

TABLE OF CONTENTS	PAGE
Equity – Global equity market recorded positive return in April	1
Fixed Income – Global bond yields dropped in general	2
Commodities – Crude has the minus touch while Gold acted as safe haven	2
FX – USD was volatile but closing flat in April	3
Economic Calendar (May 2020)	3

Equity – Global equity market recorded positive return in April

- After significant drop in Q1 2020, global equities recovered some losses in April. This can be attributed to policy response announced globally by various countries and hopes of peaking of new COVID-19 cases. For developed market, S&P500 and Nasdaq surged 12.68% and 15.45%, respectively, while MSCI EU Index gained 5.85%. Meanwhile, emerging market equities also performed well with MSCI EM index up 9.00% MoM, where China CSI300 Index and ChiNext Index gained 6.14% and 7.37%, respectively. HSI and HSCEI gained 4.41% and 4.65% respectively.
- In China, NBS manufacturing PMI retreated by 1.2ppt to 50.8% in April implying the production resumption rate continued to improve in April, its sequential rate of improvement slowed compared with that in March, partly driven by weakening external demand. New Export Order Index fell sharply to 33.5% in April from 46.4% in March. PMI for employment fell by 0.7ppt to 50.2%, indicating that labor demand remained sluggish amidst the pandemic. Looking forward, the divergence between domestic demand and export growth may continue. With more fiscal relief expected to be rolled out, government-led investment may lead the charge in demand recovery in 2Q.

Index	Settle	Net Change (+/-%)		Valuation (2020)	
		MoM	YTD	PE	PB
DJIA	24,345.72	11.08%	-14.69%	21.78	3.49
S&P 500	2,912.43	12.68%	-9.85%	22.54	3.11
Nasdaq	8,889.55	15.45%	-0.93%	31.03	4.73
Nikkei	20,193.69	6.75%	-14.64%	16.84	1.44
FTSE100	5,901.21	4.04%	-21.76%	16.52	1.41
CAC40	4,572.18	4.00%	-23.52%	18.34	1.30
DAX	10,861.64	9.32%	-18.02%	17.56	1.28
SHCOMP	2,860.08	3.99%	-6.23%	11.44	1.23
CSI300	3,912.58	6.14%	-4.49%	12.17	1.56
ChiNext	2,307.37	7.37%	9.65%	27.96	4.41
HSI	24,643.59	4.41%	-12.58%	10.97	0.99
HSCEI	10,040.87	4.65%	-10.09%	8.59	0.98
TWSE	10,992.14	13.23%	-8.38%	16.54	1.73
KOSPI	1,947.56	10.99%	-11.38%	13.31	0.80
JCI	4,716.40	3.91%	-25.13%	0.00	0.00

Source: Bloomberg

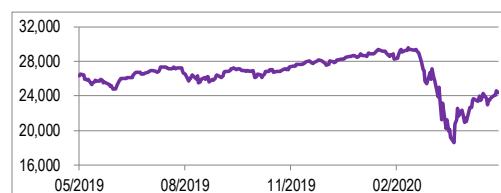


Fig. 1 One year performance of Dow Jones Index

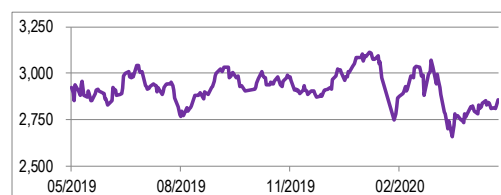


Fig. 2 One year performance of Shanghai Composite

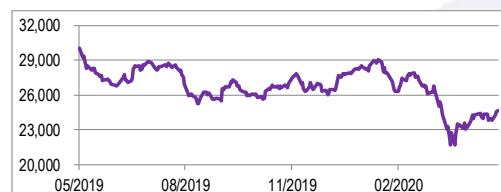


Fig. 3 One year performance of Hang Seng Index

Fixed Income – Global bond yields dropped in general

- Although the market sentiment improved and risk assets staged a rebound, driven by the Fed's policy on bond purchases, US yields continued on a downward trend. In late-April, news of easing lockdown restrictions and economic reopening saw yields a slightly rebound. 10Y US Treasury yields finally closed at 0.64%, down 3bp in April.
- With the ECB package propping up the bond market, Eurozone core government bond yields were down. Although EU failing to agree on a COVID-19 fiscal rescue package leading a sell-off on government bonds, the weak economic data in Europe helped to keep yields low. German 10Y government bond yields declined by 11.5bp in April.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	0.77%	0.57%	0.64%	-3	-128
US 30-yr Treasury Yield	1.41%	1.16%	1.28%	-4	-110
Euro 10-yr Govt Yield	-0.31%	-0.59%	-0.59%	-12	-40
Japan 10-yr Govt Yield	0.03%	-0.04%	-0.03%	-5	-2
China 10-yr Govt Yield	2.60%	2.48%	2.52%	-7	-63

Source: Bloomberg

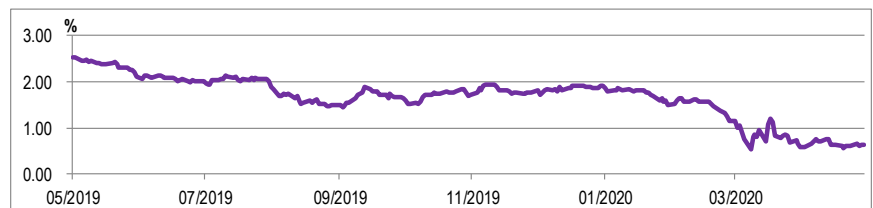


Fig. 4 One year performance of US 10-yr Treasury Yield

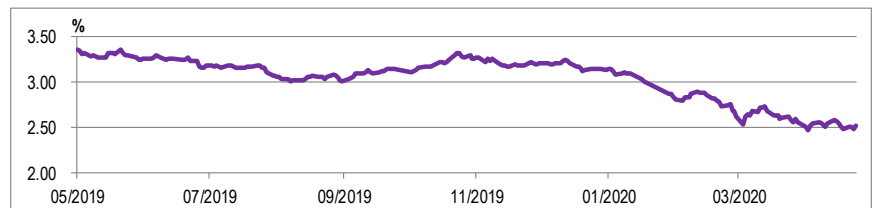


Fig. 5 One year performance of China 10-yr Treasury Yield

Commodities – Crude has the minus touch while Gold acted as safe haven

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	28.34	-37.63	18.84	-8.01%	-69.15%
Brent Oil (bbl)	34.11	19.33	25.27	11.13%	-61.71%
Gold Spot (oz)	1,730.51	1,577.18	1,686.50	6.93%	11.15%
CMX Silver (oz)	16.34	14.02	14.97	5.51%	-17.23%
CMX Copper (lb)	237.05	218.05	234.40	4.95%	-16.72%
LME Zinc (mt)	1,948.50	1,858.25	1,934.49	2.10%	-15.14%
LME Aluminum (mt)	1,492.50	1,425.85	1,459.00	-2.24%	-18.09%

Source: Bloomberg

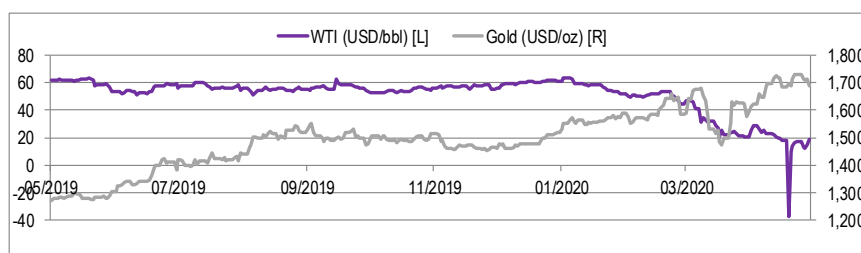


Fig. 6 One year performance of Oil and Gold Price

- Due to a nearing expiry date for US benchmark crude contracts and a lack of storage space, prompting a scramble for market participants to sell their contracts, the price of WTI crude plunged into negative territory for the first time in history and reached a record-low of USD-40.32/b. Meanwhile, low global demand led to large inventory builds. WTI finally went down by 8.01% while Brent went up 11.13% in April.
- In April, gold retained its safe haven status due to the devastating economic data and fragile risk sentiment. Bleak US employment data and fresh Fed stimulus buoyed the gold prices leading to an eight year high of USD1,747.36/oz in mid-April. Meanwhile, gold ETFs also had strong demand reflecting widespread investor interest. Although the gold price retreated a bit later in the month because of the improved risk sentiment, gold price finally closed at USD1,686.50/oz, up 6.93%MoM.

FX – USD was volatile but closing flat in April

- The USD was volatile in April. Economic activity in the US continued to decline, confirmed by a sharp contraction of GDP in Q1 2020. The Fed kept the policy rate target range at 0.00 – 0.25% on 29 April, showing not hurry to raise rates or deduce the scope of monetary policy support, including fresh stimulus announced in April. The DXY ended the month roughly flat, went down by 0.03% in April.
- In Europe, the EUR was the weakest G10 currency of the month. EU leaders and finance ministers struggled to strike a significant fiscal deal in response to the epidemic whilst Eurozone data was dragged into the doldrums by the ongoing lockdowns. The EUR eventually was down 0.7% against the USD in April. In UK, GBP was very much a risk-on currency in April and swung wildly with against the USD, but GBP-USD only ended the month up 1.4%.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	100.69	98.89	99.02	-0.03%	2.73%
EUR / USD	1.103	1.078	1.096	-0.69%	-2.30%
USD / CNH	7.123	7.047	7.082	-0.17%	1.72%
USD / JPY	109.2	106.7	107.2	-0.33%	-1.32%
GBP / USD	1.262	1.223	1.259	1.40%	-5.00%
USD / CAD	1.421	1.388	1.395	-0.83%	7.35%
AUD / USD	0.656	0.600	0.651	6.21%	-7.25%
USD / CHF	0.979	0.960	0.965	0.44%	-0.13%

Source: Bloomberg

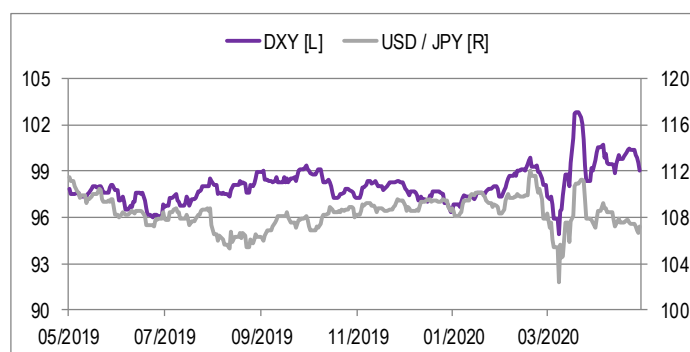


Fig. 7 One year performance of DXY and JPY

Economic Calendar (May 2020)

Monday	Tuesday	Wednesday	Thursday	Friday
				1 Markit US Manufacturing PMI Construction Spending MoM ISM Manufacturing
4 Factory Orders Durable Goods Orders	5 Trade Balance	6 MBA Mortgage Applications ADP Employment Change	7 Initial Jobless Claims	8 Change in Nonfarm Payrolls Unemployment Rate Wholesale Inventories MoM
11	12 CPI MoM	13 MBA Mortgage Applications PPI Final Demand MoM	14 Initial Jobless Claims	15 Retail Sales Advance MoM Empire Manufacturing Industrial Production MoM U. of Mich. Sentiment
18	19 Housing Starts	20 MBA Mortgage Applications	21 Initial Jobless Claims Markit US Manufacturing PMI Leading Index Existing Home Sales	22
25	26 Conf. Board Consumer Confidence New Home Sales	27 MBA Mortgage Applications	28 GDP Annualized QoQ Durable Goods Orders Initial Jobless Claims	29 Wholesale Inventories MoM Personal Income Personal Spending Chicago Purchasing Manager U. of Mich. Sentiment

Source: Bloomberg