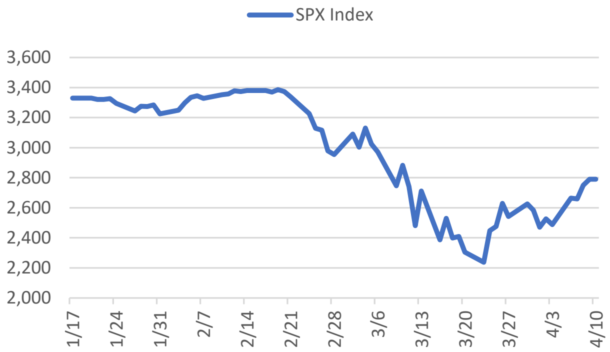
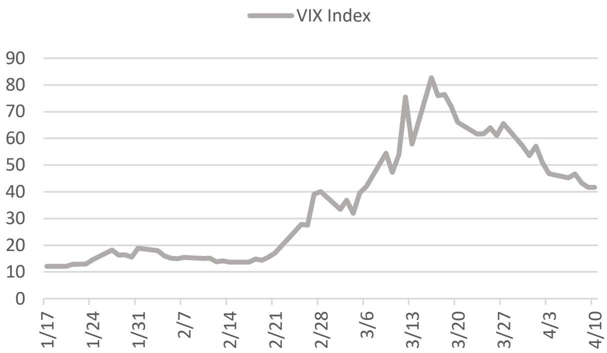
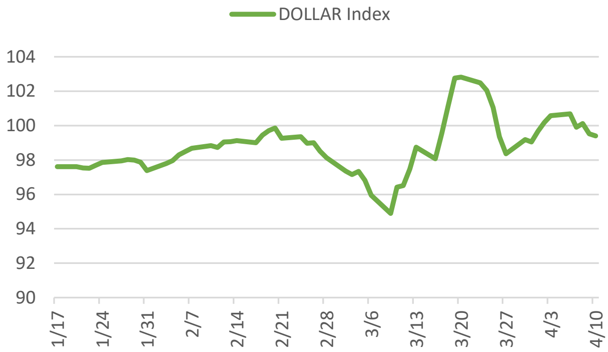
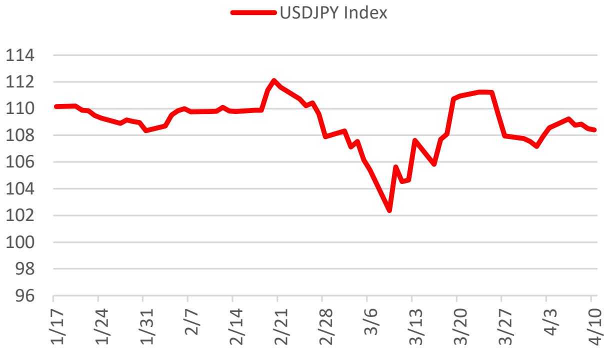
US Market Review

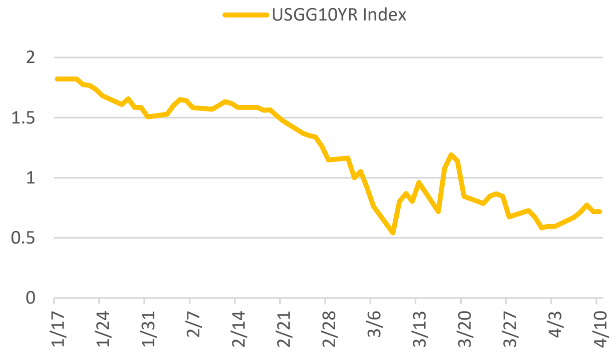
2020/4/10

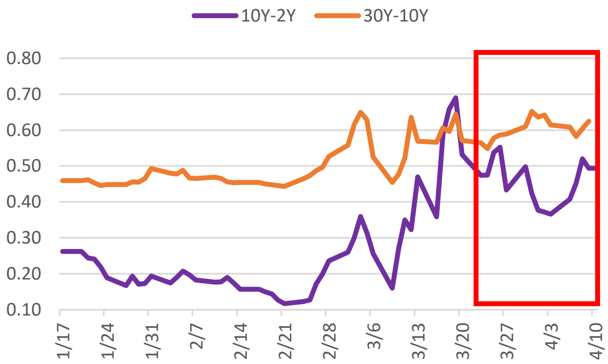










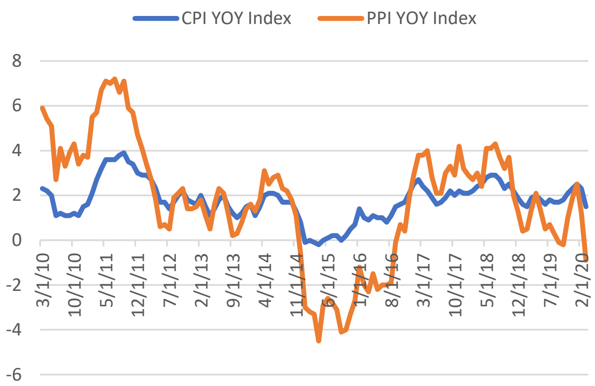


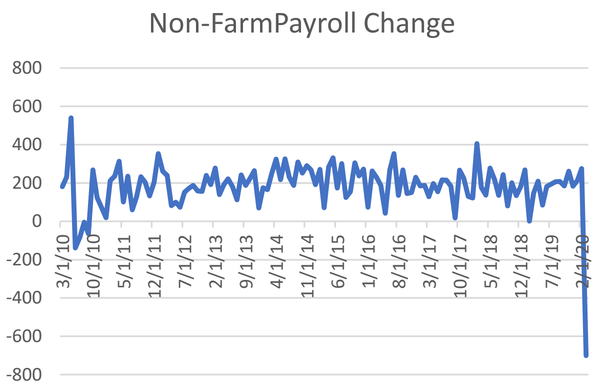
*** Index selection details:

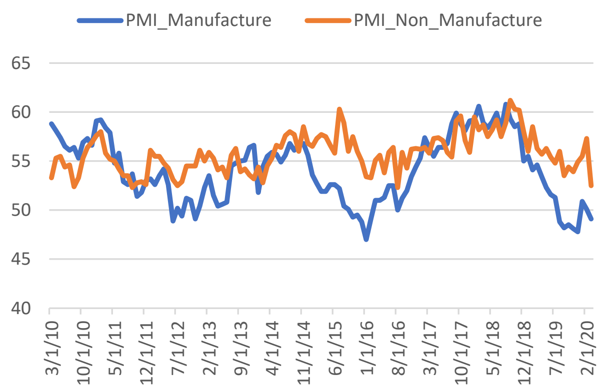
- SPX index: S&P 500 index stands for overall market performance
- Dollar index: The overall index value of US dollar currency
- USGG xYR: US government x-year bond yield stands for overall bond market
- USDJPY: USD currency in terms of JPY currency stands for macro risk sentiment
- 10Y-2Y: 10Y US treasury yield – 2Y US treasury yield stands for macro risk sentiment
- BCOM index: Bloomberg commodity index details of composition

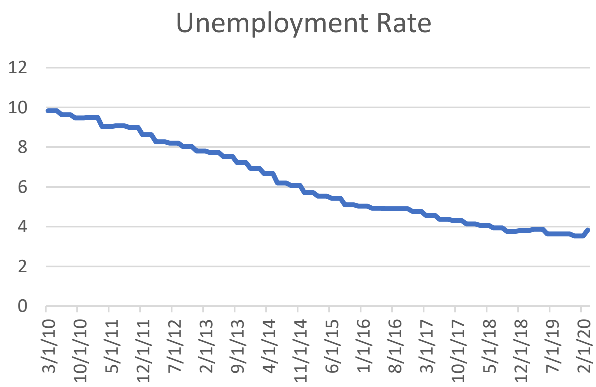
(Energy: 30%, Grains: 23%, Industrial metals: 17, Precious metals: 16%, Softs: 7%, Livestock: 5%)

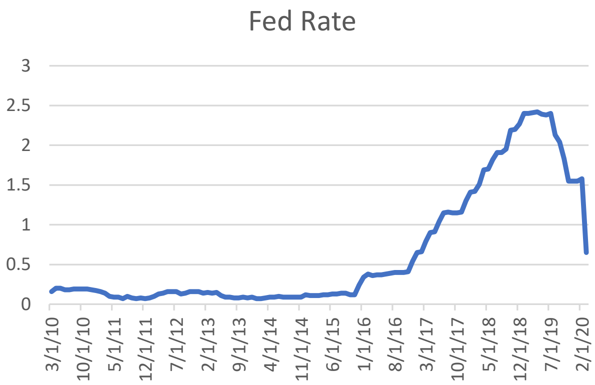
US MACRO (LongTerm,Monthly View)

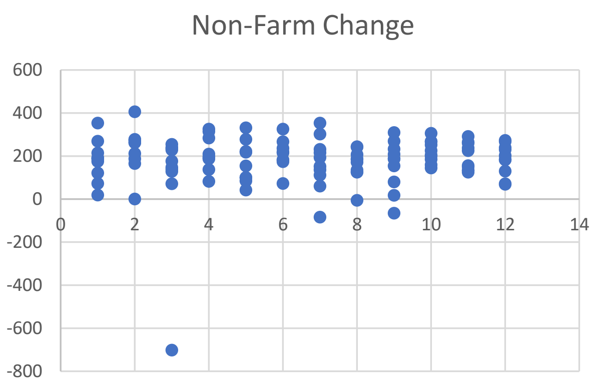












- PPI statrs to drop bubt CPI still looks rosy.
- Manufacture sector PMI rebound stops and revert a bit, however non-manu PMI keeps strong.
- Unemployment rate raising up nad non-farm payroll shoots huge negative spike in the history.
- Fed cuts rates to 0 as a way to show the impacts of current economic situation. Chart is based on monthly data will be updated shortly.

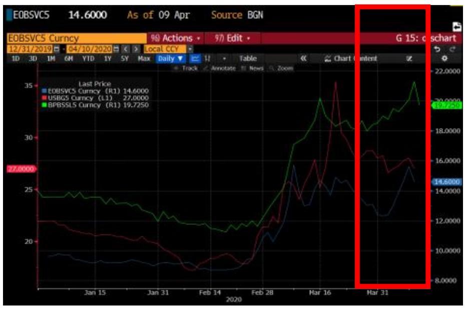
Market News

4/3/20 TO **4/10/20**

- 04/08 Market sentiments and risk parity shifts to socks.
- 04/09 USD curve steppens about 15bps in last week combined with liquidity recovery. But credit risk goes up.

USD vs EUR/GBP/JPY basis

USD/GBP/EUR OIS spread



Persepectives

- Inflation still not good as the commodity market keeps lower price and a little rebound.
  Housing rents market goes lower as the virous loose tenants across the board.
- Rates market confirmed that USD liquidity crash is OVER as shown in the Basis swap charges for EUR, GBP and JPY.
  Credit risk is still in question as the OIS spread moves around current level with no direction to lower.
  Overall rates curve is rebounding and steppening about 15bps since the dip, markets sentiments recovery.
- Stock market is bouncing back a lot since the dip in March. What's still in question is the continuation of
  this rebound as shown in the market trading volume is still low and credit risk remains.