

What's Hot Today:

► China Exports moderate in May while trade talks continues

May exports missed. According to the General Administration of Customs, China's exports in May reached US\$316bn, with a softer YoY growth of 4.8% after jumping 8.1% in April and rising 12.4% in March, mainly dragged by weaker US demand. Imports fell 3.4% YoY to US\$213bn, 3.2 ppts worse than April's level. The trade surplus edged up from US\$96.2bn in April to US\$103.2bn in May.

Exports to US continued to weaken. Shipment to the United States amounted to US\$28.8bn, down 34.5% YoY, accounting for 9% of total. Although the U.S. and China agreed to cut reciprocal tariffs from 125% to 10% starting May 14, exports to the U.S. in May marked the sharpest decline since February 2020, likely due to delayed shipments. Meanwhile, shipments to the Southeast Asian bloc, European Union and Africa remained strong, up 15%/12%/33% YoY, respectively, contributing for 18.5%/16%/ 6% of total, respectively.

Strong IC and Ship exports offset weakness in labor-intensive goods demand. In May, IC exports surged by 33.4% YoY, accelerating from the 20% growth in April. Ship exports also performed strongly, with a YoY increase of 44%. Clothing, automobiles, and equipment remained resilient, up 2.5%/14%/5.6% YoY, respectively. While declines were found in products targeting the US, such as furniture, mobile phone and home appliances deteriorated to 10%/23%/9%, respectively.

Our view: June exports are expected to improve as the effects of the delaying tariffs with the US. Leading shipping companies like Orient Overseas (316 HK, HK\$134.20, HK\$88.6bn) and COSCO SHIPPING (1919 HK, HK\$13.86, HK\$39.9bn) may continue to benefit from strong demand for preemptive exports. The latest round of negotiation between China and US in London this week is likely to be the near-term catalyst. It is reported that the two parties have agreed "in principle" to a framework to implement their trade truce. . (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	24,366	0.8%	21.5%
HSCBI	8,865	1.1%	21.6%
HSCCI	4,100	0.2%	8.4%
CSI300	3,894	0.8%	-1.0%
Shanghai A	3,566	0.5%	-3.9%
Shanghai B	256	-0.0%	-3.9%
Shenzhen A	2,117	0.7%	3.4%
Shenzhen B	1,182	0.6%	-2.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,865	-0.0%	0.8%
S&P 500	6,022	-0.3%	2.4%
Nasdaq	19,615	-0.5%	1.6%
Nikkei Index	38,270	-0.4%	-4.1%
FTSE Index	8,864	0.1%	8.5%
CAC Index	7,775	-0.4%	5.4%
DAX Index	23,948	-0.2%	20.3%

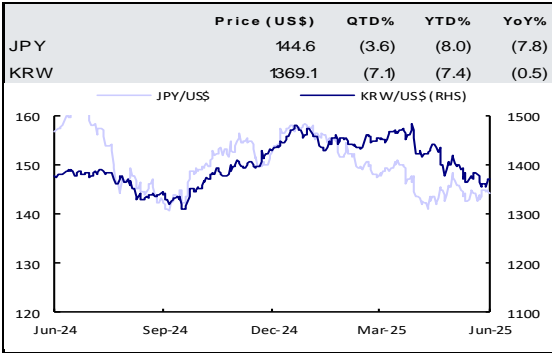
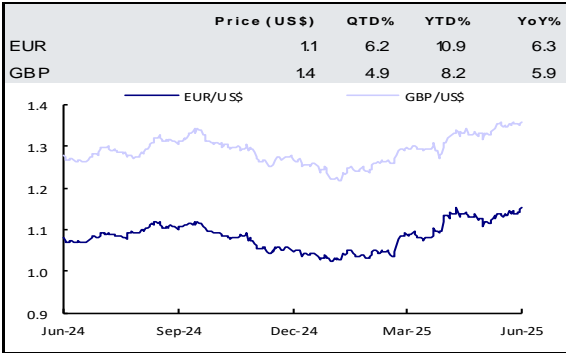
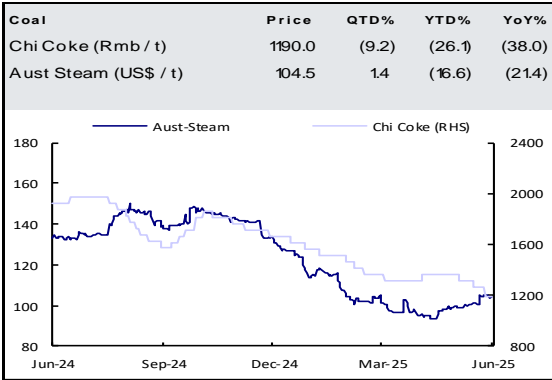
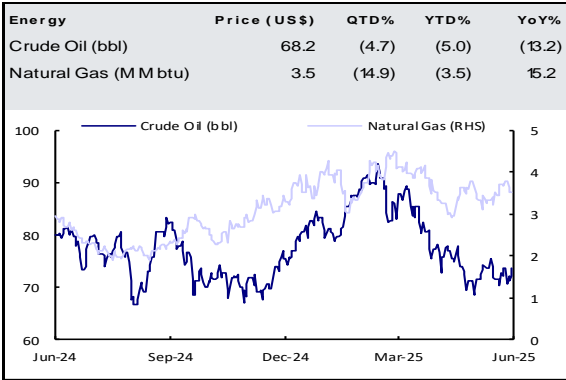
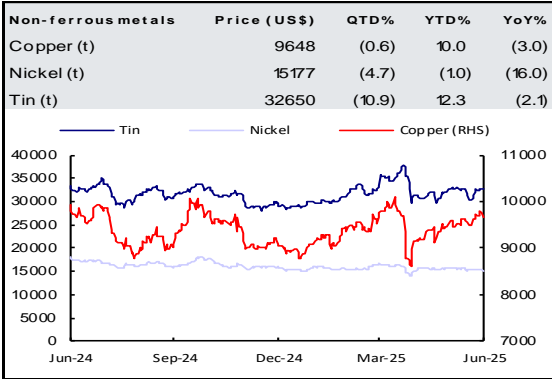
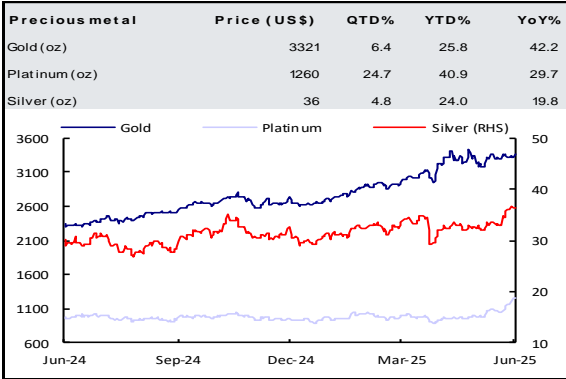
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,355	0.9%	28.3%
STEEL (US\$/oz.)	1,960	-1.0%	9.8%
SILVER (US\$/oz.)	36	-0.8%	25.8%
CRUDE OIL (US\$/bbl)	68	4.9%	-4.6%
COPPER (US\$/oz.)	9,648	-1.5%	10.0%
ALUMINIUM (US\$/oz.)	2,515	1.5%	-1.4%
PLATINUM (US\$/oz.)	1,259	3.3%	39.8%
ZINC (US\$/oz.)	2,653	0.2%	-10.9%
WHEAT (US\$/bu)	534	-0.0%	-3.2%
CORN (US\$/bu)	439	-0.1%	-1.0%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,050	-0.7%	1.2%
PVC (US\$/t.)	N/A	N/A	-6.8%
CRB	303	0.5%	3.0%
BDI			68.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.849	0.871	144.560	0.820	7.190
HKD	0.127		0.111	18.421	10.452	0.916
EUR	1.149	9.017		166.080	1.061	8.260
JPY	0.007	5.429	0.602		0.567	0.050
CHF	1.219	9.567	1.061	176.237		8.761
RMB	0.139	1.092	0.121	20.096	0.114	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	17	-2.0%

Source: Bloomberg

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		11-Jun-25
Initial Jobless Claims	WoW		12-Jun-25
PPI	MoM		12-Jun-25
Business Inventories	MoM		17-Jun-25
Retail Sales	MoM		17-Jun-25
Industrial Production	MoM		17-Jun-25
Housing Starts / Building Permits	MoM		18-Jun-25
Existing Home Sales	MoM		23-Jun-25
Consumer Confidence	MoM		24-Jun-25
New home Sales	MoM		25-Jun-25
Wholesale Inventories	MoM		26-Jun-25
Durable Goods Orders	MoM		26-Jun-25
GDP	QoQ		26-Jun-25
Personal Income & Spending	MoM		27-Jun-25
ISM Manufacturing PMI	MoM		1-Jul-25
Trade Balance	MoM		3-Jul-25
Factory Orders	MoM		3-Jul-25
Employment Report	MoM		3-Jul-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		12-Jun-25
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
PMI Manufacturing	MoM		30-Jun-25
Foreign Exchange Reserves	QoQ		7-Jul-25
PPI	MoM		9-Jul-25
CPI	MoM		9-Jul-25
Trade Balance	MoM		14-Jul-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Unemployment Rate	MoM		17-Jun-25
CPI	MoM		20-Jun-25
Trade Balance	MoM		26-Jun-25
Money Supply - M2	MoM		30-Jun-25
Retail Sales	MoM		2-Jul-25
PMI	MoM		4-Jul-25
Foreign Currency Reserve	MoM		7-Jul-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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