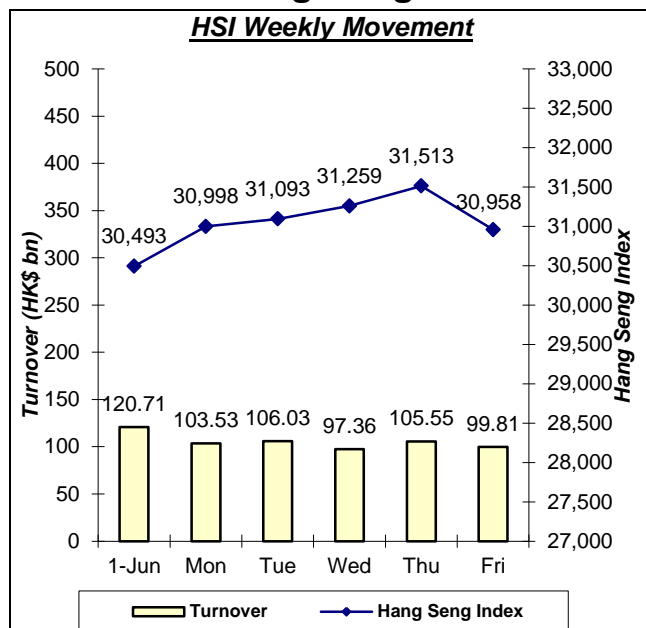


Hong Kong stocks tracked gains from the US titans



Weekly Market Statistics

Week ended	08/6/2018	01/6/2018	Change	%
Hang Seng Index	30,958	30,493	+465	+1.5%
HS Red Chip Index	4,658	4,632	+26	+0.6%
HS China Enterprises Index	12,166	12,020	+146	+1.2%
HS Hong Kong 35 Index	3,402	3,375	+27	+0.8%
HS Mainland 100 Index	9,430	9,283	+146	+1.6%
Growth Enterprise Index	254	252	+2	+0.7%
Avg Daily Turnover (HK\$ bn)	102.5	121.2	-19	-15.5%
Sectoral Indices				
Finance	42,343	41,713	+629	+1.5%
Utilities	55,737	55,486	+251	+0.5%
Properties	42,313	40,969	+1,344	+3.3%
Comm & Ind	18,693	18,481	+213	+1.2%

Review & Outlook of Market Performance

Hong Kong stocks extended the winning streak to a sixth straight session on Thursday, sending the benchmark gauge to its highest level in three weeks. The six-day winning streak came amid a recovery in the global risk appetite after the Nasdaq Composite Index advanced to its historical high, with tech giants such as Apple, Amazon, Microsoft, Facebook and Netflix all hitting records. Besides, the Sino-US trade friction seemed to abate temporarily as the US government announced to lift sanctions against ZTE (#763) after the Chinese telecom equipment maker agreed to pay US\$1 billion and removing its existing management team. Nevertheless, investors cashed in and pared half weekly gain on Friday, with the HSI and HSCEI settling at 30,958.21 and 12,165.79, up 1.5% and 1.2% w-o-w respectively. The average daily Mainboard turnover amounted to HK\$102.5 billion, down from HK\$121.2 billion in the previous week.

Sector-wise, China developers were among the top gainers this week as a number of HK-listed developers released strong sales data in May, reflecting the industry's solid fundamentals. In addition, the PBOC announced it would broaden the range of collateral it accepts as part of its medium-term lending facility, suggesting China is loosening its monetary policy slightly. The move helped boost the shares of rate-sensitive property stocks such as China Overseas (#688, +9.7% w-o-w), Country Garden (#2007, +9.9%) and China Resources Land (#1109, +5.4%) this week.

Looking ahead, market will be keenly watching two crucial events next week, which include the summit between US president Donald Trump and North Korean leader Kim Jong Un in Singapore on Tuesday, and the US Federal Reserve's meeting on Tuesday and Wednesday. Trader will likely focus more on the summit, while the Fed meeting is unlikely to cause any surprises, as a rate hike is already generally expected. On the other hand, market sentiment may be dented by the upcoming FIFA World Cup 2018 in Russia (first match on 14th June). History shows that stock markets performed badly during the tournament as investor attention was diverted to the game and capital could also be routed to gambling.

**US & Regional Markets Weekly Update**

Date	US Dow Jones	US NASDAQ	JAPAN Nikkei Avg	SINGAPORE STI	MALAYSIA KLSE Index	BANGKOK SET Index	TAIPEI Weighted Index
8th June	25,241.41*	7,635.07*	22,694.50	3,436.37	1,778.32	1,725.66#	11,156.42
1st June	24,635.21	7,554.33	22,171.35	3,427.51	1,756.38	1,719.82	10,949.08
Change	+606.20	+80.74	+523.15	+8.86	+21.94	+5.84	+207.34
%	+2.5%	+1.1%	+2.4%	+0.3%	+1.2%	+0.3%	+1.9%

Remark: (*) closing as of 7th June 2018; (#) closing as of 17:00 8th June 2018

Major Changes in Index Constituent Stocks (Week ended 8th June 2018)**Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @8/6/2018	W-O-W Change		Remarks / Comments
			Absolute	%	
AAC Tech	02018	HK\$127.1	+HK\$10.9	+9.4%	Shares in Apple-related firms traded higher this week as the US tech giant soared to a record high, due to strong investor reaction to a range of new software features revealed at its annual Worldwide Developer Conference
Sunny Optical	02382	HK\$168.3	+HK\$10.3	+6.5%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @8/6/2018	W-O-W Change		Remarks / Comments
			Absolute	%	
PICC Group	01339	HK\$4.0	+HK\$0.29	+7.8%	China's securities regulator approved the Shanghai initial public offering of Hong Kong-listed PICC Group. The Company applied to issue up to 4.6 billion A share, expecting to raise at least RMB10 billion.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @8/6/2018	W-O-W Change		Remarks / Comments
			Absolute	%	
China Resources Land	01109	HK\$28.8	+HK\$2.55	+9.7%	Shares of Chinese developers climbed this week as a number of HK-listed developers released strong sales data in May. In addition, their shares were buoyed by the PBOC's adjustment on its medium-term lending facility, which signalled slight loosening to the monetary policy.
China Overseas Land	00688	HK\$31.1	+HK\$1.6	+5.4%	

**Summary of US Economic News**

Indicator	Change/Index	Comments
International Trade – April 2018	-US\$46.2bn	The US trade deficit fell to a seven-month low at US\$46.2bn in April as exports rose to a record high, lifted by an increase in shipments of industrial materials and soybeans.
Initial jobless claims – week ended 2 nd June 2018	-1,000 w-o-w	Initial jobless claims decreased 1,000 w-o-w to a seasonally adjusted 222,000 for the week ended 2 nd June. The figures remained at low levels and were consistent with a low unemployment rate and strong job growth.

Forthcoming Important Announcements / Events

11 th June 2018 (Monday)	HK	:	Next Digital Ltd. (00282) – final results L`Occitane International (00973) – final results
	US	:	No important announcement/event
12 th June 2018 (Tuesday)	HK	:	Skyworth Digital (00751) – final results
	US	:	Consumer Price Index
13 th June 2018 (Wednesday)	HK	:	Yixin Group (02858) – 1Q result
	US	:	Producer Price Index – May 2018 FOMC Meeting Announcement
14 th June 2018 (Thursday)	HK	:	No important announcement/event
	US	:	Initial jobless claims – week ended 9 th June 2018 Retail Sales – May 2018
15 th June 2018 (Friday)	HK	:	Huifu Payment Limited (01806) – trading debut
	US	:	Industrial Production – May 2018



Important Disclosure / Analyst Declaration / Disclaimer

This report is published by East Asia Securities Company Limited, a wholly-owned subsidiary of The Bank of East Asia, Limited (“BEA”).

Each research analyst primarily responsible for the content of this report (whether in part or in whole) certifies that (i) the views on the companies and securities mentioned in this report accurately reflect his/her personal views; and (ii) no part of his/her compensation was, is, or will be, directly, or indirectly, related to specific recommendations or views expressed in this report.

This report has been prepared solely for information purposes and has no intention whatsoever to solicit any action based upon it. Neither this report nor its contents shall be construed as an offer, invitation, advertisement, inducement or representation of any kind or form whatsoever. This report is based upon information, which East Asia Securities Company Limited considers reliable, but accuracy or completeness is not guaranteed. The analysis or opinions expressed in this report only reflect the views of the relevant analyst as at the date of the release of this report which are subject to change without notice. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific recipient. This report should not be regarded by recipients as a substitute for the exercise of their own judgment. Investments involve risks and investors should exercise prudence in making their investment decisions and obtain separate legal or financial advice, if necessary. East Asia Securities Company Limited and / or The Bank of East Asia Group accepts no liability whatsoever for any direct or consequential loss arising from any use of or reliance on this report or further communication given in relation to this report.

At the time of preparing this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein, while BEA along with its affiliates/associates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this report. East Asia Securities Company Limited is currently a market maker of certain stock options listed on The Stock Exchange of Hong Kong Limited (“HKEx”), an updated list of which can be found on the website of HKEx, <http://www.hkex.com.hk>. BEA and its affiliates/associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

BEA and/or any of its affiliates/associates may beneficially own a total of 1% or more of any class of common equity securities of the company or companies mentioned in this report and may, within the past 12 months, have received compensation and/or within the next 3 months seek to obtain compensation for investment banking services from the company or companies mentioned in the report.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in, any locality, state, country or other jurisdiction, publication, availability or use would be contrary to law and regulation.