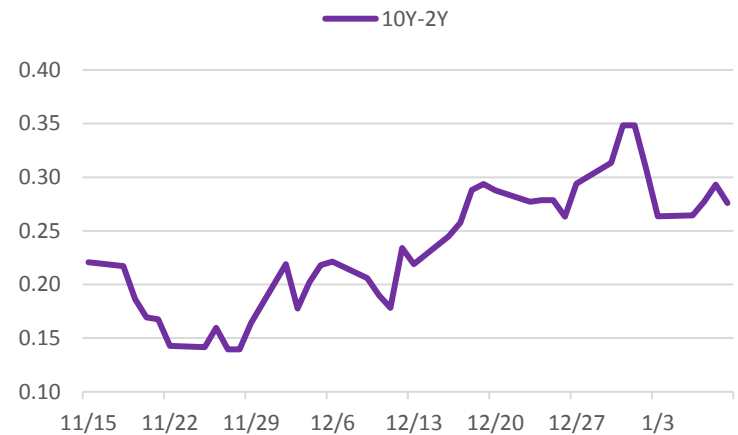
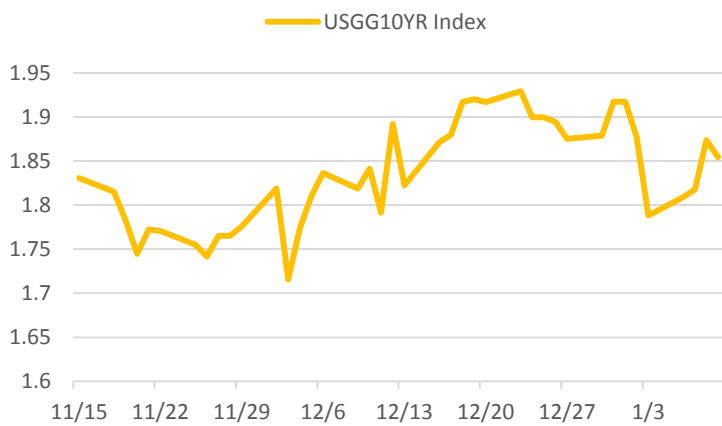
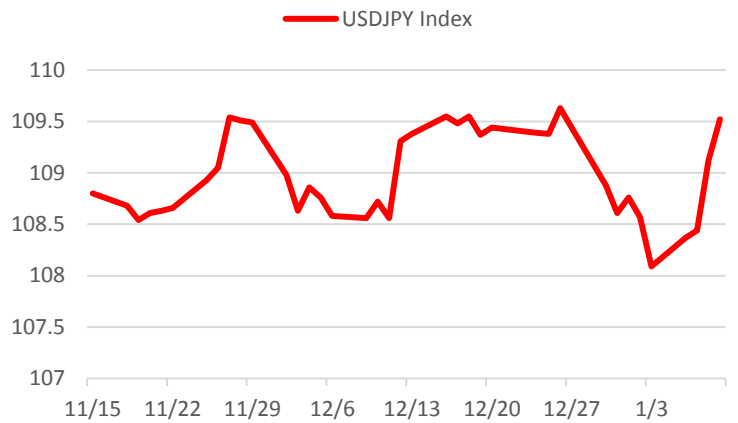
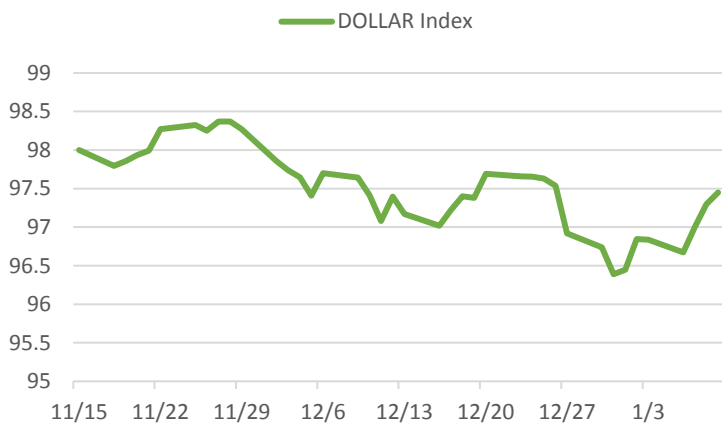
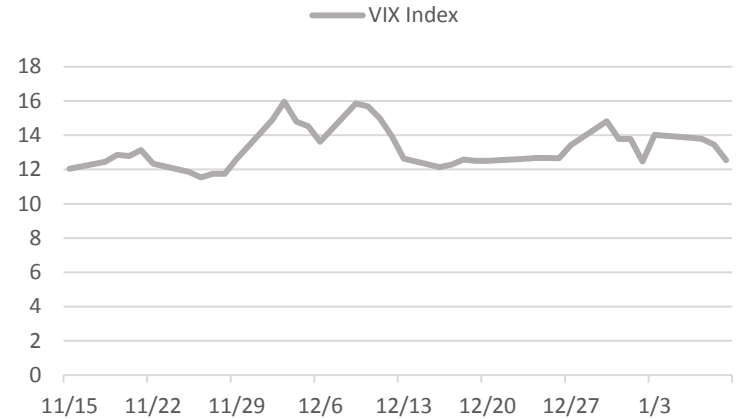
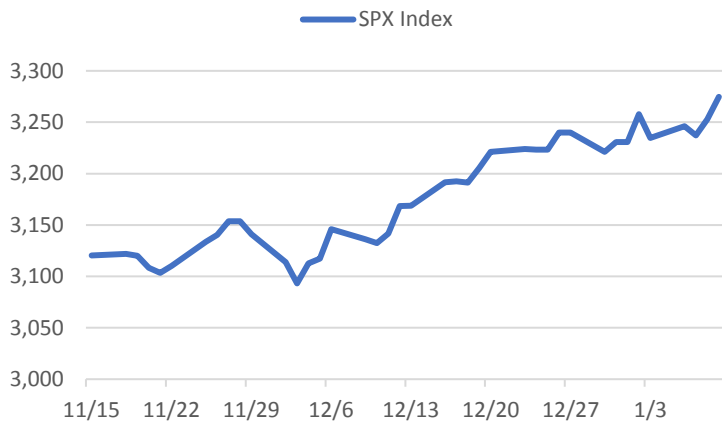


US Market Review

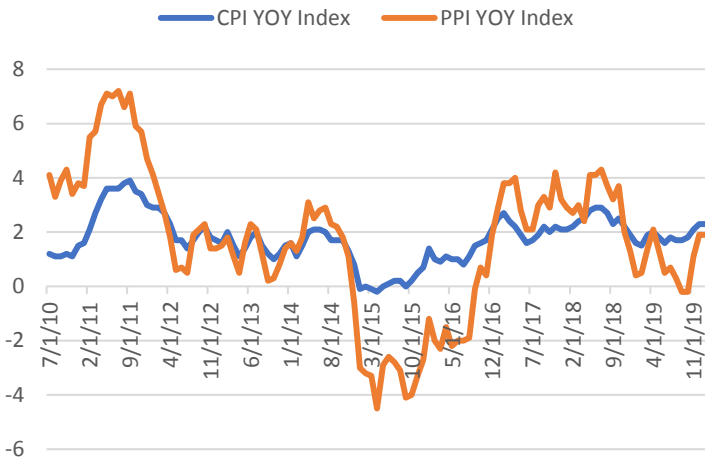
2/7/2020



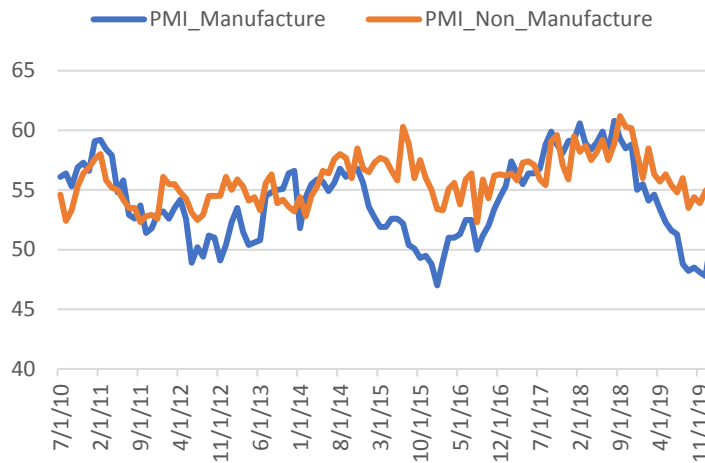
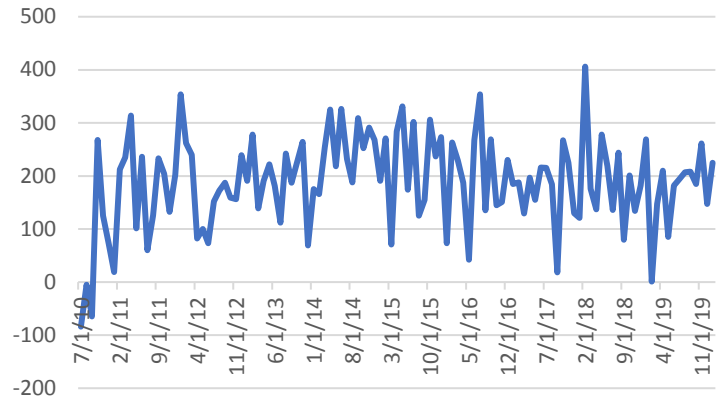
*** Index selection details:

- 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%)

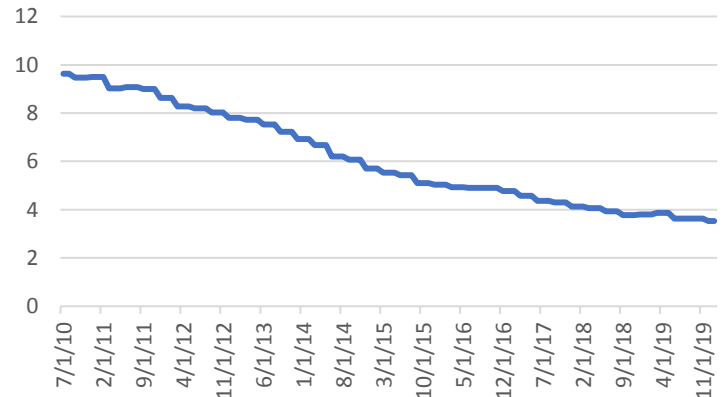
US MACRO (LongTerm)



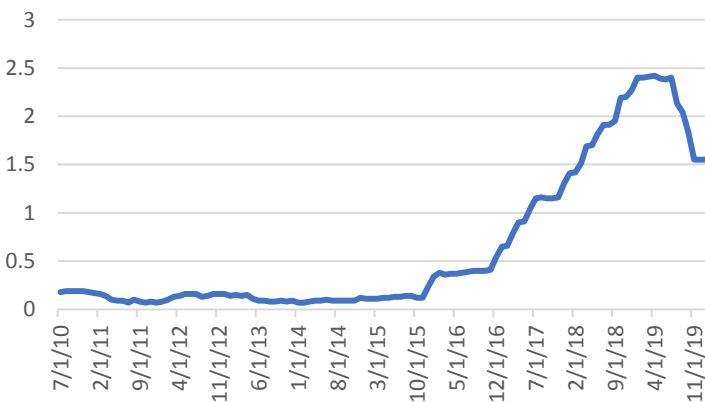
Non-Farm Payroll Change



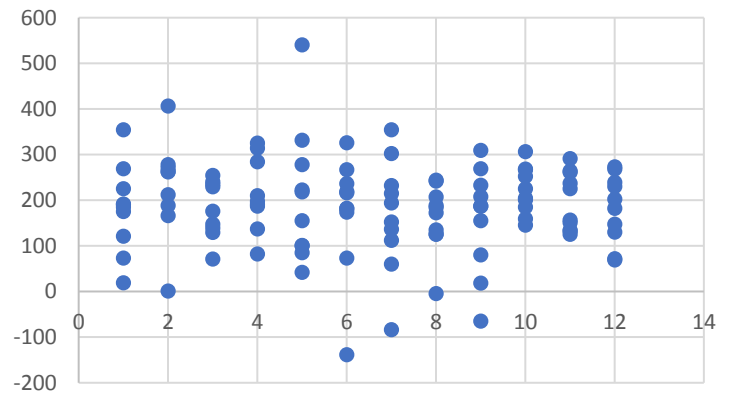
Unemployment Rate



Fed Rate



Non-Farm Change



- Healthy CPI plus a weak PPI suggests inflation is mild but economic outlook starts becoming grey.
- Manufacture sector still weak, as PMI keep below live-dead line.
- Strong employment data support spending and general output.
- Expect Fed exits protection rate cut backs to rate raising cycle.

Market News

1/31/20

TO

2/7/20

- 02/03 U.S. Declares Public Health Emergency
Healthy economic data for December, spending grows 0.3%, PCE rose 0.3%
- 02/04 Manufacturing rebounds back to 50.9 for Jan, clear the concern of Man slow down.
Construction outlays declines to -0.2% compared to +0.5% estimate indicates slows down in real estate
- 02/05 China to Initiate Economic Stimulus stimulates infrastructure projects

Persepectives

- US equity market is stimulated by strong Manufacturing data which servers as a big concern last year.
- Virus does not threaten market as equity closes at record high and the spread 10Y-2Y stronger.
- As JPY goes to short trend again, market is released from anxious of virus. Dollar index continues strong will push basic metal going down but also give more pressure on manufacturing sector.
As yield spread continues strong, market believes US is getting fundementally stronger and could last longer.