ban on Huawei; Sees Limited Impact.** Sunny Optical Chairman Ye Liaoning expressed regret towards US ban on Huawei. He expects impact of US ban will be limited thanks to early preparation of Huawei, while impact on Sunny Optical will not be immense. As to how to address risks related to Huawei afterwards, Ye opined a lot of matters are still pending resolution by Huawei, whilst the co will provide full support. [AASocks]
- **German Retailer Metro AG Sells Chinese Biz; Tencent, Alibaba, Vanke, Walmart, Suning Reportedly Mull to Bid.** Metro AG is opening bid for its Chinese business, for which at least eight eligible suitors express intentions in the second round. The related business is valued at US\$1.5-2bn. Metro has required the shortlisted bidders to submit non-binding offers by 10 June, and the whole disposal is expected to conclude in September, sources said. [AASocks]
- **Geely Auto: Holds Minimal Hope for 1H19 Sales.** Geely Auto CEO Gui Sheng Yue holds minimal hope for sales in 1H19 as headwinds in face of the company are unprecedented. The CEO expressed view that the 1H19 sales are dented as consumption power is put on hold in wake of higher consumers' specification and policies to be implemented only after trade negotiations between China and the US. [AASocks]
- **Xiaomi eyeing spot on world top 500.** Chinese consumer technology giant Xiaomi Corp is likely to make the list of the world's top 500 companies in 2019 after recording a revenue surge in the first quarter of the year, according to the company's top executive. [China Daily]
- **Niger wants to work with Alibaba to train entrepreneurs.** Niger in Africa is ready to cooperate with Alibaba, China's e-commerce giant, in training more Nigerian young entrepreneurs with their internet startups, said Nigerien President Mahamadou Issoufou. [China Daily]
- **Chinese start-up Neolix bets on robo-vans for deliveries, signs up JD.com and Huawei as customers.** Chinese start-up Neolix kicked off mass production of its self-driving delivery vehicles on Friday, saying it's the first company globally to do so, and has lined up giants such as JD.com and Huawei Technologies as customers. [SCMP]
- **IBM works on AI to detect chronic diseases like Parkinson's, diabetes.** IBM is banking on artificial intelligence and connected devices to find new ways to help people stay healthy, as the world copes with an ageing population and prevalent chronic diseases. [SCMP]
- **Huawei claims packages diverted; FedEx says misrouted.** Huawei is reviewing its relationship with FedEx Corp after it claimed the U.S. package delivery company, without detailed explanation, diverted two parcels destined for Huawei addresses in Asia to the US and attempted to reroute two others, Reuters reports. [The Standard]

V. Overnight Market Recap

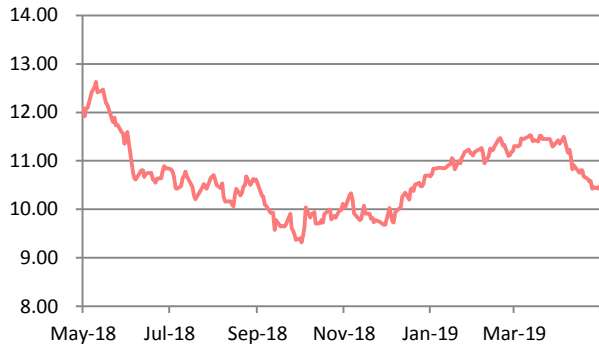
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,802	(23.7)	(0.8)	(1.3)	(4.8)	0.6	2.4	4.2	11.8
	Dow Jones	25,348	(237.9)	(0.9)	(1.3)	(4.5)	(2.2)	0.0	4.0	8.7
	Nasdaq Composite	7,607	(29.7)	(0.4)	(1.2)	(6.7)	1.0	4.6	2.8	14.7
	Russell 2000	1,504	(10.1)	(0.7)	(1.4)	(5.9)	(4.5)	(1.4)	(7.4)	11.5
	VIX Index	17.50	1.7	10.4	7.3	33.5	18.4	(6.9)	2.8	(31.2)
Europe Equity	Euro Stoxx 50	3,349	(15.2)	(0.5)	(1.1)	(4.4)	1.5	5.5	(2.3)	11.6
	DAX	12,027	(44.1)	(0.4)	(1.0)	(2.4)	4.4	6.5	(5.0)	13.9
	CAC	5,313	(23.5)	(0.4)	(1.4)	(4.8)	1.4	6.1	(2.3)	12.3
	FTSE 100	7,269	(8.8)	(0.1)	(0.6)	(2.3)	2.7	3.3	(4.8)	8.0
APAC Equity	HSI	27,391	102.7	0.4	(1.1)	(8.4)	(4.3)	3.6	(10.1)	6.0
	HSCEI	10,417	13.8	0.1	(1.8)	(10.5)	(8.4)	(1.6)	(12.9)	2.9
	HSI VIX	18.75	(0.7)	(3.5)	3.0	26.3	(1.0)	(24.5)	0.1	(25.1)
	CSI 300	3,672	35.1	1.0	0.6	(5.8)	0.1	17.0	(3.5)	22.0
	SH Composite	2,910	17.5	0.6	0.6	(5.0)	(1.1)	13.3	(6.7)	16.7
	SZ Composite	1,542	8.1	0.5	0.1	(5.2)	(0.3)	16.3	(13.7)	21.6
	Nikkei 225	21,260	77.6	0.4	(0.1)	(5.8)	(2.0)	(5.8)	(6.2)	4.8
KOSPI	2,049	4.6	0.2	(0.6)	(8.6)	(7.7)	(4.2)	(17.6)	(0.7)	
Commodities (USD)	Brent (Future)	70.11	-	-	(2.9)	(3.1)	5.7	17.3	(7.4)	29.8
	WTI (Future)	59.14	0.5	0.9	(6.3)	(7.4)	2.7	14.2	(11.9)	29.4
	Gold	1,279	(6.0)	(0.5)	0.4	(0.0)	(2.6)	4.5	(1.5)	(0.2)
	Copper (Future)	5,960	5.0	0.1	(1.1)	(6.9)	(8.4)	(3.9)	(13.4)	(0.1)
Baltic Dry Index	1,066.00	(2.0)	(0.2)	2.4	16.8	62.0	(16.8)	0.9	(16.1)	
FX	Dollar Index	97.95	0.3	0.4	(0.1)	0.1	1.8	1.2	3.3	1.8
	EUR	1.12	(0.0)	(0.3)	(0.0)	(0.2)	(1.8)	(2.0)	(3.2)	(2.6)
	JPY	109.38	(0.1)	(0.1)	(1.0)	2.0	1.8	3.7	(0.6)	0.3
	CNY	6.91	0.0	(0.2)	(0.1)	(2.6)	(3.1)	0.6	(7.4)	(0.5)
CNH	6.92	0.0	0.2	(0.2)	(2.7)	(3.2)	0.2	(7.2)	(0.8)	
CDS	ChinaGov CDS	54.26	0.9	1.7	9.0	32.3	9.4	(24.8)	(0.8)	(18.8)
	CDX Emerging Market	95.08	(0.1)	(0.1)	(0.2)	(0.7)	(2.1)	(0.1)	(2.2)	(0.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.34	0.0	0.1	2.4	2.4	2.4	2.4	1.9	2.4
	2-Year Treasury Yield	2.12	(0.0)	(1.8)	2.2	2.3	2.5	2.8	2.3	2.5
	5-Year Treasury Yield	2.07	(0.1)	(2.4)	2.2	2.3	2.5	2.9	2.6	2.5
	10-Year Treasury Yield	2.27	(0.1)	(2.3)	2.4	2.5	2.7	3.1	2.8	2.7
	2-10 Spread	13.72	(1.7)	(10.9)	15.7	23.1	18.2	24.8	45.8	19.2
China rates	O/N China Repo Rate	2.55	0.0	2.0	2.7	1.7	2.1	2.3	2.8	1.0
	1-Week China Repo Rate	2.66	(0.2)	(8.3)	2.5	2.7	2.8	2.7	2.9	3.5
	O/N SHIBOR	2.76	0.1	3.5	2.6	1.7	2.7	2.5	2.7	2.6
	1-Week SHIBOR	2.82	0.1	4.1	2.7	2.7	2.8	2.7	2.8	2.9

Source: Bloomberg

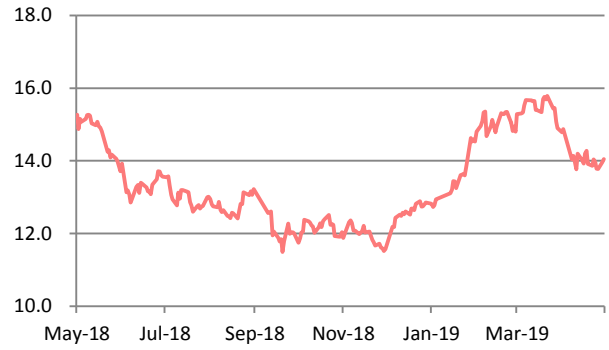
VI. Key Indicators

Hang Seng Index PE Ratio



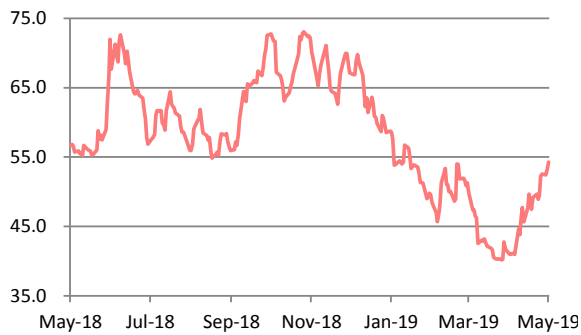
Source: Bloomberg

Shanghai Composite Index PE Ratio



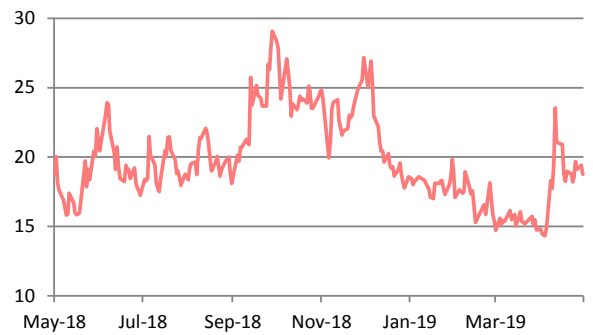
Source: Bloomberg

China 5Y CDS Index_USD



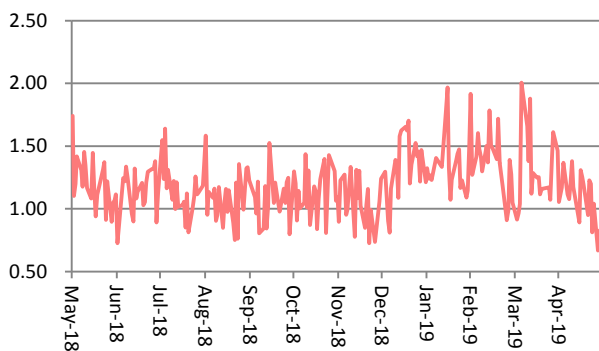
Source: Bloomberg

Hang Seng Index VIX



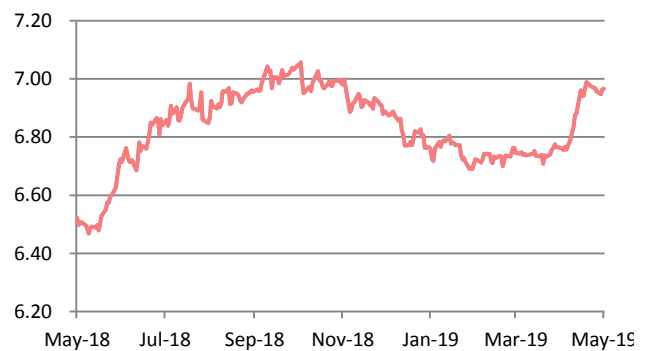
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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