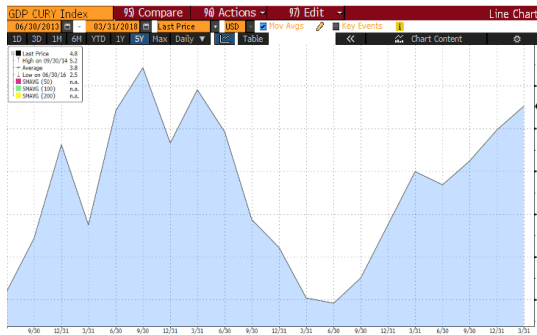




Apr 13 2018 – Apr 27 2018

**ECONOMY – Mixed Economic Data**



Date	Data	Number
1 May	ISM Manufacturing	58.5 F
3 May	FOMC Rate Decision	1.75% F
10 May	CPI MoM	0.3% F

\*P: Previous F: Forecast. R: Revision (From Bloomberg)

Real GDP growth in US slowed in the first quarter to an annualized pace of 2.3%. One key reason for the slower growth rate was that consumer spending grew at just a 1.1 % annualized clip. That is the slowest pace in more than four and a half years. What happened to surging consumer confidence and tax cuts? Admittedly, the 4.0 % growth rate in the final quarter of 2017 was a tough act to follow. Some of the Q4 strength in consumer spending had to do with revved-up auto sales after hurricane-related flooding resulted in replacement spending at the time. Outlays for motor vehicles added 0.45% to Q4 growth and subtracted 0.42 % from Q1.

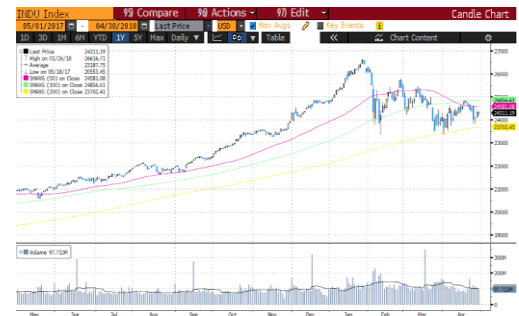
Double-digit percentage gains in orders for both civilian and defense aircraft lifted overall durable goods orders to a better than-expected monthly increase of 2.6%. But elsewhere, orders were flat in March when you exclude the volatile transportation sector. Despite sustained high levels for ISM new orders, actual orders remain inconsistent.

**STOCKS & COMMODITIES – Asset Mgmt Rules Unveiled**

US stock markets was mixed over the past two weeks. The Dow and S&P 500 were -0.20% and +0.51% respectively. NASDAQ was up by 0.19%.

China financial regulators formally announced new asset management rules on April 27. As with the draft rules, the final version maintains the key regulatory principles, including breaking implicit guarantees, controlling leverage, and banning channel businesses. Meanwhile, the final version extends the grace period by 1.5 years to end-2020, which should help reduce liquidity impacts on the market and the economy. Financial institutions (FIs) are required to carry out asset management business off-balance sheet, and no principal/return guarantee, either explicit or implicit, should be provided.

Crude oil future traded in NYME increased 1.05% to close at US\$68.1 per barrel during the period. Gold price was down 1.64% to US\$1,323.35 per oz.



Market Mover	Commodity	Change (+/-)
	Oil Futures	+USD 0.71
	DJIA	-48.95 points

**FOREIGN EXCHANGE – New Move on CNY**



Market Mover	Currency Pair	Change (+/-)
	DXD	+1.742
	EURUSD	-0.0201

Recently China raised the outbound investment quota to \$98.3bn from \$90.0bn last month for qualified domestic institutional investors. This is the first such increase since March 2015. The intent is to balance the capital account, as portfolio inflow momentum into China is strong at the moment. This strength likely reflects local equity and bonds progression towards inclusion in major global indices. Also, to the extent that last week's RRR cut signals a desire to keep overall financial conditions accommodative, it adds an additional layer of cautiousness around the CNY outlook. Bringing together these factors reinforces a neutral bias in CNY at the current juncture.

The Euro depreciated against US dollar by 1.63% over the period.