



Morning Brief

7th June 2019

Overnight Markets

Equities	Close	Chg	Pct %
Dow Jones	25,720.7	181.1	0.71%
S&P 500	2,843.5	17.3	0.61%
Nasdaq	7,615.6	40.1	0.53%
FTSE 100	7,259.9	39.6	0.55%
Dax Index	11,953.1	-27.7	-0.23%
CAC 40	5,278.4	-13.6	-0.26%
Hang Seng	26,965.3	69.8	0.26%
Nikkei	20,774.0	0.0	0.00%
SPI Futures	6,414.0	28.0	0.44%
Commodities	Close	Chg	Pct %
Brent Crude US\$/bbl	62.22	-0.02	-0.03%
Spot Gold US\$/oz	1,334.58	-0.79	-0.06%
Copper COMEX (\$US/t)	2.65	0.02	0.91%
Currencies	Close	Chg	Pct %
AUD / USD	0.6977	-0.0001	-0.01%
EUR / USD	1.1278	0.0003	0.03%
AUD / GBP	0.5495	-0.0002	-0.05%
EUR / AUD	1.6168	0.0006	0.04%
USD / YEN	108.4320	0.0435	0.04%
Rates	Close	Chg	Pct %
\$A Cash Rate	1.25	-0.250	-16.67%
\$A 3 Yr Bond	1.08	0.026	2.41%
\$A 10 Yr Bond	1.49	0.018	1.23%
\$US 10 Year Bond	2.12	-0.014	-0.64%
\$US 30 Year Bond	2.61	-0.035	-1.33%
Companies	Close	Chg	Pct %
Apple Inc	185.22	2.68	1.47%
LVMH	349.90	-0.45	-0.13%
Disney	137.21	1.27	0.93%
Microsoft	127.82	1.99	1.58%
Google	1,044.34	2.12	0.20%
JP Morgan	110.37	0.24	0.22%
Amazon	1,754.36	15.86	0.91%

Overnight Highlights Need to Know

Donald Trump may delay imposing tariffs on Mexico. The U.S. is considering putting off implementation of the 5% levy as negotiations over border security continue and the Mexican government pushes for more time, people familiar said. The situation remains fluid: One official said the most likely outcome is that the tariff goes into effect on Monday but could be short-lived.



DELAY WEIGHED

The NBA banned Golden State Warriors part-owner Mark Stevens from attending any league games or team activities for one year and fined him \$500,000 after he pushed Toronto's Kyle Lowry during a game on Wednesday night. Stevens pushed and swore at Lowry after the player dived into the stands chasing a loose ball during Game 3 of the series in Oakland, California. The billionaire venture-capital investor was ejected after the incident.

"Mr. Stevens's behavior last night did not reflect the high standards that we hope to exemplify as an organization," the team said in a statement. "We're extremely disappointed in his actions and, along with Mr. Stevens, offer our sincere apology to Kyle Lowry and the Toronto Raptors."



Kyle Lowry, left, argues with Mark Stevens on June 5.
Photo: Bloomberg



Morning Brief

GLOBAL MARKET

Betting on Fed Cuts

Amount of U.S. monetary easing priced in ramps up on ADP jobs data



US Equities jumped on the possible tariff deferral, with the S&P logging a third straight day of gains. Treasuries pared their advance but remained higher on speculation central banks will stay dovish given trade war concerns.

European Equities were mixed, with the Stoxx 600 little changed. Italian bonds fell, while other sovereigns rose. Most G-10 currencies gained versus the dollar; the Danish krone and euro led the basket.

Asian Equities Asian stocks looked set to follow their U.S. counterparts higher amid optimism Washington may delay a plan to impose tariffs on Mexico. Futures rose in Japan and Australia, with markets in Hong Kong and China shut for holidays.

S&P 500 Gross Margin Hits Highest Level Since June 2000

Big Profits

S&P 500 gross margin is at its highest level in 19 years



Who goes to university in the U.K.

Women now far outnumber men among students at UK universities

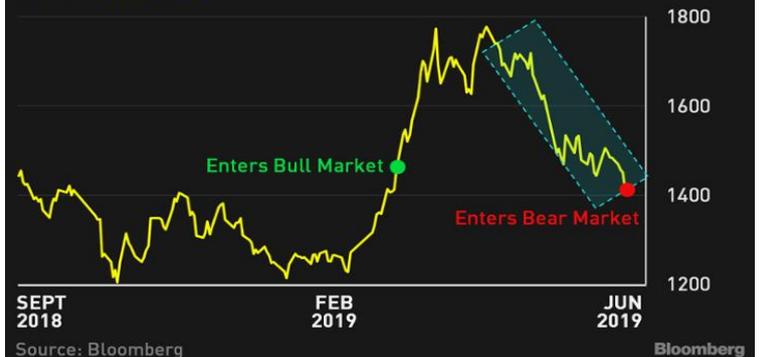
Percentage of cohort who have entered higher education by age 19*, by sex



China's tech-heavy small-cap stock gauge entered a bear market Thursday as the pressures of the trade war, the expected start of a rival board and waning investor interest weighed on sentiment. The ChiNext was the first major Chinese equity gauge to enter a bull market in late February, as traders wagered that liquidity conditions would be eased because the economy showed signs of slowing. It's now the first to enter a bear market, at the end of a shortened week. Source: Bloomberg

BEARING DOWN

ChiNext Index Level





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ASX MARKET

S&P/ASX 200 Index futures rose 0.4% to 6,414 of 6:59 a.m. U.S. stocks climbed on hopes that tariffs on Mexico could be delayed.

Stock To Watch

RATINGS CHANGES:

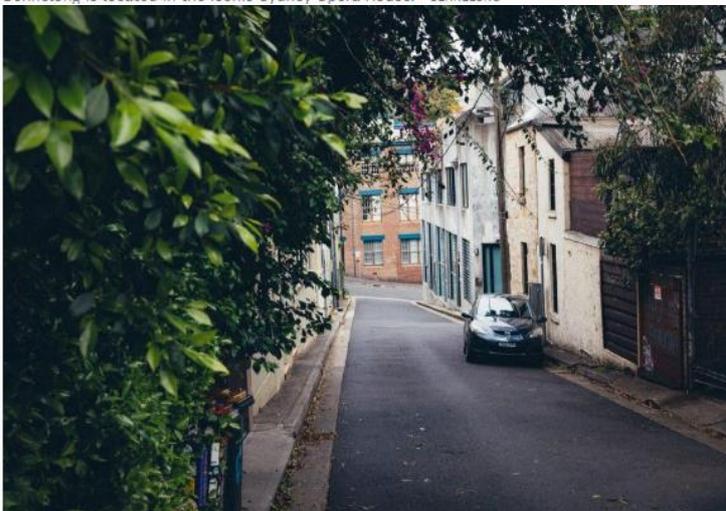
- * JB Hi-Fi (JBH AU): JB Hi-Fi Downgraded to Neutral at JPMorgan; PT A\$29
- * Rio Tinto (RIO LN): Rio Tinto Downgraded to Underweight at Barclays
- * Super Retail (SUL AU): Super Retail Downgraded to Neutral at JPMorgan; PT A\$9.50
- * Think Childcare (TNK AU): Think Childcare Cut to Hold at Wilsons; Price Target A\$1.95



Photo: Getty



Bennelong is located in the iconic Sydney Opera House. BENNELONG



Surry Hills is one of Sydney's hippest neighborhoods. YANG XIA

Your Weekend Guide to Sydney: Where to Eat, Stay, and Play

Where to Stay in Sydney: Perched on at the northern end of The Rocks, **Pier One Sydney** Harbour occupies a former terminal for ocean liners. Located in the hip, yet edgy neighborhood of Chippendale, **Old Clare Hotel** is a design lover's dream. Spread out over two historic buildings, the quirky 62-room boutique property is a member of the Unlisted Collection, a global group of design-focused properties founded by Singapore-based lawyer-turned-hotelier Loh Lik Peng.

Where to Eat and Drink in Sydney: Barangaroo House. The latest venture by celebrated chef Matt Moran is big and beautiful. **Baxter Inn.** If you're down with the brown, head to this dimly lit, perpetually packed basement bar specializing in whiskey. (The infamous backlit wall stocks over a whopping 800 bottles.) **Bennelong's** a tough act to beat. For starters: it's located in the iconic Sydney Opera House. The design is unmistakable, too, with soaring ceilings and warm light that casts the interiors aglow.

What to Do in Sydney: Two iconic sites are a must, and thankfully, they're both easy to navigate. **The Sydney Harbour Bridge** (frequently referred to as the "Coathanger") links the North Shore to the central business district (CBD). From the bridge, you'll have views of another marvel, the **Sydney Opera House**. Surry Hills is arguably the hippest and populated with independently owned shops from boutique fitness studios (like Cyclopedia Club and Physicore) to buzzy eateries. Source: Forbes



Morning Brief

Graphs of the Day:
The Social Media Universe

Visualizing 40 Years of Music Industry Sales
Farmers get a fraction of the money
you spend on your morning coffee

Cost breakdown for a £2.50 cup*



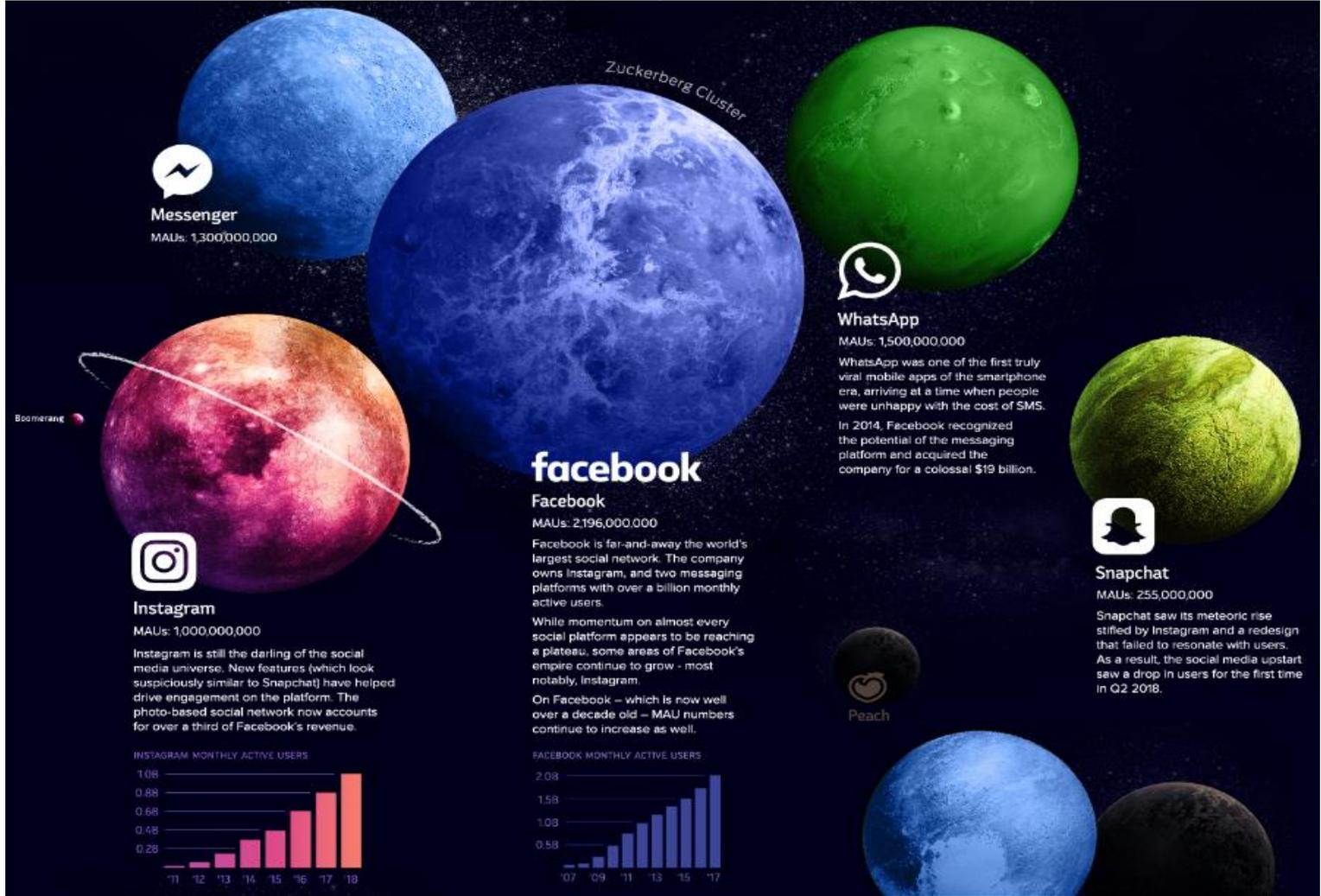
Source: FT



Morning Brief

The Social Media Universe

Billions of people around the world grew up during the age of social media, and mankind is slowly marching toward a future where nearly everyone will be a digital native. For the one-third of humanity that now uses a smartphone, messaging and status updates are often more natural than having a live conversation. In a world where social interactions are peppered with emojis and funneled through a front-facing camera, the platforms we use become more than mere service providers; they are the connective tissue of our society. What services are people using to communicate?



Top Social / Messaging Platforms

By monthly active users



In 2015, Facebook surpassed 50% market penetration among all internet users.



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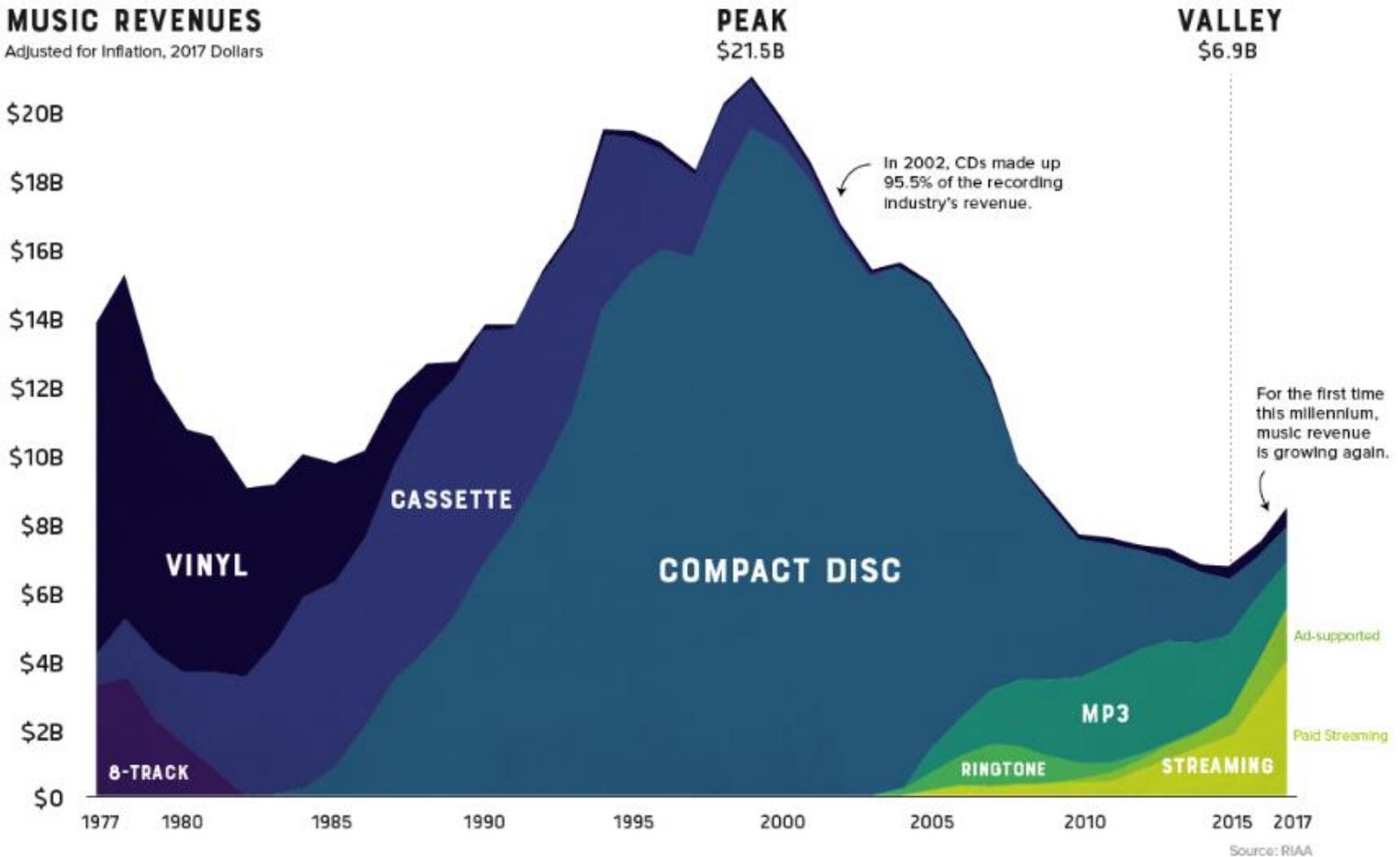


Visualizing 40 Years of Music Industry Sales

The record industry has seen a lot of change over the years. 8-tracks took a short-lived run at the dominance of vinyl, cassettes faded away as compact discs took the world by storm, and through it all, the music industry saw its revenue continue to climb. That is, until it was digitally disrupted. Looking back at four decades of U.S. music industry sales data is a fascinating exercise as it charts not only the rise and fall the record company profits, but seismic shifts in technology and consumer behavior as well.

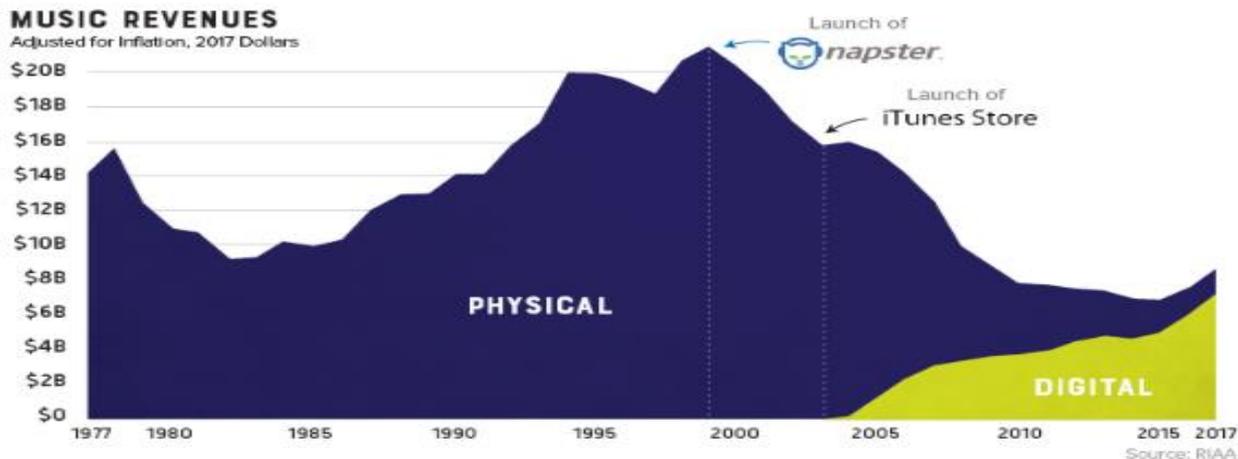
MUSIC REVENUES

Adjusted for Inflation, 2017 Dollars



MUSIC REVENUES

Adjusted for Inflation, 2017 Dollars





Morning Brief

Charting the Relationship Between Money and Happiness

Money and Happiness

First, a thinking exercise. Let's say you have two hypothetical people: one of them is named Beff Jezos and he's a billionaire, and the other is named Jill Smith and she has a more average net worth. Who do you think would be happiest if their wealth was instantly doubled?

Beff might be happy that he's got more in the bank, but materially his life is unlikely to change much – after all, he's a billionaire. On the flipside, Jill also has more in the bank and is likely able to use those additional resources to provide better opportunities for her family, get out of debt, or improve her work-life balance. These resources translate to real changes for Jill, potentially increasing her level of satisfaction with life. Just like these hypotheticals, the data tells a similar story when we look at countries.

THE RELATIONSHIP BETWEEN MONEY AND HAPPINESS

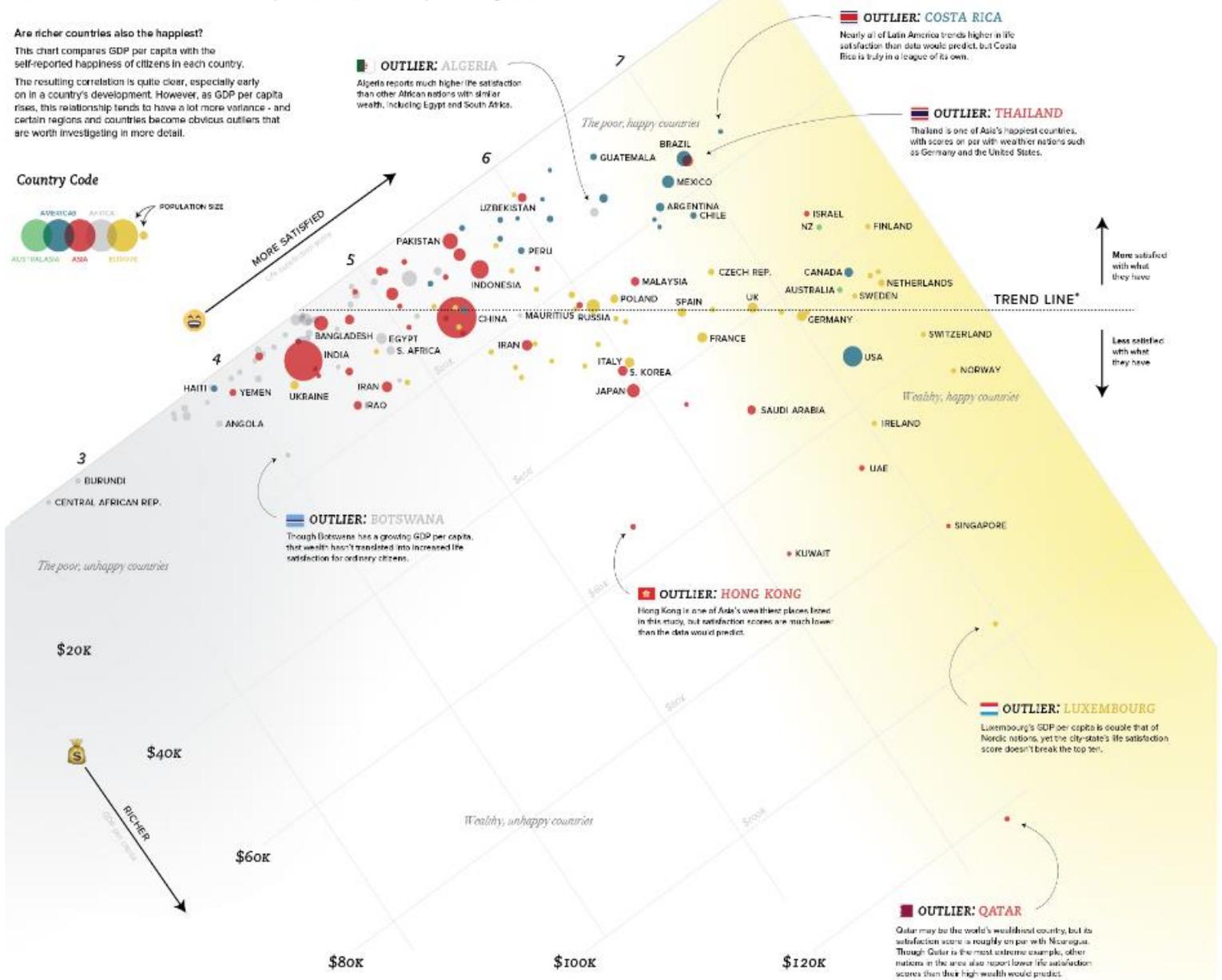
Life satisfaction increases with wealth to a point, and there are many interesting outliers

Are richer countries also the happiest?

This chart compares GDP per capita with the self-reported happiness of citizens in each country.

The resulting correlation is quite clear, especially early on in a country's development. However, as GDP per capita rises, this relationship tends to have a lot more variance - and certain regions and countries become obvious outliers that are worth investigating in more detail.

Country Code



SOURCE: Gallup, World Bank *Trend line is calculated based on the 125 most populous countries