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## Equity – Equity market continuing the rally in April

- Driven by strong March PMI in China, better than expected US non-farm payrolls and extension of Brexit deadline, global equity market continued to perform well in April while developed market outperformed emerging market. For developed market, S&P 500 and Nasdaq gained 3.93% and 4.74%, respectively. MSCI EU Index also gained 3.23%. For emerging market, MSCI EM Index gained 2.00% where China A-share CSI300 index gained 1.06%. HSI and HSCEI increased 2.23% and 1.43%, respectively.
- In China, April NBS manufacturing PMI retreated from 50.5% to 50.1% in March. Given that April data had no data distortions from the LNY effect, April data was more indicative of the underlying cyclical momentum. Headline PMI declined largely due to a combination of weaker domestic demand indicators, the destocking of industrial product inventory, as well as a lower employment indicator, but export orders picked up visibly. As the effect of policy fine-tuning kicks in, the growth driver may rotate towards consumption and corporate capex-driven in 2H2019.

Index	Settle	Net Change (+/-%)		Valuation (2019)	
		MoM	YTD	PE	PB
DJIA	26,592.91	2.56%	14.00%	16.48	3.82
S&P 500	2,945.83	3.93%	17.51%	17.72	3.24
Nasdaq	8,095.39	4.74%	22.01%	23.67	4.46
Nikkei	22,258.73	4.97%	11.21%	15.32	1.58
FTSE100	7,418.22	1.91%	10.26%	12.93	1.51
CAC40	5,586.41	4.41%	18.09%	14.50	1.58
DAX	12,344.08	7.10%	16.91%	13.62	1.55
SHCOMP	3,078.34	-0.40%	23.43%	11.80	1.37
CSI300	3,913.21	1.06%	29.98%	12.48	1.63
ChiNext	1,927.69	-4.76%	27.08%	22.90	3.47
HSI	29,699.11	2.23%	14.91%	11.50	1.27
HSCEI	11,542.25	1.43%	14.00%	8.82	1.05
TWSE	10,967.73	3.07%	12.75%	15.92	1.74
KOSPI	2,203.59	2.94%	7.96%	12.26	0.92
JCI	6,455.35	-0.21%	4.21%	15.88	2.35

Source: Bloomberg

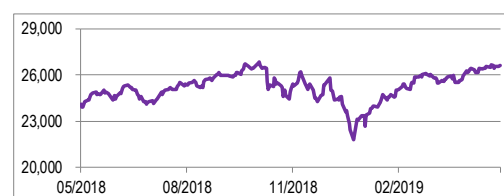


Fig. 1 One year performance of Dow Jones Index

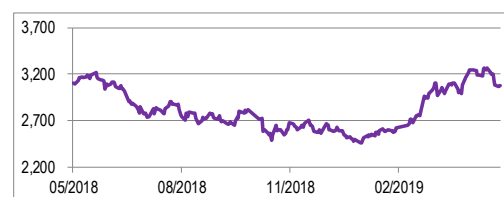


Fig. 2 One year performance of Shanghai Composite

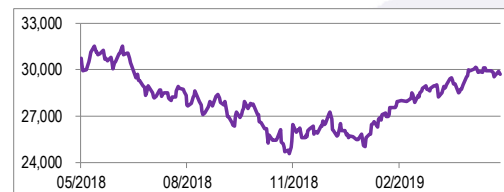


Fig. 3 One year performance of Hang Seng Index

## Fixed Income – Global bond yields increased in general

- Although the US core CPI reported below consensus, it was overshadowed by strong ISM manufacturing data and better-than-expected 1Q19 GDP growth data, the US Treasury market yields increased from their one-year lows of March and 10Y Treasury yield closed with 10bp gain in April.
- In Europe, the 10Y Bund yield gained support from better-than-expected Eurozone industrial production data but then dragged a bit by downside surprise in composite Eurozone PMI data. Overall, the 10Y German Bund rose 8bp in April.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	2.59%	2.46%	2.50%	10	-18
US 30-yr Treasury Yield	2.99%	2.88%	2.93%	11	-9
Euro 10-yr Govt Yield	0.08%	-0.05%	0.01%	8	-23
Japan 10-yr Govt Yield	-0.01%	-0.07%	-0.04%	4	-4
China 10-yr Govt Yield	3.44%	3.15%	3.40%	33	9

Source: Bloomberg

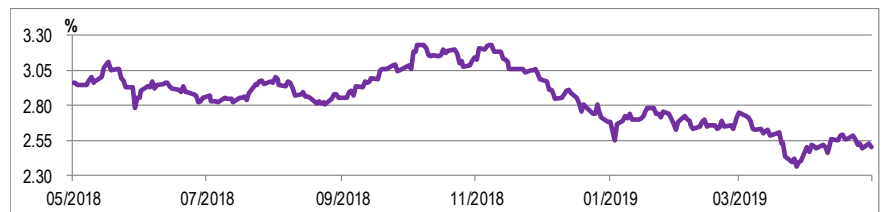


Fig. 4 One year performance of US 10-yr Treasury Yield

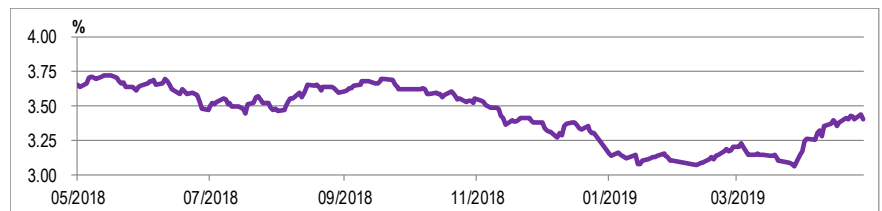


Fig. 5 One year performance of China 10-yr Treasury Yield

## Commodities – Oil price still strong while gold price weakened

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	66.30	61.59	63.91	6.27%	40.74%
Brent Oil (bbl)	74.57	69.01	72.80	6.45%	35.32%
Gold Spot (oz)	1,308.10	1,272.45	1,283.55	-0.68%	0.09%
CMX Silver (oz)	15.34	14.87	14.98	-1.45%	-4.63%
CMX Copper (lb)	297.35	286.75	290.40	-1.29%	9.96%
LME Zinc (mt)	3,031.00	2,842.00	2,960.00	-1.33%	17.53%
LME Aluminum (mt)	1,876.00	1,783.00	1,783.00	-5.81%	-4.28%

Source: Bloomberg

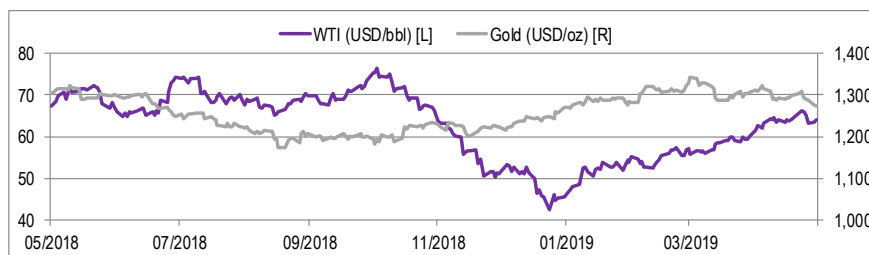


Fig. 6 One year performance of Oil and Gold Price

- Oil price rally in April due to tighter supply condition as OPEC's intentional production cuts and output drop from sanction-hit Venezuela and Iran. Rising tension in Libya also contributed to supply concerns and provided support. The announcement by the US that rule out the extension of Iran sanction waivers, Germany and Poland halted crude pipeline imports from Russia due to contamination in the Druzhba pipeline are the factors driving the oil price up. WTI and Brent were up 6.27% and 6.45% in April, respectively.
- The gold price was dragged down due to a rise in risk taking sentiment, strong USD and better-than-expected data from China. Although a dovish ECB rate announcement in April offset some of the risk-on pressure, gold moved lower in response to higher US PPI and a firmer USD. Gold ended with 0.68% weaker.

## FX – USD remaining strong

- The USD was supported by stronger than expected data and more dovish monetary policy by G10 central banks other than the Fed. DXY finally gained 0.20% in April.
- The JPY was weighed down by stronger than expected data from China and BoJ committed to retain extremely low rates at least through spring 2020 and even longer. The JPY ended the month 0.5% weaker against the USD.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	98.20	96.94	97.48	0.20%	1.36%
EUR / USD	1.130	1.113	1.122	-0.03%	-2.20%
USD / CNH	6.750	6.678	6.737	0.21%	-1.94%
USD / JPY	112.2	111.0	111.4	0.51%	1.58%
GBP / USD	1.316	1.290	1.303	-0.02%	2.18%
USD / CAD	1.349	1.331	1.339	0.29%	-1.83%
AUD / USD	0.718	0.702	0.705	-0.68%	-0.01%
USD / CHF	1.020	0.998	1.019	2.42%	3.79%

Source: Bloomberg

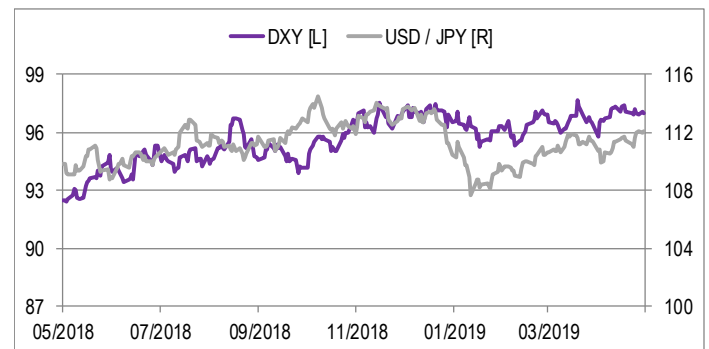


Fig. 7 One year performance of DXY and JPY

## Economic Calendar (May 2019)

Monday	Tuesday	Wednesday	Thursday	Friday
		1 MBA Mortgage Applications ADP Employment Change Markit US Manufacturing PMI ISM Manufacturing Construction Spending MoM	2 FOMC Rate Decision Initial Jobless Claims Factory Orders Durable Goods Orders	3 Wholesale Inventories MoM Change in Nonfarm Payrolls Unemployment Rate
6	7	8 MBA Mortgage Applications	9 PPI Final Demand MoM Initial Jobless Claims Trade Balance Wholesale Inventories MoM	10 CPI MoM
13	14	15 MBA Mortgage Applications Retail Sales Advance MoM Empire Manufacturing Industrial Production MoM	16 Housing Starts Initial Jobless Claims	17 Leading Index U. of Mich. Sentiment
20	21 Existing Home Sales	22 MBA Mortgage Applications	23 Initial Jobless Claims Markit US Manufacturing PMI New Home Sales	24 Durable Goods Orders
27	28 Conf. Board Consumer Confidence	29 MBA Mortgage Applications	30 GDP Annualized QoQ Initial Jobless Claims Wholesale Inventories MoM	31 Personal Income Personal Spending Chicago Purchasing Manager U. of Mich. Sentiment

Source: Bloomberg