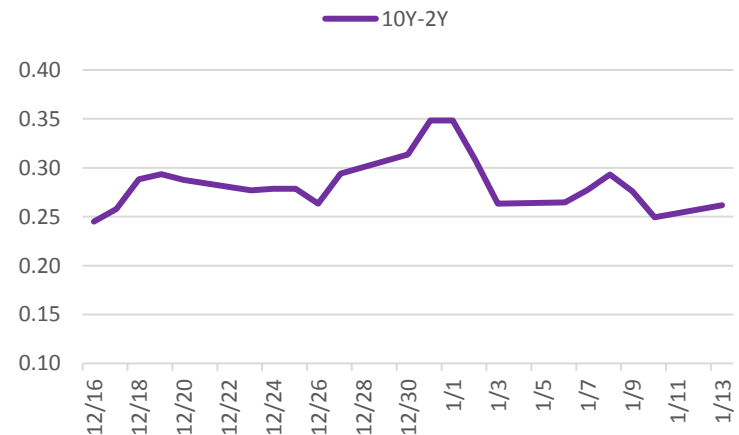
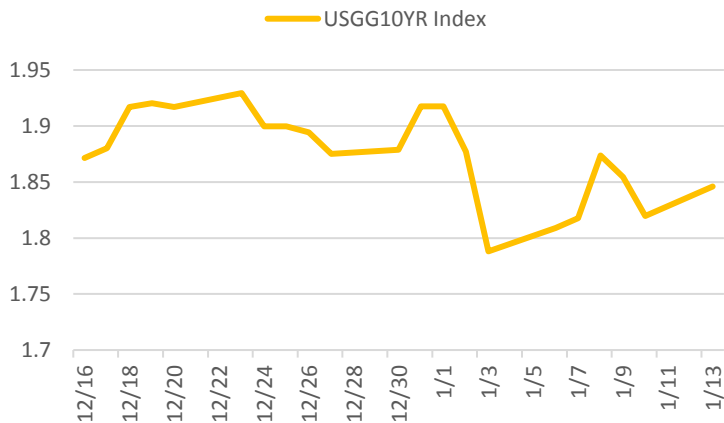
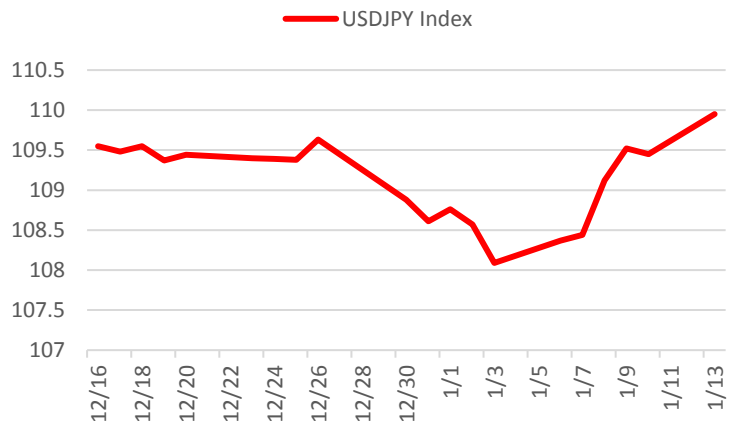
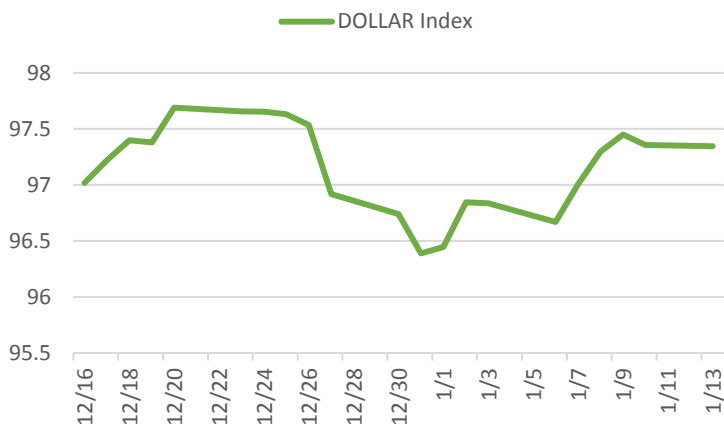
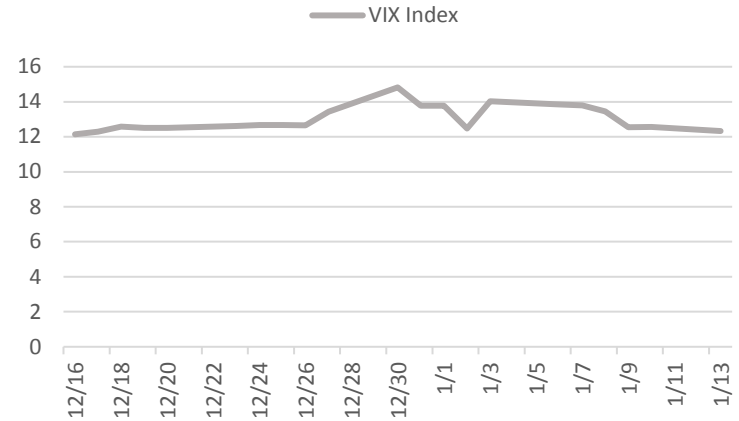
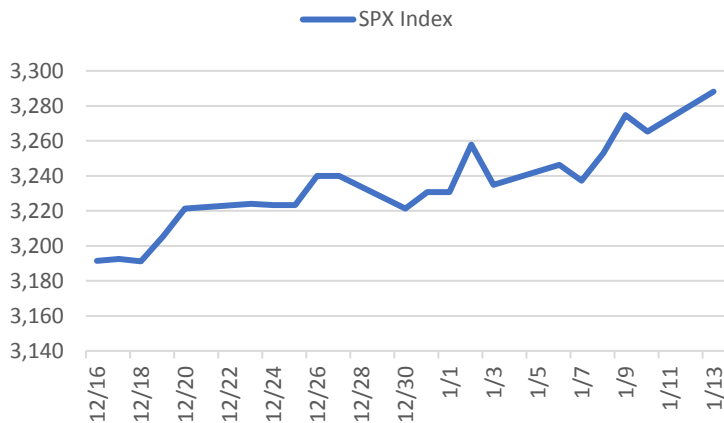


US Market Review

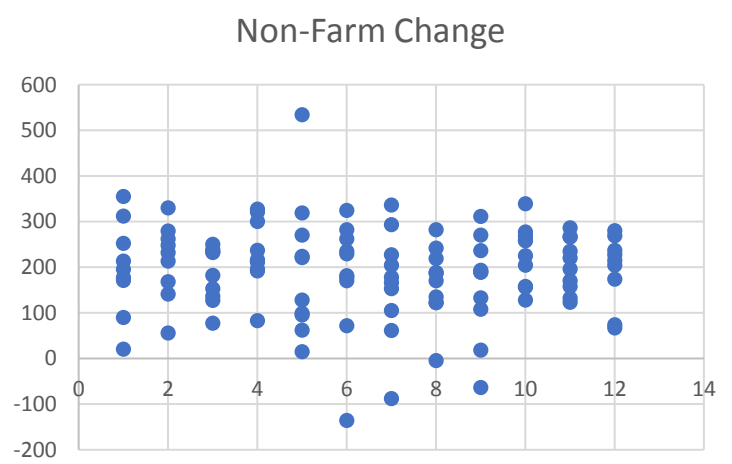
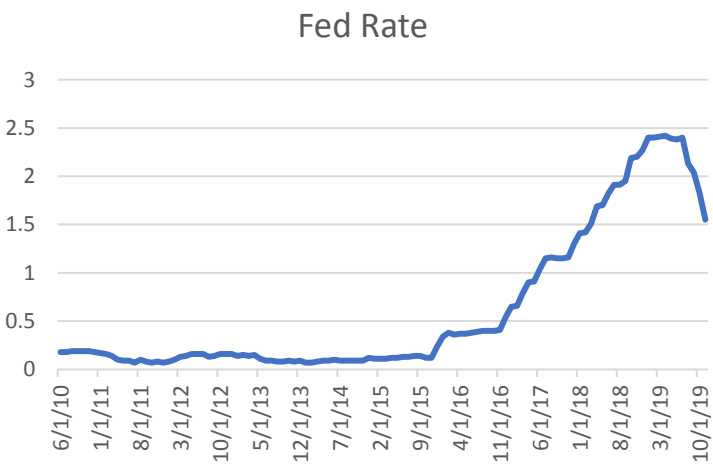
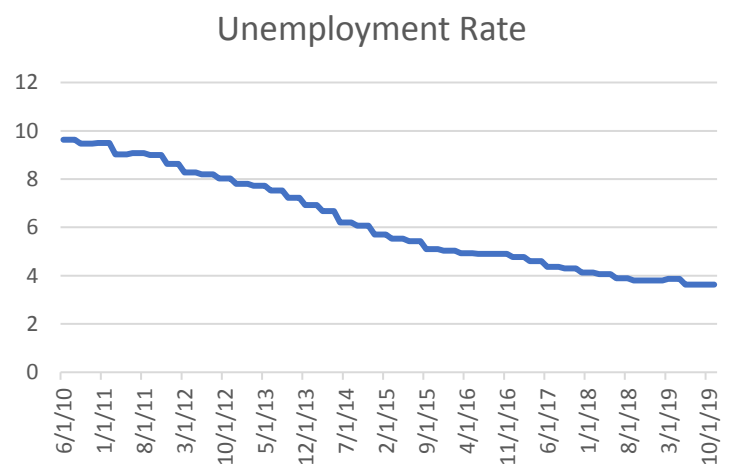
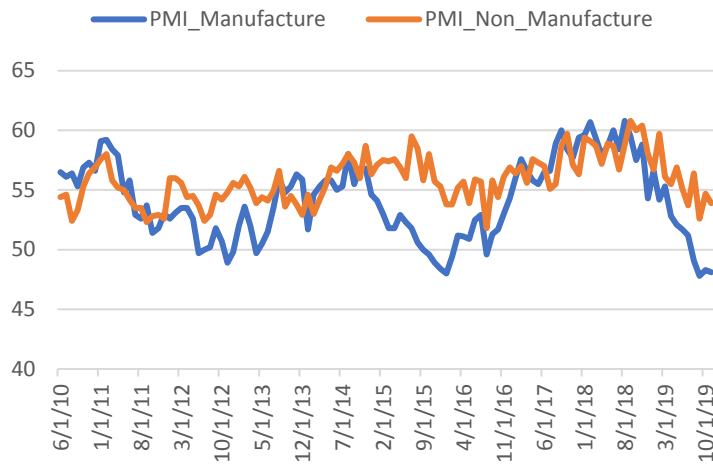
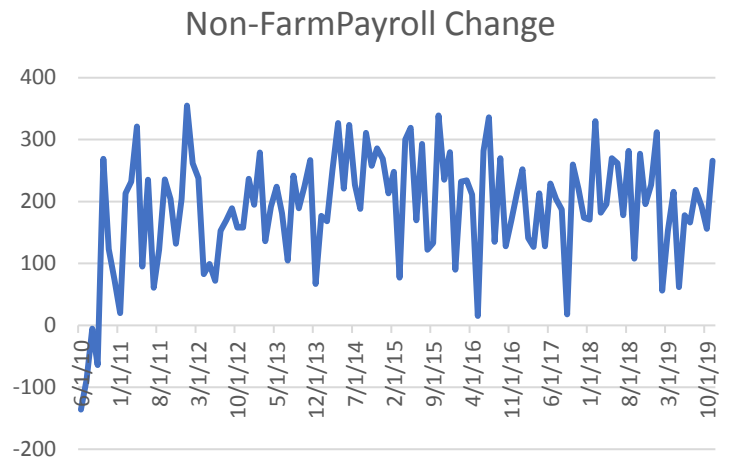
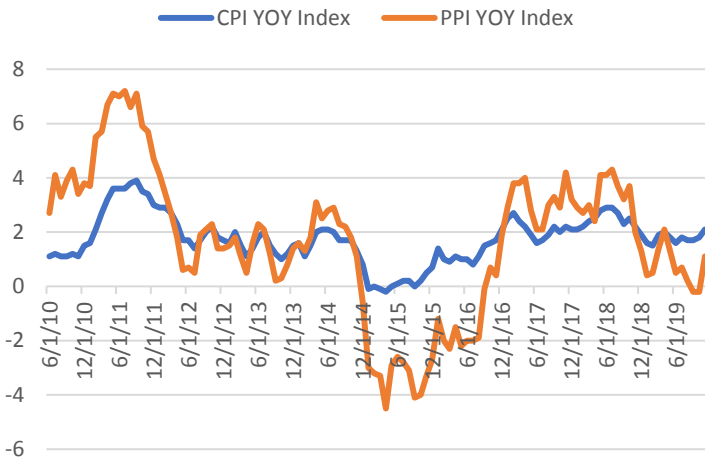
1/16/2020



*** 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)



- 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.
- Fed protection intend rate cut continues.

Market News

1/9/20

TO

1/16/20

- 01/14 The U.S. government has decided to delete China from its list of currency manipulators. U.S. Treasury Secretary Steven Mnuchin said China has committed to buy \$40 billion to \$50 billion U.S. agricultural products annually and a total of \$200 billion of U.S. goods over two years.
- 01/16 Trade talk phase one done, stock market closes at new record. Rates dropped but tariff still await until phase two.
- 01/17 China eco data right on expectation, stock market rallies again.

Perspectives

- As dollar bouncing back to recover lost from last week, current short trend still valid until hits 98 again. JPY starts to climb a lot which in position with current optimism sentiment. Also bond market moves in a side way and spread almost no change. Overall, stock market still has time window to raise.
- As the non-farm payroll shots a surprise combined with up move on CPI and PPI, macro eco starts getting healthier. However, Manu-PMI still under the live line which could be a possible driver to take care.
- As economic gets better, bond market could be sell off and long term rates could raise again. Curve might begin to steepen. Stock market in response to Fed decision which at a high probability to quit short term buying. And that shots a short drop of stock market, then it might bounce back again because of the good economic condition.