

Trade Tensions:

US-Mexico: Mexican and US officials were preparing on Sunday for upcoming talks aimed at averting a major trade clash after US President Donald Trump vowed to impose punitive tariffs on all Mexican goods in an intensifying dispute over migration. Mexican Economy Minister Graciela Marquez would meet with US Commerce Secretary Wilbur Ross in Washington today, as the two governments begin holding talks to resolve the issue. Trump says he will apply tariffs of 5% on Mexican goods on June 10 if Mexico does not halt the flow of illegal immigration. The tariffs will gradually rise to 25% if Mexico does not comply with Trump's demands. That threatens major economic damage to Mexico, which sends about 80% of its exports to US.

USMCA: US-Mexico trade headlines are spoiling the mood for USMCA's ratification. A new USMCA draft sent to Congress by President Trump last week raised objections from Democrats. Meanwhile, Canada moved to ratify a new North American Trade deal.

US-China: China published a white paper on trade talks with US to set prerequisites for a deal. The weekend headlines escalated the trade war as regional security issues involving Taiwan. China accuses US of "naked economic terrorism" as measures taken by US are seen attacking the wellbeing of China's economy, instead of improving economic ties between the two nations. Pentagon seeks funds to reduce US reliance on China's rare earth metals after China announced it is considering a curb on rare earth export to US. Both nations seem to be entrenched for an extended dispute as market expects a global growth slowdown. US Treasury Secretary, Steven Mnuchin revealed that US is a month away from enacting proposed tariffs on USD300B in Chinese imports. US Trade Representative's office will hold a public hearing on the possibility of imposing duties up to 25% on a further USD300B Chinese imports. These would include cell-phones and laptops but notable inclusion would be pharmaceutical.

President Trump said he would attend G20 Meeting in Japan next month. China announced tariffs ranging from 5% to 25% on 5140 US goods worth USD60B starting from June 1. The move is in response to US increasing tariffs to USD200B Chinese imports from 10% to 25%.

US-Eurozone: The postponement of auto tariff on EZ is seen as a relief. However, it is still a postponement and US Lightizer will try to hammer a deal with his EU counterparts in coming weeks. 6-month time and if anything does not go US way (EZ forming closer tie with China, Iran's oil for example) could bring the time frame closer.

US-Japan: US & Japan will work on a trade deal after Japan's General election in July. According to Japan's Economy Minister, Toshimitsu Motegi, US President Donald Trump's comment signalling an announcement on trade in August probably reflect his hope for quick progress in negotiations. In a press conference, held during his state visit to Japan, President Trump said that he wants to fix the "imbalance" that is Japan's trade surplus to US. Focus is on auto tariffs, which make up more than 50% of Japan's export to US.

G20 Meeting: Tokyo Meeting will not touch protectionism, though there is nothing stopping members making comments about US protectionism.

Brexit

President Tump's comment on Conservatives' PM candidates and Brexit deal with EU put another dimension to Brexit. After EU Parliamentary election, UK main parties are looking at the no-deal Brexit stance as the way to win voters. The stance won voters for Brexit Party, led by Nigel Farage and other smaller parties in the election. PM May announced her resignation as Conservative Party leader on June 7, setting path for a new prime minister and Conservatives Party leader.

Politic

US Presidential & Congressional Election: 2020. Greens & Eurosceptics won more seats in May 2019 European Election. Japan's Upper House Election July 2019. PM May's resign on June 7, 2019. The minority Coalition Government retained its power in Australia's May 2019 Federal Election. Canada's federal election set for October 2019. Switzerland general election on October 20, 2019. New Zealand's general election in 2020 (normally in November).

Current Sentiment

US: Bearish. Weaker Q2 growth and increasing probability of FED's cut in June's FOMC. US Employment Report is expected to be weaker for May's data.

EU: Neutral to bearish. Risk off sentiment weigh on EURO. Political headlines are hurting Euro. EU is expected to make a decision on Italy's budget issue this week. ECB is expected to come with a more dovish outlook.

Japan: Bullish. Risk off sentiment pushes Yen higher on trade tensions.

UK: Bearish. Negative comments from President Trump.

CA: Neutral to bearish. The rout on crude oil price (POC around USD53/barrel) and risk off sentiment weigh on CAD. Keep an eye on US-Mexico.

Australia: Neutral to bearish. Better Chinese Caixin Manufacturing PMI supports antipodeans. However, details revealed US export front loading activities pushed the headline PMI. RBA's cut is fully priced in. Market expects a better Q1 GDP, but surveys are pointing to a lower read.

New Zealand: Neutral to bearish. Better Chinese Caixin Manufacturing PMI supports antipodeans. However, details revealed US export front loading activities pushed the headline PMI.

Switzerland: Bullish. Negative market sentiment feeds on CHF strength.

Data Interpretation

INTRINSIC VALUATION BIAS	Q1 2019		Q2 2019 OUTLOOK		COMMENT
USD	Growth	Stronger	Growth	Weaker	Lack of inflationary pressure will see FOMC remains neutral. Q3 could paint a different picture for inflation.
	Inflation	Weaker	Inflation	Weaker	
	Employment	Stronger	Employment	Weaker	
EURO	Growth	Stronger	Growth	Neutral	Q2 Outlook is still weak as market waits for sign of rebounds
	Inflation	Stronger	Inflation	Neutral	
	Employment	Stronger	Employment	Neutral	
JPY	Growth	Neutral	Growth	Stronger	Domestic demand is holding up Japan's economy. Keep an eye on consumption tax increase deferment.
	Inflation	Stronger	Inflation	Stronger	
	Employment	Stronger	Employment	Neutral	
GBP	Growth	Stronger	Growth	Weaker	BOE will maintain its tightening bias due to inflation.
	Inflation	Neutral	Inflation	Stronger	
	Employment	Weaker	Employment	Weaker	
AUD	Growth	Weaker	Growth	Stronger	The odds of RBA's cut in June increases after Gov Lowe's speech & RBA Minutes. Economy looks set to pick up in Q2.
	Inflation	Weaker	Inflation	Stronger	
	Employment	Stronger	Employment	Stronger	
CAD	Growth	Weaker	Growth	Stronger	Crude price is the major catalyst as WTi falls below USD60/barrel
	Inflation	Stronger	Inflation	Stronger	
	Employment	Stronger	Employment	Neutral	
CHF	Growth	Neutral	Growth	Weaker	Sentiment based. SNB easing stance stays though growth beats forecast.
	Inflation	Stronger	Inflation	No data	
	Employment	Neutral	Employment	Stronger	
NZD	Growth	Weaker	Growth	Weaker	RBNZ will be looking at inflation figure for next policy direction.
	Inflation	Weaker	Inflation	Weaker	
	Employment	Weaker	Employment	Weaker	

USD: Neutral to Bearish

A slowdown in the US Service sector at the end of Q1 raises question about the strength of US economy. Forward looking indicators are showing Q1 performance that more or less on par with Q4 2018. Official numbers surprised to the high side. However, details revealed the higher reading is due to inventories and lower trade deficit.

Q2 outlook shows a weaker trend. Growth slows down, while inflation is not showing in the economy. May's employment data look weaker, as unemployment is expected to bounce higher.

Next Projection: June 2019

FOMC	Change in Annual Real GDP		Unemployment Rate				PCE Inflation			Core PCE Inflation							
FOMC Range (Central Tendency) Median	1.6-2.4 1.9-2.2 2.1		3.5-4.0 3.6-3.8 3.7				1.6-2.1 1.8-1.9 1.8			1.8-2.2 1.9-2.0 2.0							
Hard Data	Annual 3.2	QoQ 3.1	3.6				1.5	A 0.3	M	J	1.6	A 0.2	M	J			
Qualitative	Stronger	Stronger	Stronger				Stronger	Previous Average 0.2			Stronger	Previous Average 0.1					
Next Release	June 27 (Q1 3 rd Estimate)				June 7 (May)				June 28 (May)								
Correlated Data GDP	GDP (close to 2.5%)																
	Q1						Q2										
	January	February	March	April	May	June											
Balance of Trade	-51.1B	-49.3B	-50B	June 6													
Retail Sales	0.7	-0.2	1.7	-0.2			June 14										
Core Durable Goods Orders	-0.2	-0.1	0.3	0.0			June 26			July 25							
Industrial Production	-0.3	0.1	0.2	-0.5			June 14										
Correlated Data Inflation	Q1						Q2										
	January	February	March	April	May	June											
CPI	0.0	0.2	0.4	0.3			June 12										
Core CPI	0.2	0.1	0.1	0.1			June 12										
Gasoline Price	0.59	0.61	0.66	0.74													
Average Hourly Earnings	0.1	0.4	0.2	0.2			June 7										
PPI	-0.1	0.1	0.6	0.2			June 11										
Import Prices	0.1	1.0	0.6	0.2			June 13										
Correlated Data Employment	January	February	March	April	May	June											
	Non-Farm Payroll	311K	33K	189K	263K			June 7									
ADP Employment Change	264K	220K	151K	275K			June 5										
Unemployment Rate	4	3.8	3.8	3.6			June 7 (Weak)										
Initial Jobless Claims			213	224	218	224	216	212	204	197	193	230	230	228	212	212	215
Average			220K			207K			220K								
Labor Participation	63.2	63.2	63.0	62.8			June 7										
US COMPOSITE PMI																	
Q1: Average: 54.83 Annual at 2.5%									Q2								
January (2.5%)			February (2.5%)			March			April			May			June		
54.4			55.5			54.6			53.0			50.9					
	Date	Index (43.2%)	Production / Output (51.3%)	New Orders	Employment (50.6%)	Supplier Deliveries	Inventories	Prices	Backlog	New Export	Imports						
ISM Manufacturing (20%)	January	56.6	60.5	58.2	55.5	56.2	52.8	49.6	50.3	51.8	53.8						
	February	54.2	54.8	55.5	52.3	54.9	53.4	49.4	52.3	52.8	55.3						
	March	55.3	55.8	57.4	57.5	54.2	51.8	54.3	50.4	51.7	51.1						
	April	52.8	52.3	51.7	52.4	54.6	52.9	50.0	53.9	49.5	49.8						
	May																
	June																
ISM Non- Manufacturing (80%)	January	56.7	59.7	57.7	57.8	51.5	49.0	59.4	52.5	50.5	52.0						
	February	59.7	64.7	65.2	55.2	53.5	51.0	54.4	55.5	55.0	48.5						
	March	56.1	57.4	59.0	55.9	52.0	50.0	58.7	56.5	52.5	51.5						
	April	55.5	59.5	58.1	53.7	50.5	51.5	55.7	55.0	57.0	55.0						
	May																
	June																

Source: <https://www.federalreserve.gov/monetarypolicy/fomcprojtab120190320.htm>

PCE Data Link: <https://www.bea.gov/newsreleases/national/pi/pinewsrelease.htm>

EURO: Neutral

Q1 2019 Preliminary GDP indicates that Eurozone economy grew 0.4%.						
Q2 GDP: PMI April dan German IFO show that economic sentiments are still weak. Weak demands slow growth and inflation, choking the economy dealing with higher input prices due to rising oil price.						
Next Projection: June 2019						
ECB	HICP Inflation Annual			Real GDP Annual		EER
ECB Projection	(0.9-1.5) 1.2			(0.7-1.5) 1.1		100
Current Data	Annual 1.7	March 1.0	April 0.7	May	Annual 1.2	QoQ 0.4
Qualitative	Strengthening				Strengthening	Strengthening
Next Release	June 4 (Flash Q2 CPI)			June 6 (Q1 Revised)		
Correlated Data GDP	GDP (just below 0.2%)					
	Q1 (0.2%)			Q2 (0.2%)		
	January	February	March	April	May	June
Balance of Trade	17.4B	20.6B	17.9B	June 18		
Unemployment Rate	7.8	7.8	7.7	June 4		
Retail Sales MoM	0.9	0.5	0.0	June 5		
Industrial Production MoM	1.9	-0.1	-0.3	June 13		
EUROPE COMPOSITE PMI (just under 0.3%)						
Q1 Average 51.5 (Previous Average 52.3): GDP at 0.2%			Q2 Average 51.5 (Previous 51.5): GDP at 0.2%			
January	February	March	April	May	June	
51.0	51.9	51.6	51.5	51.6		

Source:

https://www.ecb.europa.eu/pub/pdf/other/ecb.projections201903_ecbstaff~14271a62b5.en.pdf?af658236cceaec83d737de31384fd18
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Effective Exchange Rate: https://www.ecb.europa.eu/stats/balance_of_payments_and_external/eer/html/index.en.html

ECB: EURUSD 1.14

Fixing: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

JPY: Neutral, move with risk sentiment

Q2 PMI shows that domestic and external demand conditions in manufacturing sector deteriorate. Output expectations turn negative in May for the first time since November 2012. Upcoming sales tax and Japan's Upper House election next month keep sentiment in check. We have a significant divergence between manufacturing and services, a result of domestic consumption vs global growth slowdown. Domestic demand is driven by frontloading due to the scheduled increase of sales tax to 10% in October.						
Market is beginning to see possible tightening measures by BoJ in its next policy move. June's Tankan is crucial to BoJ's decision.						
Next Projection: July 2019						
JPY	Core CPI (all items less fresh food) Annual			Real GDP		
BOJ Projection (median)	0.9 to 1.2 (1.1)			0.7 to 0.9 (0.8)		
Current Data	0.9	National Core CPI			0.5	
		March	April	May		
Qualitative	Strengthening			Neutral		
Next Release	June 21 (May)			June 9 (Q1 Final Reading)		
Correlated Data GDP	GDP					
	Q1			Q2		
	January	February	March	April	May	June
Balance of Trade	JPY-1417 B	JPY335 B	JPY528 B	JPY 60 B	June 18	
Retail Sales	-1.8	0.4	0.2	0	June 28	July 30
Industrial Production	-2.5	0.7	-0.6	0.6	June 28	
Correlated Data Inflation	Q1			Q2		
	January	February	March	April	May	June
Gasoline Price	1.30	1.29	1.31	1.33		
PPI	0.6	0.9	1.3	1.2	June 12	
SPPI	1.0	1.1	1.1	0.9	June 25	
Average Cash Earnings YoY	-0.6	-0.7	-1.9	June 7		
JAPAN COMPOSITE PMI						
Q1			Q2 (Indicative of GDP QoQ at 0.2%)			
January	February	March	April	May	June	
50.9	50.7	50.4	50.8			

Source: <http://www.boj.or.jp/en/mopo/outlook/gor1904a.pdf> (Page 9) Tankan Survey: 108.87 (108.80 1H & 108.93 2H)

GBP: Neutral, move with Brexit Headlines

Q2 PMI shows all 3 major parts of the economy, services, manufacturing and construction sectors, are struggling to grow. Upturn in manufacturing sector is showing signs of waning as stockpiling activities due to Brexit slows down in Q2. Forward looking order books and backlogs of work hint at a near-term weakness of demand, that could filter in through slower GDP and employment numbers. Inflation figure keeps BOE stance tighter. Brexit headlines dominate GBP move.

Next Projection: August 1, 2019

GBP	GDP					CPI Inflation	LFS Unemployment Rate
Central Projection	1.6					2.1	3.8
Current Data	Annual 1.8	QoQ 0.5	March	April	May	2.1	3.8
			-0.1				
Qualitative	Strengthening	Strengthening	Slower			Strengthening	Strengthening
Next Release	June 28 (Q1 Final)			June 10	July 10	June 19	June 11

Correlated Data	GDP					
	Q1			Q2		
	January	February	March	April	May	June
NIESR GDP Est	0.2	0.3	0.5	0.4	June 10	
Balance of Trade	GBP-6.71B	GBP-6.22B	GBP-5.41	June 10		
Claimant Count Change	15.7k	26.7k	22.6k	24.7k	June 11	
Retail Sales MoM	0.9	0.6	1.2	0.0	June 20	July 18
Industrial Production	0.7	0.6	0.7	June 10		
Index of Services	0.5	0.4	0.3	June 10		

UK COMPOSITE PMI

Q1: Average 50.57 (Previous 51.51) QoQ Expected 0.1			Q2		
January	February	March	April	May	June
50.3	51.4	50.00	50.9		

Source: <https://www.bankofengland.co.uk/-/media/boe/files/inflation-report/2019/may/inflation-report-may-2019.pdf?la=en&hash=D4985F6D513BF04EB81A28C53F6DB0CFB8CC09FB> (Page 30)

AUD: Bearish to Neutral

Q1 2019: A lower growth rate is expected. RBA's lowered its GDP projection from 2.5% to 1.75% for June 2019. Q1 PSI is showing a weaker average compared to Q4 2018. RBA points to the development in labour market as the direction of its stance. Q2 2019: Better numbers are expected.

Next Projection: August 2019

RBA	GDP Growth		Unemployment Rate	CPI Inflation	Underlying Inflation (Trimmed Mean)	TWI
RBA Projection	1.75		5.0	1.75	1.50	60.0
Current Data	YoY	QoQ	5.2	1.3	1.6	60.0
	2.3	0.2				
Qualitative	Slower	Slower	Slower	Slower	Slower	
Next Data	June 5 (Q1)		June 13 (May)	July 25 (Q2)		

Correlated Data	GDP					
	Q1			Q2		
	January	February	March	April	May	June
AIG PSI Index	44.3	44.5	44.8 (44.53 vs 52.77 Q4)	46.5	June 5	
Balance of Trade	A\$4.653B	A\$5.140B	A \$4.949	June 7		
Commodity Prices	6.5	9.7	10.2	14.4	June 3	
Employment Change	38,330	10,760	27,700	28,400	June 13	
Retail Sales	0.1	0.9	0.3	June 4		
PSI Retail Trade	39.9	39.4	38.5	37.7		
Correlated Data	Q1			Q2		
	January	February	March	April	May	June
	Gasoline Price	0.94	0.98	1.02	1.04	
MI Inflation Gauge	-0.1	0.1	0.4	0.2	0.0	July 1
PSI Selling Prices	47.0	43.4	44.8	42.1	June 5	

AUSTRALIA COMPOSITE PMI

Q1: Average: 47.97 (Previous 52.93)			Q2		
January	February	March	April	May	June
51.3	49.1	49.5	50.0	52.2	

Data Source: <https://www.rba.gov.au/publications/smp/2019/may/pdf/statement-on-monetary-policy-2019-05.pdf> (Page 75)

TWI: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html> (4pm Australia Time, 2pm Malaysia)

Valuation used in the monetary policy is based on A\$ at US\$0.70, TWI at 60 and Brent crude oil price at US\$68/barrel.

CAD: Bullish

Q1 2019: Ivey PMI is pointing to an overall lower economic activity during Q1. BOC changed its trajectory towards a more neutral stance and says it will be watching closely developments in household spending, oil markets, and global trade policy. However, recovery in crude price could be a push for the economy to expand, and March Ivey PMI points to some recovery in sentiment (0.2-0.3).

Next Projection: July 10, 2019

CAD	Real GDP (Annualized)					CPI Inflation				
BOC Projection	Q1 1.3 Q2 1.0 QoQ Q1 0.3 Q2 1.3					Q2 2.0				
Current Data (Annualized)	Annual 1.3	QoQ 0.4	March	April	May	2.0	April	May	June	
								0.4		
								Strengthening		
Qualitative	Slower	Strengthening				Common	Median	Trimmed		
Next Data	August 30 (Q2)			June 28		1.8	1.9	2.0		
Correlated Data	GDP									
	Q1			Q2						
	January	February	March	April	May	June				
Balance of Trade	-3.1B	-3.4B	-3.2B	June 6						
Core Retail Sales	-0.6	0.7	1.7	June 21						
Ivey Supplier Deliveries	41.7	51.9	46.2	48.7						
Employment Change	66.8k	55.9k	-7.2k	106.5K	June 7					
Ivey Employment	51.8	53.2	54.5	53.7						
Correlated Data Inflation	Q1			Q2						
	January	February	March	April	May	June				
Gasoline Price	0.81	0.86	0.94	1.03						
Ivey Prices Index	57.4	59.8	58.7	58.9						
CANADA IVEY PMI										
Q1: Average 53.2 (Previous 59.57)				Q2						
January	February	March	April	May	June					
54.7	50.6	54.3	55.9							

Source: <https://www.bankofcanada.ca/wp-content/uploads/2019/04/mpr-2019-04-24.pdf> (Page 10)

BOC assumption is CADUSD 0.75 or USDCAD 1.3333, Brent USD70 & WTI USD60.

CHF: Bearish, move with risk sentiment

Q1 2019: KOF Economic Barometer points to recovery at the end of Q1.
Q2 2019: Slower growth and activity are expected.

Next Projection: June 2019

CHF	CPI Inflation Quarterly			GDP Annual Growth		
SNB Forecast	0.6			1.5		
Current Data	0.7	Monthly CPI			Annual 1.7	QoQ 0.6
		March	April	May		
Qualitative	Neutral	0.5	0.2		Strengthening	
Next Data	June 3	June 3	June 3	September 5		
Correlated Data	GDP					
	Q1			Q2		
	January	February	March	April	May	June
Balance of Trade	CHF 1.37B	CHF 1.93B	CHF 2.49B	CHF 1.91B	June 20	July 18
Unemployment Rate	2.8	2.7	2.5	2.4	June 8	
Retail Sales	-0.2	0.5	0.0	0.2	July 1	August 2
SWITZERLAND KOF ECONOMIC BAROMETER						
Q1 Average: 95.52 (Previous 98.51)			Q2			
January	February	March	April	May	June	
96.22	93.13	97.20	96.24	94.45		

Source: Source: https://www.snb.ch/en/mmr/reference/pre_20190321_2/source/pre_20190321_2.en.pdf

SNB Projection based on Brent USD73/barrel, EURUSD 1.16

NZD: Bearish

Q1 2019 GDP: Average PCI drops lower after PSI printed the lowest figure since 2012. We are looking at a possible lower 2019 Q1 GDP figure as suggested by the PCI. Forward looking new orders index point to continued weakness. The increase in headline inflation is seen as a temporary factor caused by food and energy. Decreasing domestic and global demand turn RBNZ back to easing stance. Sentiment, especially on global yield and trade weigh on NZD's valuation.

Next Projection: August 2019

NZD	GDP Growth Quarterly				CPI Inflation Quarterly		CPI Inflation Annual		TWI	
RBNZ Projection	0.4				0.6		1.7		73.20	
Current Data	0.6				0.1		1.5		72.03	
Qualitative	Strengthening				Neutral		Slower			
Next Data	June 19 (Q1) (Weak)				July 16 (Q2)					
Correlated Data	GDP									
	Q1					Q2				
	January	February	March	April	May	June				
Balance of Trade	NZ\$-947.99M		NZ\$-68M		NZ\$824M		NZ\$433M		June 25 (Weak)	
GDT Price Index	2.8	4.2	6.7	0.9	3.3	1.9	0.8	0.5	0.4	-1.2
ANZ Commodity Prices	2.0		2.8		4.1		2.5		June 6	
Retail Sales	0.7					August 21				
Employment Change	-0.2					July 31				
Credit Card Spending	6.9		6.4		4.5		4.5		June 24	
Correlated Data Inflation	Q1					Q2				
	January	February	March	April	May	June				
FPI	1.0		0.4		0.5		-0.1		June 14	
NEW ZEALAND BUSINESS NZ PCI DATA										
Q1 Average: 53.83 (Previous 54.1)					Q2					
January	February	March	April	May	June					
56.1	53.7	51.7	51.6							

Seasonally Adjusted Time Series - BNZ - BusinessNZ Combined PMI & PSI						
Date	Index	Output	Employment	New Orders	Stocks	Deliveries
January	56.1	60.3	52.9	59.9	50.7	52.4
February	53.7	53.0	51.5	58.5	50.1	50.9
March	51.7	52.0	51.1	54.2	50.2	51.2
April	51.6	50.5	48.8	54.6	48.5	52.1
May						
June						

Source: <https://www.rbnz.govt.nz/-/media/ReserveBank/Files/Publications/Monetary%20policy%20statements/2019/mpsmay19.pdf?revision=e96f52d2-4875-4a31-97a8-415deaf9fee> (Page 37)

Data:

TWI <http://www.rbnz.govt.nz/statistics/b1> (3pm New Zealand, 11am Malaysia time)

PCI Data: <https://www.businessnz.org.nz/resources/surveys-and-statistics>

RBNZ: TWI 73. Dubai Oil Price USD65, Whole Milk Powder USD3,000/tonne

CNH: Neutral, Sign of Recovery

The benchmark interest rate in China was last recorded at 4.35 percent. It was last cut by 25 basis points in October 2015. On September 27th 2018, the People's Bank of China left interest rates for open market operations unchanged even after the Federal Reserve's decision to tighten monetary policy. The rate for 7-day reverse repurchase agreements remained at 2.55 percent, the 14-day tenor at 2.70 percent and the 28-day tenor at 2.85 percent, the central bank said in a statement on its website.

Q2 Caixin Manufacturing PMI "Overall, China's economy showed steady growth and resilience in May. The manufacturing sector saw demand rise from both overseas and domestic markets, and prices were stable. However, business confidence weakened, and manufacturers' inventory levels remained low. The trade tensions between the US and China are having an impact on confidence and the best way to respond to this is to boost the confidence of enterprises, residents and capital markets by carrying out favorable reforms and to undertake timely adjustments to regulations and controls."

DATA	January	February	March	April	May	June
GDP QoQ	6.4			July 17		
Trade Balance	USD393.4	USD37.9	USD324.2	USD138.39	June 10	
Industrial Production YoY	5.3		8.5	5.4	June 14	
CHINA COMPOSITE PMI						
Q1 Average: 51.5 (Previous 51.53)			Q2			
January	February	March	April	May	June	
50.9	50.7	52.9	52.7			

Disclaimer:

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