



Month ending April 30, 2018

CONTENTS

Stocks & Bonds	Better 1Q results in US Listco	I
FX	USD Strengthened	II
Commodities	Wheat Rally	II
Economy	Retails Beat	III
Data in focus	Watch the Trend after FOMC Rate Decision	III

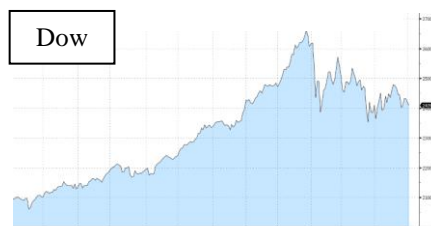
Stocks & Bonds

US stock markets rose over the month. The Dow and S&P 500 were up 0.25% and 0.27% respectively. The technology-heavy NASDAQ was up by 0.04% during the period. US 10-year treasury yield increased by 21.4 basis points. In Hong Kong Market, HSI and HSCEI were +2.38% and +2.78% respectively in January.

After the vicissitudes of February and March, the 1Q18 reporting season has at least condemned the cynics who have felt that it was only tax changes that were driving earnings revisions. S&P 500 index FY2018 EPS growth now stands at 20% from 16% just two weeks ago. Over half of the S&P 500 companies have reported quarterly earnings so far. The earning surprise is one of the best in history. Diversified Financials, Industrials and IT (and its industry group Semicon, Software & Services) stood out in particular. However, sales surprise breadth and magnitude have also been very solid at 74% and 1.43% respectively. Industrials, IT and retailing have fared better versus their peer groups. In terms of sales growth over the reporting season to date, FY2018 has improved to 7.0% y-y from 6.4% y-y. Energy was a key contributor (to 15.2% from 11.4%) while industrials has also grown to 6.9% from 6.0%. In contrast, utilities was the only sector seeing a slippage in sales growth to 0.9% from 2.3%.

Price Performance Summary (For the month ending April 30)

STOCK INDEXES	High	Low	Settle	Net Change (+/-)	
				MoM	YoY
DJIA	24,786.6	23,644.2	24,163.2	60.0	3,222.6
FTSE 100	7,509.3	7,030.5	7,509.3	452.7	305.4
Nikkei 225	22,467.9	21,292.3	22,467.9	1,013.6	3,271.1
Hang Seng	30,897.7	29,518.7	30,808.5	715.1	6,193.3
KOSPI	2,515.4	2,408.1	2,515.4	69.5	309.9
US BONDS (Yield)					
10-yr Treasury Note	3.027%	2.731%	2.954%	0.214%	0.673%
30-yr Treasury Bond	3.208%	2.963%	3.124%	0.150%	0.172%



The information and data in this report were obtained from sources considered reliable. Their accuracy or completeness is not guaranteed and the giving of the same is not to be deemed as an offer or solicitation on our part with respect to the sale or purchase of any securities or commodities. City Credit Investment Bank Limited, its officers and directors may in the normal course of business have positions, which may or may not agree with the information expressed in this report. Any decision to purchase and/or sell as a result of the information provided in this report will be the full responsibility of the person authorizing such transaction

FOREIGN EXCHANGE

The USD strengthened in April despite softness early on in the month. Geopolitical tensions and trade fears initially weighed on the USD, as the market was concerned how the tit-for-tat threats between the US and China would develop. However, as trade fears eased, cyclical drivers came into focus. This saw rising US yields propel the USD higher. The US 10Y yield pushed above the closely watched 3% level, and by month-end the DXY was up 2.1%. The JPY weakened with geopolitical relations improving between the US and North Korea. The RMB tracked trade developments before weakening against the stronger USD. Local drivers took a back seat for the AUD and NZD, which acted as a proxy for global risk sentiment and were hit particularly hard by the stronger USD.

Price Performance Summary (For the month ending Apr 30)					
	High	Low	Settle	Net Change (+/-)	
				MoM	YoY
US Dollar Index	91.841	89.425	91.841	1.867	-7.209
EURUSD	1.2380	1.2078	1.2078	-0.0246	0.1183
GBPUSD	1.4339	1.3763	1.3763	-0.0252	0.0812
USDJPY	109.43	105.89	109.34	3.06	-2.15
USDCHF	0.9909	0.9540	0.9909	0.0369	-0.0037
USDCAD	1.2913	1.2551	1.2843	-0.0057	-0.0810
AUDUSD	0.7784	0.7530	0.7530	-0.0149	0.0042
EURJPY	133.11	130.27	132.05	1.08	10.52
EURGBP	0.87989	0.86344	0.87754	-0.00155	0.03620

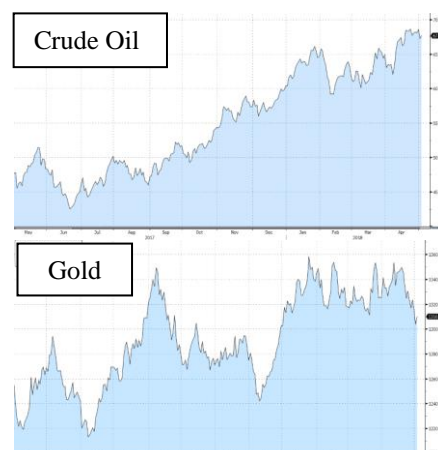


COMMODITIES

Gold decreased by 0.73% to close at US\$1,315.35 per oz. 1-month crude oil future traded in NYME up by 5.59% to close the month at US\$68.57 per barrel.

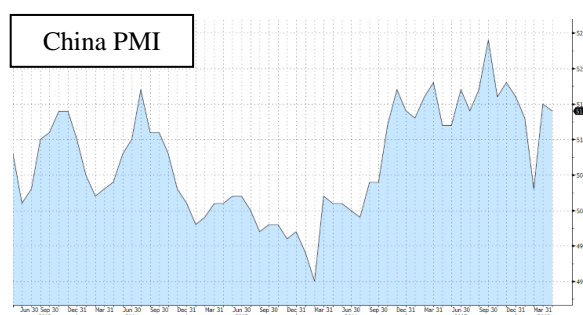
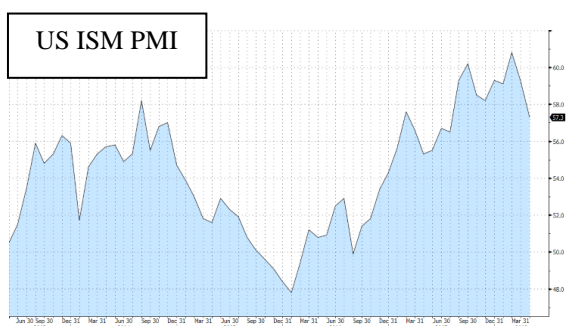
Soybean was down 0.67%. Copper was up 0.89%. Corn increased by 1.23% to US\$392.50. Wheat was down by 13.64% to US\$512.50.

Price Performance Summary (For the month ending Apr 30)					
Futures	High	Low	Settle	Net Change (+/-)	
				MoM	YoY
Crude Oil (NYME)	68.64	62.06	68.57	3.63	19.24
Gold	1,353.35	1,315.35	1,315.35	-9.65	47.06
Silver	17.2496	16.3175	16.3318	-0.0360	-0.8836
Copper	315.85	301.05	305.25	2.70	45.60
Sugar #11	12.52	10.86	11.52	-0.83	-4.52
Wheat	512.50	446.25	512.50	61.50	94.00
Soybeans	1,060.75	1,015.25	1,037.75	-7.00	92.50
Corn	392.50	376.50	392.50	4.75	34.50



ECONOMY

Retail sales were above consensus and increased 0.6 % in March, reversing the recent three-month string of declines. Winter weather in the Northeast, which was widely expected to have a greater adverse effect, was limited. The improvement was driven by auto sales, health and personal care and non-store retailers' sales. Control group sales, which are used to calculate GDP, were relatively strong at 0.4 %. Industrial production beat expectations and expanded 0.5 % in March. The gain follows a 1.0 % increase in February, bringing a 4.5 % increase for the first quarter on an annualized basis. The bulk of March's rise occurred from a bounce back in utilities output. The winter weather was again at play here, as the highly populated Northeast and South faced increased heating needs due to below average temperatures. Mining output continued to recover following the oil rout and grew 1.0 %. Meanwhile, manufacturing output stalled after February's substantial increase, rising just 0.1 % for the month. The fact that the manufacturing sector was able to register even a modest improvement following the prior month's performance indicates that the sector is in relatively good shape.



US DATA IN FOCUS (May 2018)

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Markit US Manufacturing PMI Construction Spending MoM ISM Manufacturing ISM Prices Paid	2 MBA Mortgage Applications ADP Employment Change	3 FOMC Rate Decision Initial Jobless Claims Trade Balance ISM Non-Manf. Composite Durable Goods Orders Durables Ex Transportation Factory Orders	4 Change in Nonfarm Payrolls Unemployment Rate
7	8	9 MBA Mortgage Applications PPI Final Demand MoM Wholesale Inventories MoM	10 CPI MoM Initial Jobless Claims	11 Monthly Budget Statement Import Price Index MoM U. of Mich. Sentiment
14	15 Empire Manufacturing Retail Sales Advance MoM	16 Net Long-term TIC Flows MBA Mortgage Applications Housing Starts Industrial Production MoM	17 Initial Jobless Claims Philadelphia Fed Business Outlook Leading Index	18
21	22 Richmond Fed Manufact. Index	23 MBA Mortgage Applications Markit US Manufacturing PMI New Home Sales	24 Initial Jobless Claims FHFA House Price Index MoM Existing Home Sales	25 Durable Goods Orders Durables Ex Transportation U. of Mich. Sentiment
28	29 Conf. Board Consumer Confidence	30 MBA Mortgage Applications ADP Employment Change GDP Annualized QoQ GDP Price Index Wholesale Inventories MoM	31 Personal Income Personal Spending Initial Jobless Claims Chicago Purchasing Manager Pending Home Sales MoM	