



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Initial Jobless Claims	Jun 1	215K	215K
China: New Yuan Loans CNY	May	1300bn	1020bn
U.K.: Halifax House Price 3Mths/Year	May	5.0%	5.0%
Germany: Markit Germany Construction	May	N/A	53.0
Eurozone: Factory Orders MoM	Apr	0.0%	0.6%

Source: Bloomberg

## II. Macro News

- **China seeks to enable trade talks with US to proceed with equality, dignity.** China's official white paper on its position on economic and trade consultations with the United States is the "clearest signal" that Beijing seeks to "enable subsequent trade talks with the US to proceed with equality and dignity," a leading US expert on China said. [China Daily]
- **Singapore PMI Drops Below 50 for First Time in Almost 3 Years.** Singapore's purchasing managers index slumped in May, signaling a contraction in manufacturing as trade tensions and a global slowdown weigh on the city state's economy. The PMI declined to 49.9 last month, dropping below 50 for the first time since August 2016. [Bloomberg]
- **Fitch warns of likely rise Australian household debt.** Fitch Ratings has warned that any sharp rebound in Australian home prices and housing debt fuelled by the newfound optimism towards property would be a "negative" for banks. Fitch's senior director of Asia-Pacific financial institutions, Tim Roche, said a key concern was how cheaper credit and greater optimism about housing might reignite activity in the property market, and household borrowing. [FT]

## III. Industry News

- **Australia Cuts Rates for the First Time in Nearly Three Years.** Australia became the largest developed economy to cut interest rates in 2019, lowering borrowing costs for the first time in nearly three years to offset the effects of global trade tensions and a slowdown in China. [WSJ]
- **New energy vehicles to see renewed sales impetus in China.** Sales of new energy vehicles are expected to see renewed momentum in China, with passenger electric vehicles accounting for 57 percent of NEV sales by 2040 and electric buses for 81 percent of sales of city buses, a new report said. [China Daily]
- **China to Audit Sanofi, Bristol-Myers in Drugmaker Accounts Probe.** China will audit 77 major pharmaceutical companies, including the local arms of Sanofi, Eli Lilly & Co. and Bristol-Myers Squibb Co., after one of its largest listed drugmakers was found to have overstated its cash position by \$4.3bn. [Bloomberg]

## IV. Corporate News

- **France Pushes Fiat Chrysler for Concessions to Support Renault Deal.** Fiat Chrysler Automobiles NV and Renault SA have agreed to base the European headquarters of their combined operations in France, a measure aimed at winning French govt support for a proposed merger between the car makers, according to people familiar with the matter. [WSJ]
- **FedEx Misrouted Huawei Packages After Changes to Internal Protocols.** FedEx Corp., under fire for a delivery snafu with Huawei Technologies Co., mishandled the packages because of changes FedEx made to comply with the Trump administration's crackdown on Huawei, according to a person familiar with the matter. FedEx revised its internal protocols after the U.S. placed new restrictions last month on doing business with Huawei. [WSJ]

- **Shui On turns Shanghai mall into shopping destination for women.** Shui On Land has carved a niche for itself in China's ultra competitive retailing sector by launching the mainland's first shopping centre dedicated to women in Shanghai. Located in the heart of Shanghai, Xintiandi Plaza aims to become a lifestyle destination for women of all ages, securing dozens of tenants to offer shoppers highly customizable interactive experiences. [SCMP]
- **Huawei reassesses goal to be world's bestselling smartphone vendor after US blacklist.** Huawei Technologies is reassessing its target to become the world's top-selling smartphone vendor by 2020, after a US trade ban raised serious questions about its access to services that are crucial for international sales, according to a senior executive. [SCMP]
- **Baowu Steel Group to acquire controlling stake in Magang.** China Baowu Steel Group is going to obtain a 51 percent stake in the listed entity of Maanshan Iron and Steel Co Ltd, or Magang, in a step that would bring Baowu closer to becoming a steel giant with 100 million metric tons of annual output, analysts said. [China Daily]
- **Shanghai Electric set to build wind farm for SIMEC Energy Australia.** China's leading energy equipment producer Shanghai Electric Group is making a mark in international markets by signing a strategic partnership deal with SIMEC Energy Australia on Monday to jointly build a renewable energy project in South Australia. [China Daily]
- **Tsinghua Unigroup in new push to raise its chip capacity.** Chinese top chipmaker Tsinghua Unigroup is consolidating its semiconductor business through reshuffling subsidiaries, including one that has written big checks to buy Linxens, a French smart chip components maker. [China Daily]
- **Fiat Chrysler seeks Renault merger to meet industry challenges.** Fiat Chrysler pitched a finely balanced merger of equals to Renault last week in a move to cope with the costs of far-reaching technological and regulatory changes by creating the world's third-biggest carmaker. [China Daily]
- **Influential group lifts ban on Huawei.** The IEEE, a global technical organization under fire for banning employees of Chinese communications company Huawei from participating in its academic activities, such as editorial and peer reviews, lifted the restriction on Monday. [China Daily]
- **Tencent Reportedly Sets aside Acquisition of Nexon.** For the South Korean game co Nexon's disposal ended on 31 May, five companies submitted their bids, incl. Kakao, Netmarble, MBK Partners, KKR and Bain Capital, according to media. Tencent did not appear on the list. Yet, Tencent holds 17.7% stakes in Netmarble and 6.7% stakes in Kakao. [AASocks]
- **BMW Brilliance to Present 3 New Car Models in 2H; Hopeful of Meeting Target.** China's auto sales have been descending year to date, said Brilliance China Chairman Wu Xiao An. Yet, luxury car market still manifested increased sales, as BMW Brilliance delivered more than 29% sales hike for 4M19, breaching the 15% full-year target. [AASocks]
- **GreatWall Motor Indian Plant To Get Pumped US\$1B Initially.** GreatWall Motor's Indian subsidiary Haval India has its establishment approved, with initial investment of over US\$1 billion, Indian media reported. Haval India is choosing locations for its plants, such as Tamil Nadu, Andhra Pradesh and Gujarat in India. [AASocks]
- **ESR Puts Off IPO Process, to Raise Up to US\$1.4 Billion.** ESR, whose listing roadshow had been scheduled yesterday with a plan to raise US\$1.4 billion at maximum, has delayed its IPO process later this week, subject to the market mood, Reuters reported. [AASocks]
- **Nokia: Edges Ahead of Huawei in 5G Contract.** Nokia has secured 42 commercial 5G orders, edging ahead of Huawei and Ericsson, said Federico Guillen, President of Customer Operations. 22 of the said deals are tied with named customers like T-Mobile, Telia and Softbank, added Guillen. [AASocks]

## V. Overnight Market Recap

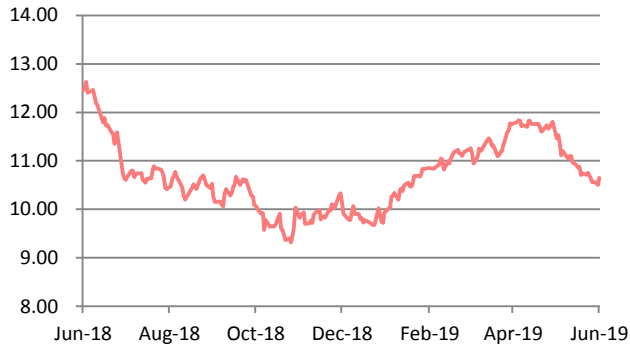
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,803	58.8	2.1	0.0	(4.8)	0.5	3.8	2.0	11.8
	Dow Jones	25,332	512.4	2.1	(0.1)	(4.4)	(1.8)	1.2	2.1	8.6
	Nasdaq Composite	7,527	194.1	2.6	(1.1)	(7.8)	(0.6)	5.2	(1.4)	13.4
	Russell 2000	1,509	38.6	2.6	0.3	(6.5)	(3.8)	1.9	(9.4)	11.9
	VIX Index	16.97	(1.9)	(10.0)	(3.0)	31.9	15.1	(18.2)	36.9	(33.2)
Europe Equity	Euro Stoxx 50	3,333	33.3	1.0	(0.5)	(4.8)	0.2	5.8	(3.6)	11.1
	DAX	11,971	178.4	1.5	(0.5)	(3.6)	3.0	6.9	(6.4)	13.4
	CAC	5,268	26.8	0.5	(0.8)	(5.1)	(0.6)	6.6	(3.5)	11.4
	FTSE 100	7,214	29.5	0.4	(0.8)	(2.3)	0.4	4.2	(6.1)	7.2
APAC Equity	HSI	26,762	354.6	1.3	(0.4)	(9.9)	(6.4)	1.1	(12.8)	4.9
	HSCEI	10,341	116.5	1.1	0.6	(9.7)	(9.7)	(2.8)	(14.7)	3.3
	HSI VIX	19.72	(1.2)	(5.8)	1.1	32.6	12.4	(6.7)	20.0	(21.2)
	CSI 300	3,598	(33.5)	(0.9)	(1.8)	(8.0)	(5.7)	10.7	(6.4)	19.5
	SH Composite	2,862	(27.8)	(1.0)	(1.8)	(7.0)	(6.3)	8.0	(8.1)	14.8
	SZ Composite	1,494	(21.7)	(1.4)	(3.1)	(8.7)	(8.7)	8.2	(16.0)	17.8
	Nikkei 225	20,409	(2.3)	(0.0)	(4.0)	(6.6)	(4.3)	(5.2)	(7.8)	3.9
Commodities (USD)	KOSPI	2,067	(0.9)	(0.0)	0.9	(5.5)	(4.7)	(1.2)	(15.4)	1.7
	Brent (Future)	61.97	0.7	1.1	(11.6)	(12.6)	(6.0)	0.6	(17.9)	15.1
	WTI (Future)	53.48	0.2	0.4	(9.6)	(13.9)	(5.7)	0.8	(18.6)	17.4
	Gold	1,326	0.2	0.0	3.6	3.5	3.0	7.2	2.3	3.4
	Copper (Future)	5,879	37.0	0.6	(1.4)	(5.7)	(8.3)	(5.3)	(15.7)	(1.4)
FX	Baltic Dry Index	1,103.00	7.0	0.6	1.9	12.0	66.4	(14.9)	(11.7)	(13.2)
	Dollar Index	97.07	(0.1)	(0.1)	(0.9)	(0.5)	0.2	(0.0)	3.4	0.9
	EUR	1.13	0.0	0.1	0.8	0.6	(0.4)	(0.7)	(3.9)	(1.8)
	JPY	108.15	0.1	0.1	(1.1)	2.5	3.5	4.7	1.6	1.5
	CNY	6.91	0.0	(0.0)	0.1	(2.1)	(2.9)	(0.8)	(7.3)	(0.5)
CDS	CNH	6.92	0.0	0.0	0.0	(2.2)	(3.2)	(1.0)	(7.6)	(0.8)
	ChinaGov CDS	57.17	(2.5)	(4.1)	9.4	28.0	21.5	(12.4)	2.2	(14.5)
	CDX Emerging Market	95.39	0.4	0.4	0.3	(0.4)	(1.6)	0.2	(1.5)	0.2

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.33	0.0	0.4	2.3	2.4	2.5	2.4	1.9	2.4
	2-Year Treasury Yield	1.88	0.1	2.8	2.1	2.3	2.5	2.8	2.5	2.5
	5-Year Treasury Yield	1.90	0.1	3.3	2.1	2.3	2.5	2.8	2.8	2.5
	10-Year Treasury Yield	2.13	0.1	2.8	2.3	2.5	2.7	2.9	2.9	2.7
	2-10 Spread	24.22	0.7	2.9	15.0	17.7	17.5	11.7	43.2	19.2
China rates	O/N China Repo Rate	1.65	(0.1)	(4.1)	2.5	1.7	2.1	2.2	2.6	1.0
	1-Week China Repo Rate	2.59	0.8	42.3	2.8	2.4	2.1	2.1	2.7	3.5
	O/N SHIBOR	1.74	(0.3)	(13.2)	2.5	1.6	2.1	2.3	2.6	2.6
	1-Week SHIBOR	2.40	(0.2)	(6.0)	2.8	2.5	2.5	2.6	2.8	2.9

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



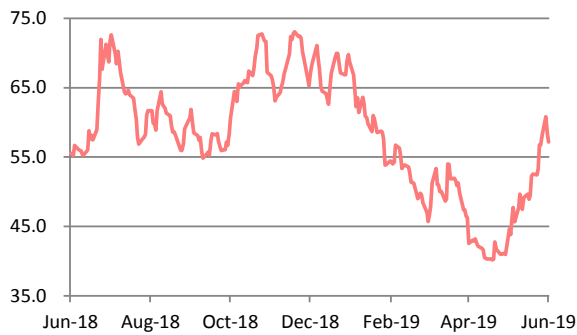
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



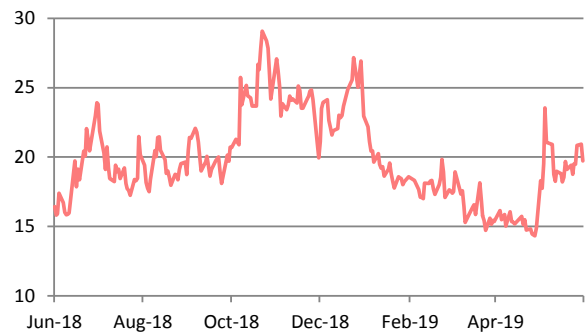
Source: Bloomberg

**China 5Y CDS Index\_USD**



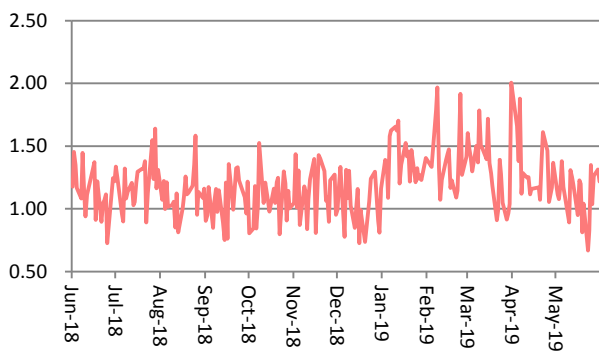
Source: Bloomberg

**Hang Seng Index VIX**



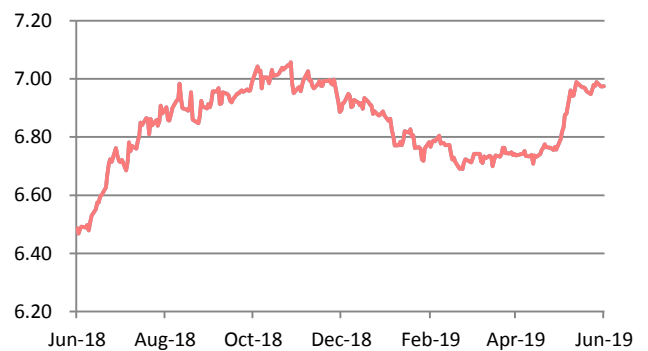
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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