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## Top News\* Chinese Tech Stocks Still Have Valuation Appeal After Rally

The cheap valuations for Chinese tech stocks are appealing to more investors after an earnings season with better profits, more buybacks and dividends.

Analysts have raised the Hang Seng Tech Index's forward-earnings estimates to a three-year high after Tencent Holdings Ltd. and others delivered better-than-expected profits. The results, coming after Beijing eased its years of regulatory crackdown, suggest that shares of Chinese tech firms may have bottomed.

Some investors have already returned to the battered sector, driving the Hang Seng Tech Index up by 38% since the end of January. Even after that run, the gauge tracking China's major tech firms, is trading at less than 17 times forward-earnings estimates, compared with its five-year historical average of 26 times. The Nasdaq 100 is also at 26 times.

The index is still more than 60% off its 2021 peak. Its steep decline drove valuations to multiyear lows, but concerns over Beijing's policies and waning economic growth had kept investors away earlier. In recent months, policymakers have increasingly put in more support for the economy, and said tech companies will help drive innovation.

## Market News APAC

- China Vanke Co. is taking out more bank loans, a sign that the struggling industry's bellwether is seeking more liquidity as it waits for government support for builders. The Shenzhen-based company has applied for a 1.2 billion yuan (\$166 million) loan from Bank of China's branch in the city, according to an exchange filing on Monday. The funds, to be used for a development project in Changzhou, has been withdrawn from the bank, it said. The loan, while adding to its debt, may signal that the company is keen on seeing the project completed amid a slew of recent government measures to buy properties and spur more demand.
- MSCI Inc.'s benchmark for Southeast Asian stocks is on the brink of breaking a six-year resistance trendline for the first time since August 2023, as global risk sentiment improve on the prospect of Federal Reserve interest-rate cuts. The gauge's advance was also boosted by an outperformance in Malaysian stocks, thanks to foreign inflows this month. A sustained move above the resistance level may portend further gains for the region's equities, potentially breaking the infamous "Sell in May" seasonality.

Indices Asia	Last	Change	YTD
Nikkei225	39135.91	0.17%	16.95%
KOSPI Comp	2727.17	-0.55%	2.70%
S&P/ASX200	7847.50	-0.21%	3.38%
Hang Seng	19257.35	-1.93%	12.98%
Shanghai Comp.	3160.51	-0.34%	6.25%
TWSE Taiwan	21225.07	-0.22%	18.33%
MSCI Singapore	1453.73	0.00%	8.75%
MSCI Malaysia	504.50	0.00%	10.19%
JCI Indonesia*	7246.52	-0.28%	-0.39%
SET Thailand*	1375.10	-0.26%	-2.88%
PCOMP Philippines*	6633.36	-0.74%	2.84%
VN-Index*	1275.62	-0.15%	12.88%
Sensex India*	74005.94	0.12%	2.44%

\*as of yesterday

Indices USA	Yesterday	Change	YTD
DJIA	39806.77	-0.49%	5.62%
S&P500	5308.13	0.09%	11.29%
Nasdaq100	18674.19	0.69%	10.98%
VIX	12.15	1.33%	-2.41%

Indices Europe	Yesterday	Change	YTD
EuroStoxx50	5074.34	0.20%	12.23%
SMI	12037.99	0.76%	8.08%
DAX	18768.96	0.35%	12.04%
MSCI UK	8744.29	0.10%	10.57%
CAC40	8195.97	0.35%	8.65%

Currencies	Last	Change	YTD
USD/CHF	0.9111	0.05%	-7.65%
EUR/USD	1.0855	-0.02%	-1.67%
GBP/USD	1.2706	0.00%	-0.20%
USD/JPY	156.4800	0.14%	-9.87%
AUD/USD	0.6655	-0.18%	-2.30%
NZD/USD	0.6097	-0.13%	-3.51%
USD/KRW	1365.6500	0.72%	-5.68%
USD/HKD	7.8000	0.02%	0.15%
USD/SGD	1.3480	0.04%	-2.05%
USD/THB	36.2550	0.62%	-5.83%
USD/IDR	16016.5000	0.26%	-3.87%
USD/INR	83.3325	-0.20%	-0.15%
USD/PHP	58.1150	0.38%	-4.69%
USD/TWD	32.3250	0.22%	-5.00%
USD/CNH	7.2423	-0.06%	-1.61%

Treasury	Yield	Change	YTD
US10Y	4.45	0.00%	14.65%
EUR10Y	2.53	0.01%	25.06%
JGB10Y	0.98	0.00%	60.69%
AUD10Y	4.25	0.02%	7.53%
NZD10Y	4.64	0.02%	0.18%
CNY10Y	2.31	0.01%	N.A.

Commodities	Last	Change	YTD
Gold	2411.82	-0.56%	16.91%
Silver	31.27	-1.73%	31.43%
Brent Crude Oil	83.27	-0.53%	8.95%

Singapore Time: 11:23:34 AM

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### What to Watch\*

- China's Gold Imports Slow as Record Prices Temper Demand
- Hong Kong Stock Rally May Have Gone Too Far, Technicals Show
- Evergrande Founder's Seized HK Mansion Sells at Discount
- Japan's Insurers Surge on Buybacks, Unwind of Cross-Holdings
- Sumitomo Chemical Files for Yen Bond Sale After Huge Job Cuts
- Samsung Replaces Chip Chief After SK Hynix Takes AI Lead
- Big IPOs Seen Making a Comeback in India as Stock Boom Continues
- Malaysia Airports Shareholder Expresses Doubt on Takeover Bid

### Market News EU & US

- Palo Alto Networks Inc. slid in late trading after giving a downbeat sales forecast for the current period, renewing concerns about a slowdown in cybersecurity services. Revenue in the fiscal fourth quarter will be \$2.15 billion to \$2.17 billion, the company said in a statement Monday. Analysts had anticipated a number at the high end of that range, according to data compiled by Bloomberg. The tepid outlook follows another disappointing quarterly report in February, when Palo Alto Networks shares suffered their worst single-day drop ever. At the time, Chief Executive Officer Nikesh Arora said customers were facing "spending fatigue" in cybersecurity. That stoked fears that clients were tightening their budgets in spite of an uptick in attacks. Fourth-quarter billings – a closely watched benchmark – will be \$3.43 billion to \$3.48 billion in the period, which runs through July, Palo Alto Networks said. Analysts had estimated \$3.47 billion. Shorter contracts and strategy changes have been weighing on bookings at Palo Alto Networks, Bloomberg Intelligence said. But management expects growth to pick up in the second half of 2024.
- GSK Plc is facing a whistleblower lawsuit that could potentially cost it billions of dollars from the laboratory that revealed the presence of a probable carcinogen in

Zantac, the heartburn medication that the UK drugmaker invented and turned into a blockbuster. An amended complaint filed Monday contends that GSK hid Zantac's cancer risks for decades while Medicare, Medicaid and other US government health programs covered prescriptions for the antacid. The lawsuit, which hasn't been reported before, was brought by Connecticut-based Valisure, the independent lab that raised the alarm about Zantac's cancer risks in 2019. GSK has said there's "no consistent or reliable evidence" that Zantac increases the risk of cancer of any kind.

### Overnight News

- JPMorgan's CEO Dimon Says Succession Is 'Well on the Way'
- JPMorgan's Kolanovic Is Last Prominent Bear as Mike Wilson Folds
- Crypto Lifted by Ether's Biggest Jump Since 2022 on ETF Outlook
- It's PhDs Against MBAs in Credit Investing as Quants Jump In
- Gold Consolidates Near Record as Rate-Cut Optimism Holds Sway

### Earnings Releases (Source: Bloomberg)

- ALS Ltd. (ALQ AU)
- Sun Art Retail Group Ltd. (6808 HK)
- Tongcheng Travel Holdings Ltd. (780 HK)
- VTech Holdings Ltd. (303 HK)

### Rating Changes (Source: Bloomberg)

- Harvey Norman Raised to Outperform at Macquarie; PT A\$5.30
- Sunac China Cut to Sell at UOB Kay Hian; PT HK\$1.06
- Murata Raised to Buy at BofA; PT 3,500 Yen
- Bursa Malaysia Raised to Buy at RHB Research Institute
- Kasikornbank Raised to Buy at CLSA; PT THB165
- Frasers Centrepoint Raised to Overweight at JPMorgan; PT S\$2.45
- SGX Raised to Overweight at JPMorgan; PT S\$10.50

**Key Economic Event for this Asia-Pacific Week (Last Update on 20 May 2024)**

Time	SG/Country	Event	For	Survey	Prior
<b>Monday, 20 May 2024</b>					
9:15	CH	5-Year Loan Prime Rate	20-May	3.95%	3.95%
9:15	CH	1-Year Loan Prime Rate	20-May	3.45%	3.45%
10:30	TH	GDP YoY	1Q	0.80%	1.70%
10:30	TH	GDP SA QoQ	1Q	0.60%	-0.60%
11:00	ID	BoP Current Account Balance	1Q	-\$1866m	-\$1290m
12:00	MA	Exports YoY	Apr	14.10%	-0.80%
12:00	MA	Imports YoY	Apr	17.80%	12.50%
12:00	MA	Trade Balance MYR	Apr	11.80b	12.81b
12:30	JN	Tertiary Industry Index MoM	Mar	-0.10%	1.50%
16:00	TA	Export Orders YoY	Apr	6.10%	1.20%
16:20	TA	BoP Current Account Balance	1Q	--	\$34839m
16:30	HK	Unemployment Rate SA	Apr	3.00%	3.00%
<b>Tuesday, 21 May 2024</b>					
5:00	SK	Consumer Confidence	May	--	100.7
8:00	SK	Exports 20 Days YoY	May	--	11.10%
8:00	SK	Imports 20 Days YoY	May	--	6.10%
9:30	AU	RBA Minutes of May Policy Meeting			
<b>Wednesday, 22 May 2024</b> (Exchange Holiday: Malaysia, Singapore, Thailand)					
7:50	JN	Trade Balance	Apr	-¥297.0b	¥366.5b
7:50	JN	Trade Balance Adjusted	Apr	-¥717.6b	-¥701.5b
7:50	JN	Exports YoY	Apr	11.00%	7.30%
7:50	JN	Imports YoY	Apr	8.80%	-4.90%
7:50	JN	Core Machine Orders MoM	Mar	-2.00%	7.70%
7:50	JN	Core Machine Orders YoY	Mar	1.40%	-1.80%
10:00	NZ	RBNZ Official Cash Rate	22-May	5.50%	5.50%
15:20	ID	BI-Rate	31-May	6.25%	6.25%
16:00	TA	Unemployment Rate	Apr	3.40%	3.40%
<b>Thursday, 23 May 2024</b> (Exchange Holiday: Indonesia)					
6:45	NZ	Retail Sales Ex Inflation QoQ	1Q	-0.30%	-1.90%
8:00	SI	GDP YoY	1Q F	2.50%	2.70%
8:00	SI	GDP SA QoQ	1Q F	-0.20%	0.10%
9:00	AU	Consumer Inflation Expectation	May	--	4.60%
9:00	CH	Swift Global Payments CNY	Apr	--	4.69%
13:00	SI	CPI YoY	Apr	2.70%	2.70%
13:00	SI	CPI NSA MoM	Apr	--	-0.10%
13:00	SI	CPI Core YoY	Apr	3.10%	3.10%
14:00	JN	Machine Tool Orders YoY	Apr F	--	-11.60%
16:00	TA	Industrial Production YoY	Apr	11.00%	3.99%

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16:30	HK	CPI Composite YoY	Apr	2.00%	2.00%
<b>Friday, 24 May 2024</b>					
<b>(Exchange Holiday: Indonesia)</b>					
6:45	NZ	Exports NZD	Apr	--	6.50b
6:45	NZ	Trade Balance NZD	Apr	--	588m
6:45	NZ	Trade Balance 12 Mth YTD NZD	Apr	--	-9873m
6:45	NZ	Imports NZD	Apr	--	5.91b
7:30	JN	Natl CPI YoY	Apr	2.40%	2.70%
7:30	JN	Natl CPI Ex Fresh Food YoY	Apr	2.20%	2.60%
7:30	JN	Natl CPI Ex Fresh Food, Energy YoY	Apr	2.40%	2.90%
12:00	MA	CPI YoY	Apr	1.90%	1.80%
13:00	SI	Industrial Production YoY	Apr	-0.70%	-9.20%
13:00	SI	Industrial Production SA MoM	Apr	6.00%	-16.00%
13:30	JN	Nationwide Dept Sales YoY	Apr	--	9.90%
13:30	JN	Tokyo Dept Store Sales YoY	Apr	--	10.90%
15:30	TH	Gross International Reserves	17-May	--	\$224.1b

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