



GRANDATION CAPITAL

RESEARCH DEPARTMENT

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Companies mentioned in this report
(price as 7/9/19 market close)

Ticker	Price 7/9/19	WoW
SNAP.N	\$ 15.25	6.27%
TWTR.N	\$ 37.65	4.35%
AMZN.O	\$ 1,988.30	3.44%
FB.O	\$ 199.21	3.22%
GOOGL.O	\$ 1,124.29	2.21%
NFLX.O	\$ 379.93	1.42%
BILI.O	\$ 16.60	0.73%
EXPE.O	\$ 133.45	0.16%
AAPL.O	\$ 201.24	-0.15%
PDD.O	\$ 20.48	-0.78%
TIGR.O	\$ 5.41	-0.92%
BKNG.O	\$ 1,877.87	-1.08%
JD.O	\$ 30.75	-1.41%
WB.O	\$ 43.21	-1.66%
CTRP.O	\$ 37.94	-1.86%
TRIP.O	\$ 45.79	-2.14%
IQ.O	\$ 19.99	-3.57%
BABA.N	\$ 168.80	-3.57%
TOUR.O	\$ 3.10	-4.62%
MOMO.O	\$ 34.58	-5.85%

TMT INDUSTRY REPORT

7/9/2019

VOLUME 3, ISSUE 4

Announcement: We start to publish our TMT industry report on bi-weekly basis starting from Jul'19.

Key takeaways: Nothing pleases the market except rate cut. Despite the strong employment data of June released on 7/5/19, market is down for the straight three days, raising the concern on possibilities of July's anticipated rate cut. FED chairman Powell will testify at Capitol Hill on 7/10/19, and market closely monitors on Fed's next decision. Dow is closed at 26,783.5, up 5.8% YTD. **TMT Industry:** IXN index is closed at 181.6 on 7/9/19, up 26.6% YTD. **Individual stocks:** in our screening portfolio, the best stock performers are SNAP, TWTR and AMZN, up 6.27%, 4.35% and 3.44% YTD, respectively.

U.S. Micro Economic Indicators:

- **U.S. GDP quarterly data (Figure 1):** on 5/20/19, U.S. department of commerce released Q1'19 GDP growth at 3.1% YoY, topped the expectation of 2.5% YoY.
- **Update this week—U.S. employment monthly data (Figure 2):** on 7/5/19, U.S. department of labor released Jun'19 unemployment rate of 3.7%, remained at 50 years low. Non-farm payroll increased 224,000, higher-than-expected 165,000.
- **U.S. pending home sales index monthly data (Figure 3):** on 6/27/19, National Association of Realtors released May'19 pending home sales index, increasing 1.1 to 105.2.
- **U.S. retail sales monthly data (Figure 4):** on 6/14/19, U.S. department of commerce released May'19 retail sales of \$519bn, up 0.5% MoM, in line with the expectation of 0.6% MoM.



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- **U.S. E-Commerce sales quarterly data (Figure 5):** on 5/17/19, U.S. department of commerce released Q1'19 E-commerce sales of \$137bn as 12.4% of total retail sales, up 3.6% QoQ.

China Indicators:

- **China GDP quarterly data (Figure 6):** on 4/18/19, China bureau of statistics released Q1'19 GDP growth at 6.4% YoY, in line with the expectation of 6.3% YoY, including 2.7% YoY, 6.1% YoY and 7.0% YoY in primary, secondary and tertiary industries, respectively.
- **China total social financing monthly data (Figure 7):** on 6/15/19, the People Bank of China released Jun'19 total social financing of RMB1,400bn, in line with consensus of RMB1,410bn.
- **China export monthly data (Figure 8):** on 6/10/19, China department of customs released May'19 export of RMB143.6bn, up 10.5% MoM and 7.7% YoY and import of RMB115.7bn, down 4.2% MoM and 2.5% YoY.
- **China CPI monthly data (Figure 9):** on 6/12/19, China bureau of statistics released May'19 CPI growth at 2.7% YoY, with food price up 7.7% and non-food price up 1.6%.
- **China PMI monthly data (Figure 10):** on 7/1/19, China Bureau of Statistics released Jun'19 PMI at 49.4, flat MoM, falling below 50 again due to the U.S.-China trade war.
- **China industrial output data (Figure 11):** on 6/14/19, China bureau of statistics released May'19 industrial output growth at 5.0% YoY.

What happened?

- **Jony Ive departed from AAPL.** AAPL's legendary chief design officer Jony Ive will leave the firm later this year after serving AAPL for 27 years, which could truly mean that AAPL is transforming from hardware to service. Notably, on 7/1/19, AAPL CEO Tim Cook ripped into Wall Street Journal's coverage on Jony Ive's departure due to friction under Tim Cook.
- **BZUN stock thrives as helping more companies succeed in China's E-Commerce business.** As the key player providing end-to-end service for brands in E-Commerce of China, BZUN has formed over 200 partnerships with big brands in consumer goods, apparel, food, health and cosmetics categories. BZUN's services include information technology, digital marketing, customer services, warehousing and fulfillment. Notably, BABA is BZUN's largest client.
- **Waymo, GOOGL's self-driving arm, starts self-driving pick-up for Lyft riders.** Waymo, partnered with Lyft, started to test out its autonomous pick up in its Phoenix testing zone. Approximately 10 vehicles are participating in this testing stage, and GOOGL and LYFT expect to roll out the service national wide.
- **FB's Cryptocurrency Libra faces doubts from regulators and partners.** Wall Street is bullish on Libra because 27 players have signed on Libra's platform, such players including UBER, Paypal, Spotify, Ebay, Visa. However, government scrutinized on Libra and asked FB to halt its Libra development until official clearance.

Earnings Summary

- **TSLA reported Q2'19 deliveries and productions.** On 7/2/19, TSLA reported Q2'19 delivery of 95,200, surpassed Street expectation of 85,000, smashing street's concern on TSLA's demand. Looking ahead, TSLA highlighted a growing order backlog entering to Q3, sending TSLA's stock to surge 7% (**upside: ▲ for TSLA**).



What's coming up:

Date	Ticker	Company Name	Event	Location	Note
7/9/19	NA	Allen Co.	Sun Valley Annual Conference	Sun Valley	Mega Media Attendees
7/9/19	DELL	DELL Technology	Annual Shareholders Meeting	Texas	
7/10/19	NA	Headgate Partners	CEO Summit	Las Vegas	Technology, Semiconductors
7/17/19	EBAY	Ebay	Q2'19 Earnings Release	NASDAQ	After Market
7/17/19	NFLX	Netflix	Q2'19 Earnings Release	NASDAQ	After Market
7/18/19	SNAP	Snap	Annual Shareholders Meeting	San Francisco	
7/18/19	MSFT	Microsoft	Q2'19 Earnings Release	NASDAQ	After Market

Source: Thomson Reuters, Grandation Research

Data Tracker:

- **Selected MAU vs. Rev analysis table (Figure 12):** FB reported 2,375bn MAU in Q1'19, indicating \$1/per user.
- **Estimated earning schedule table (Figure 13):** We expect EBAY to report Q2'19 earnings on 7/17/19.
- **Earnings surprise table (Figure 14):** On 6/20/19, Momo reported Q1'19 earnings with revenue and EPS beats.
- **Stock performance (Figure 15):** MTD, social media index outperformed the S&P 500. In our screening stocks, the top 3 performers are TWTR, SNAP and AMZN were up 7.9%, 6.6% and 5.0% MTD, respectively.
- **Short interest tracker (Figure 16):** The latest short interest data with an 6/28/19 settlement was released on 7/10/19. Short interest, when compared with the 6/14/19 settlement data is up 2.87% for IQ and up 1.7% for WB.
- **Yield Curve Tracker (Figure 18-20):** The spread between the 10YR vs. 2YR has shorten by 6bps WoW to 16bps.
- **Currency Tracker (Figure 21-25):** YTD, the USD has appreciated against the CNY, GBP and EUR and depreciated against CAD and INR.



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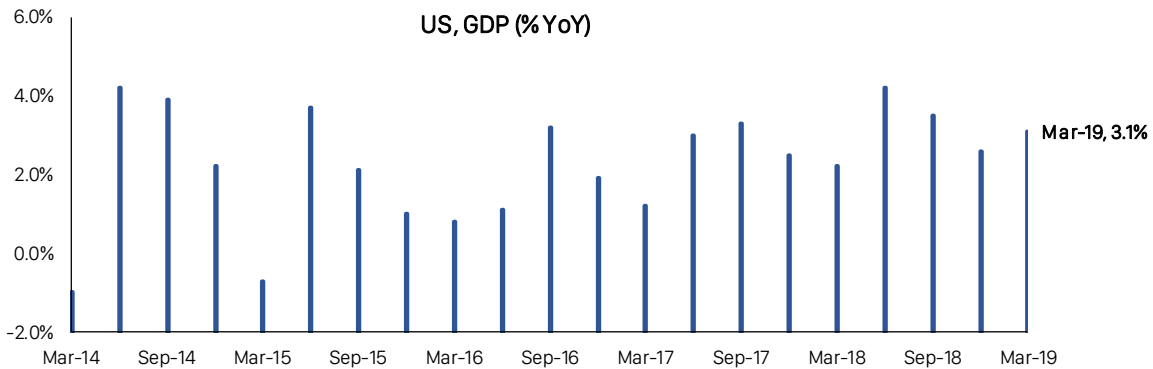
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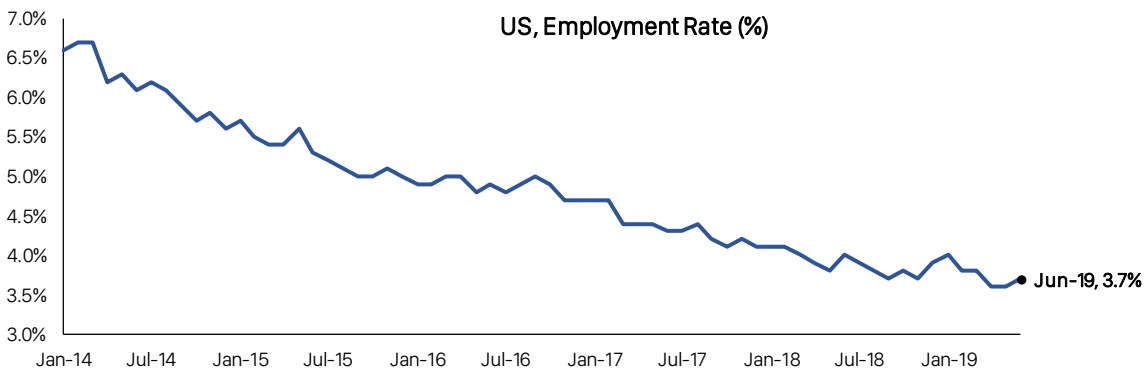
U.S. Macro Economic Indicator

Figure 1: U.S. GDP Tracker -- on 5/20/19, U.S. department of commerce released Q1'19 GDP of 3.1%, topped the expectation of 2.5%.



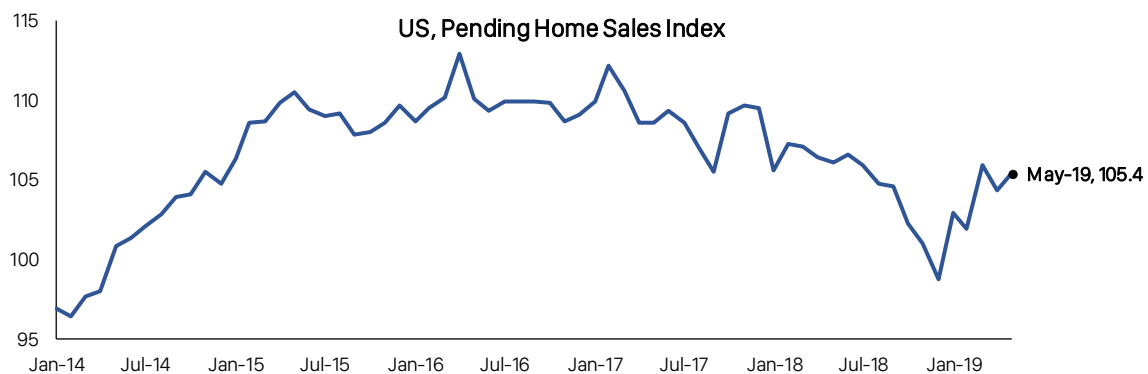
Source: U.S. BEU, Grandation Research

Figure 2: Update this week---U.S. employment tracker -- on 7/5/19, U.S. department of labor released Jun'19 unemployment rate of 3.7%, remained at 50 years low. Non-farm payroll increased 224,000, higher-than-expected 165,000.



Source: U.S. BLS, Grandation Research

- Figure 3: U.S. pending home sales index tracker** -- on 6/27/19, National Association of Realtors released May'19 pending home sales index, increasing 1.1 to 105.2.



Source: U.S. NAR, Grandation Research



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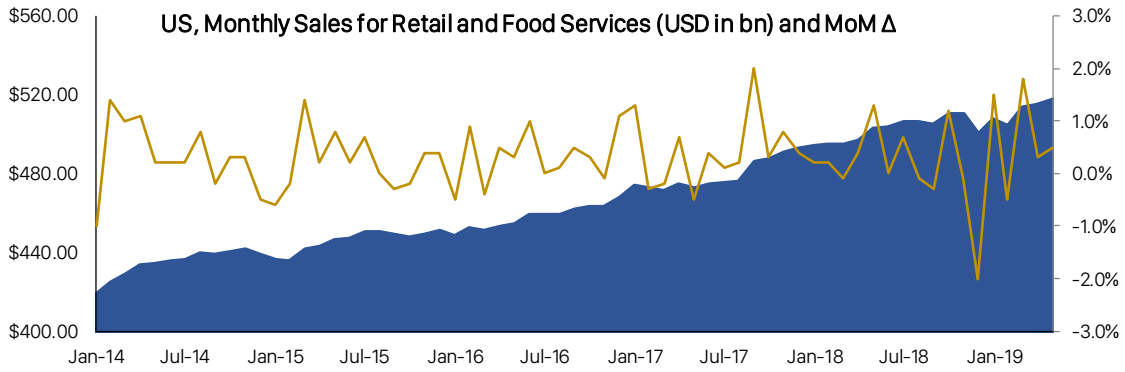


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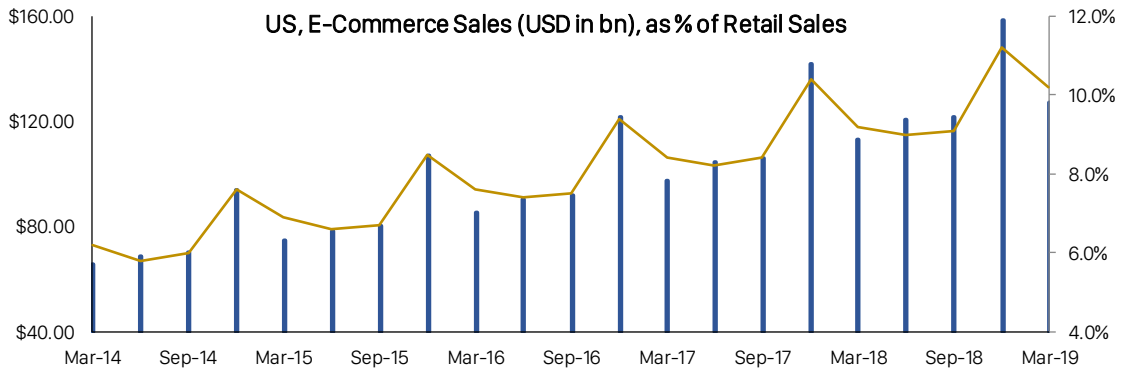
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Figure 4: U.S. retail sales tracker -- on 6/14/19, U.S. department of commerce released May'19 retail sales of \$519bn, up 0.5% MoM, in line with the expectation of 0.6% MoM.



Source: U.S. Consensus gov, Grandation Research

Figure 5: U.S. E-Commerce sales tracker -- on 5/17/19, U.S. department of commerce released Q1'19 E-commerce sales of \$137bn as 12.4% of total retail sales, up 3.6% QoQ.



Source: U.S. Consensus gov, Grandation Research



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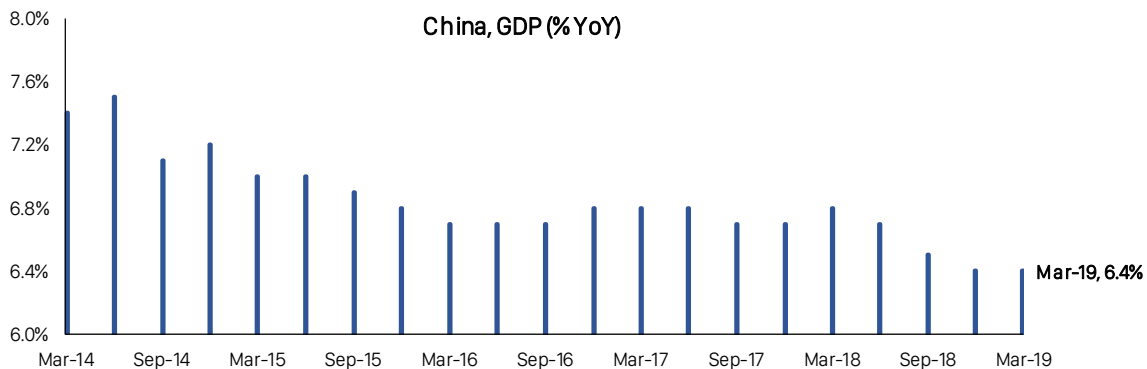
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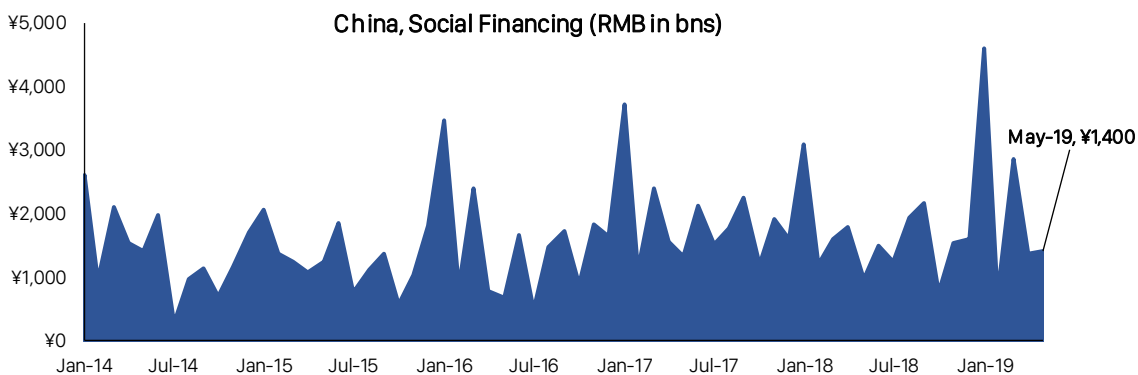
China Macro Economic Indicator

Figure 6: China GDP tracker -- on 4/18/19, China bureau of statistics released Q1'19 GDP growth of 6.4% YoY, in line with the expectation of 6.3% YoY.



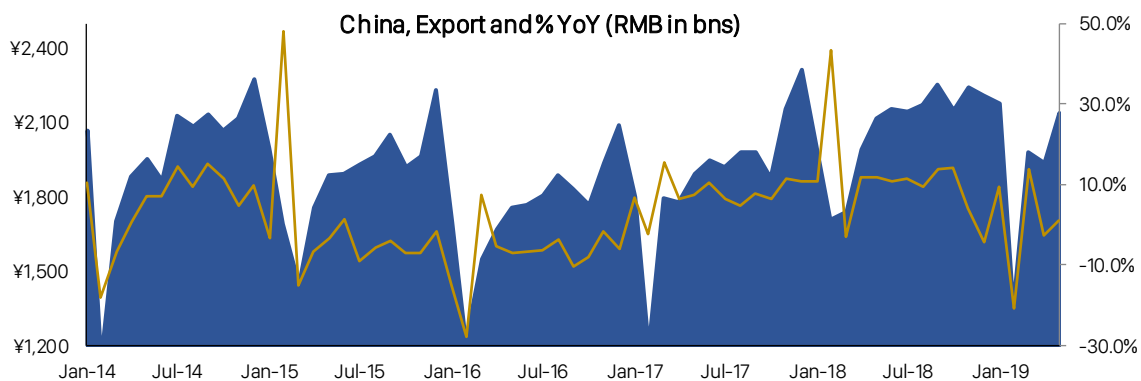
Source: China Stats, Grandation Research

Figure 7: China total social financing tracker -- on 6/15/19, the People Bank of China released Jun'19 total social financing of RMB1,400bn, in line with consensus of RMB1,410bn, high-than-expected of \$1,270bn.



Source: Trading Economics, Grandation Research

Figure 8: China export tracker -- on 6/10/19, China department of customs released May'19 export of RMB143.6bn, up 10.5% MoM and 7.7% YoY and import of RMB115.7bn, down 4.2% MoM and 2.5% YoY.



Source: China Customs, Grandation Research



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Figure 9: China CPI tracker-- on 6/12/19, China bureau of statistics released May'19 CPI growth of 2.7% YoY, with food price up 7.7% and non-food price up 1.6%.



Source: China Stats, Grandation Research

Figure 10: China PMI tracker -- on 7/1/19, China Bureau of Statistics released Jun'19 PMI at 49.4, flat MoM, falling below 50 again due to the U.S.-China trade war.



Source: China Stats, Grandation Research

Figure 11: China industrial output tracker -- on 6/14/19, China bureau of statistics released industrial output growth at 5.0% YoY.



Source: China Stats, Grandation Research



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Industry Data Tracker

Figure 12: Selected MAU vs. Rev analysis-- FB reported 2,375bn MAU in Q1'19, indicating \$1/per user.

Ticker	Company	Market Cap (\$bn)	Revenue LTM (\$bn)	MAU (mn)	Mkt Cap/Revenue LTM	Mkt cap/MAU (US\$)	Average Monthly Revenue (LTM)/MAU (US\$)
MOMO.O	Momo Inc	7.13	1.95	114	3.7	\$62.31	\$1.42
WB.O	Weibo Corp	9.56	1.72	465	5.6	\$20.56	\$0.31
FB.O	Facebook Inc	558.79	55.84	2,375	10.0	\$235.28	\$1.96
TWTR.N	Twitter Inc	28.02	3.04	330	9.2	\$84.90	\$0.77
BILI.O	Bilibili Inc	5.36	0.6	101	8.9	\$52.87	\$0.49
SNAP.N	Snap Inc	20.5	1.18	190	17.4	\$107.91	\$0.52
PDD.O	Pinduoduo Inc	23.29	1.91	290	12.2	\$80.41	\$0.55
BABA.N	Alibaba Group H	438.57	56.15	721	7.8	\$608.28	\$6.49
IQ.O	IQIYI Inc	14.26	3.63	97	3.9	\$147.29	\$3.13
NFLX.O	Netflix Inc	164.46	15.79	60	10.4	\$2,730.66	\$21.85

Source: Company filings, Grandation Research

Figure 13: Estimated earning schedule tracker-- We expect Netflix to report Q2'19 earnings on 7/17/19.

Next Earnings Schedule (Est)	Company	Ticker	Stock Price 7/9/2019	Street PT	Grandation PT	% PT/ Price	Consensus Revenue	Consensus EPS
7/17/2019	Netflix Inc	NFLX.O	\$379.93	\$390	\$250	2.66%	\$4,935.09	\$0.56
7/23/2019	Snap Inc	SNAP.N	\$15.25	\$12	NA	-19.72%	\$357.99	-\$0.10
7/24/2019	Facebook Inc	FB.O	\$199.21	\$223	NA	11.82%	\$16,509.97	\$1.87
7/24/2019	Amazon.com	AMZN.O	\$1,988.30	\$2,247	NA	13.01%	\$62,458.87	\$5.53
7/24/2019	Expedia Group	EXPE.O	\$133.45	\$149	NA	11.86%	\$3,127.32	\$1.68
7/25/2019	Alphabet Inc	GOOGL.O	\$1,124.29	\$1,336	NA	18.82%	\$38,181.14	\$11.25
7/26/2019	Twitter Inc	TWTR.N	\$37.65	\$40	NA	5.97%	\$829.69	\$0.19
7/30/2019	Apple Inc	AAPL.O	\$201.24	\$212	NA	5.36%	\$53,429.58	\$2.10
8/5/2019	IQIYI Inc	IQ.O	\$19.99	\$23	\$25	16.29%	\$1,036.17	-\$0.44
8/6/2019	Weibo Corp	WB.O	\$43.21	\$57	NA	32.41%	\$429.78	\$0.60
8/7/2019	Booking Holdings	BKNG.O	\$1,877.87	\$2,016	NA	7.36%	\$3,757.73	\$22.70
8/7/2019	TripAdvisor	TRIP.O	\$45.79	\$53	NA	15.25%	\$445.93	\$0.51
8/14/2019	JD.com Inc	JD.O	\$30.75	\$34	NA	9.26%	\$21,362.59	\$0.07
8/17/2019	UP Fintech	TIGR.O	\$5.41	\$11	NA	97.78%	\$15.10	NA
8/20/2019	Momo Inc	MOMO.O	\$34.58	\$41	NA	19.14%	\$587.91	\$0.73
8/21/2019	Alibaba Group	BABA.N	\$168.80	\$217	NA	28.64%	\$16,220.29	\$1.51
8/26/2019	Pinduoduo	PDD.O	\$20.48	\$29	\$28	43.09%	\$845.66	-\$0.18
8/27/2019	Tuniu Corp	TOUR.O	\$3.10	\$6	NA	86.88%	\$74.92	-\$0.09
8/28/2019	Bilibili Inc	BILI.O	\$16.60	\$21	NA	25.83%	\$216.20	-\$0.13
9/3/2019	Ctrip.com	CTRP.O	\$37.94	\$45	NA	18.30%	\$1,257.99	\$0.31

Source: Thomson Reuters, Grandation Research



Figure 14: Earnings surprise tracker—on 5/28/19, Momo reported Q1'19 earnings with revenue and EPS beats.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
TIGR.O	UP Fintech Holding Ltd	-	-	-	-	-	-
MOMO.O	Momo Inc	5/28/2019	4.6%	4.7%	44.7%	14.5%	14.2%
CTRP.O	Ctrip.Com International Ltd	5/23/2019	1.2%	0.7%	-	30.9%	78.2%
TOUR.O	Tuniu Corp	5/23/2019	3.6%	-	-	-15.9%	-87.5%
WB.O	Weibo Corp	5/23/2019	0.0%	-2.1%	6.4%	3.4%	6.2%
PDD.O	Pinduoduo Inc	5/20/2019	10.1%	6.6%	-	28.2%	29.6%
IQ.O	IQIYI Inc	5/16/2019	1.3%	-	-	18.8%	27.0%
BABA.N	Alibaba Group Holding Ltd	5/15/2019	2.1%	-3.8%	9.7%	21.9%	30.5%
BILI.O	Bilibili Inc	5/13/2019	6.9%	-10.0%	-	9.5%	42.1%
JD.O	JD.com Inc	5/10/2019	0.8%	2.9%	40.6%	85.0%	177.1%
BKNG.O	Booking Holdings Inc	5/9/2019	-3.2%	-	1.4%	-0.1%	-0.8%
TRIP.O	TripAdvisor Inc	5/7/2019	-2.8%	-0.1%	5.7%	7.5%	14.6%
EXPE.O	Expedia Group Inc	5/2/2019	-3.1%	1.2%	26.8%	120.0%	29.3%
AAPL.O	Apple Inc	4/30/2019	1.1%	-0.2%	2.1%	2.6%	4.2%
GOOGL.O	Alphabet Inc	4/29/2019	-2.7%	2.4%	1.6%	2.3%	12.1%
AMZN.O	Amazon.com Inc	4/25/2019	0.1%	3.1%	19.5%	41.6%	50.1%
FB.O	Facebook Inc	4/24/2019	0.7%	0.4%	9.7%	17.0%	16.3%
SNAP.N	Snap Inc	4/23/2019	4.5%	9.8%	14.2%	12.6%	15.0%
TWTR.N	Twitter Inc	4/23/2019	1.4%	3.4%	18.9%	32.2%	143.7%
NFLX.O	Netflix Inc	4/16/2019	0.4%	-2.2%	14.2%	12.9%	32.5%

Source: Thomson Reuters, Grandation Research

Figure 15: Stock performance tracker-- In our screening stocks, the top 3 performers are TWTR, SNAP and AMZN were up 7.9%, 6.6% and 5.0% MTD, respectively.

Ticker	Name	Price 7/9/19	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
SOCL.O	Global X Social Media Index ETF	32.95	0.13	0.0%	2.4%	19.6%
PNQI.O	PowerShares Nasdaq Internet Portfolio	140.71	0.65	0.0%	2.8%	28.1%
.SPX	Standard & Poor's Corp	2975.95	NA	-0.5%	1.1%	18.7%
Companies:						
TWTR.N	Twitter Inc	37.65	28.94	3.9%	7.9%	31.0%
SNAP.N	Snap Inc	15.25	20.65	0.1%	6.6%	176.8%
AMZN.O	Amazon.com Inc	1988.30	978.90	2.3%	5.0%	32.4%
GOOGL.O	Alphabet Inc	1124.29	780.72	-0.7%	3.8%	7.6%
NFLX.O	Netflix Inc	379.93	166.11	-0.2%	3.4%	41.9%
FB.O	Facebook Inc	199.21	568.64	1.4%	3.2%	52.0%
CTRP.O	Ctrip.Com International Ltd	37.94	21.00	-1.6%	2.8%	40.2%
BILI.O	Bilibili Inc	16.60	5.37	-0.8%	2.0%	13.8%
AAPL.O	Apple Inc	201.24	925.92	-1.5%	1.7%	27.6%
JD.O	JD.com Inc	30.75	44.71	-0.9%	1.5%	46.9%
EXPE.O	Expedia Group Inc	133.45	19.86	-1.2%	0.3%	18.5%
BKNG.O	Booking Holdings Inc	1877.87	81.30	-2.4%	0.2%	9.0%
BABA.N	Alibaba Group Holding Ltd	168.80	439.48	-2.6%	-0.4%	23.1%
TRIP.O	TripAdvisor Inc	45.79	6.37	-3.3%	-0.6%	-14.7%
PDD.O	Pinduoduo Inc	20.48	23.81	0.9%	-0.7%	-8.7%
WB.O	Weibo Corp	43.21	9.72	-1.6%	-0.8%	-26.0%
TIGR.O	UP Fintech Holding Ltd	5.41	0.72	7.6%	-2.9%	0.0%
IQ.O	IQIYI Inc	19.99	14.53	-1.1%	-3.2%	34.4%
MOMO.O	Momo Inc	34.58	7.17	-1.3%	-3.4%	47.9%
TOUR.O	Tuniu Corp	3.10	0.40	-1.9%	-4.0%	-36.2%

Source: Thomson Reuters, Grandation Research



Figure 16: Short Interest tracker-- The latest short interest data with an 6/28/19 settlement was released on 7/10/19. Short interest, when compared with the 6/14/19 settlement data is up 2.70% for IQ and up 1.70% for WB.

Ticker	Company	3mon avg daily volume	Short Interest	Days To Cover	Company Shares	Free Float	% of Free Float	SI /Float	SI/Float vs. Prior (% change)
TIGR.O	UP Fintech Holding Ltd	2,810,255	988,009	NA	132,786,817	NA	NA	NA	NA
WB.O	Weibo Corp	2,049,321	12,124,265	NA	225,035,097	16,800,000	92.7%	72.17%	1.70%
PDD.O	Pinduoduo Inc	6,394,795	35,877,666	NA	4,649,428,688	344,725,953	98.8%	10.41%	0.66%
NFLX.O	Netflix Inc	6,299,189	18,666,936	NA	437,219,953	430,034,832	98.3%	4.34%	0.20%
BILI.O	Bilibili Inc	3,687,961	20,266,019	NA	323,423,402	275,697,956	93.9%	7.35%	0.98%
BKNG.O	Booking Holdings Inc	410,267	1,468,167	NA	43,291,345	43,028,413	99.4%	3.41%	0.05%
MOMO.O	Momo Inc	3,587,258	7,074,889	NA	207,349,270	155,460,117	97.0%	4.55%	0.83%
BABA.N	Alibaba Group Holding Ltd	3,978,154	84,584,401	3.62	2,603,570,993	1,330,948,107	51.6%	6.36%	-2.40%
AMZN.O	Amazon.com Inc	3,950,310	3,259,816	NA	492,331,776	412,938,092	83.9%	0.79%	0.04%
AAPL.O	Apple Inc	27,645,340	47,003,511	NA	4,601,075,000	4,597,983,141	99.9%	1.02%	-0.09%
TWTR.N	Twitter Inc	2,904,093	20,207,580	NA	768,631,304	740,657,106	96.3%	2.73%	-0.30%
FB.O	Facebook Inc	16,946,096	24,605,075	1.52	2,854,488,736	2,377,390,429	98.9%	1.03%	0.16%
JD.O	JD.com Inc	15,018,316	60,588,814	3.46	2,907,939,382	1,192,116,195	97.9%	5.08%	0.16%
GOOGL.O	Alphabet Inc	1,690,335	2,142,611	NA	694,243,815	299,047,985	99.9%	0.72%	0.03%
SNAP.N	Snap Inc	4,852,918	81,075,685	3.14	1,354,237,418	1,035,312,116	80.6%	7.83%	-0.80%
IQ.O	IQIYI Inc	8,911,474	65,595,178	NA	727,039,889	305,657,360	97.3%	21.46%	2.87%
TOUR.O	Tuniu Corp	48,364	627,283	NA	129,777,182	10,771,919	96.2%	5.82%	0.71%
EXPE.O	Expedia Group Inc	1,542,725	11,054,423	NA	148,807,688	117,936,010	86.7%	9.37%	-0.67%
TRIP.O	TripAdvisor Inc	1,668,493	11,836,189	NA	139,021,263	107,244,451	85.0%	11.04%	-0.81%
CTRP.O	Ctrip.Com International Ltd	4,042,275	11,713,034	NA	69,187,290	280,866,808	94.8%	4.17%	0.40%

Source: Thomson Reuters, Grandation Research

Figure 17: Compsheet

Ticker	Company	Market Cap (\$bn)	Price 7/9/19	YTD Δ	MTD Δ	Revenue Growth		EPS		FCF Yield FY1	EV /Sales FY1	EV /EBITDA FY1	PE			PEG FY1	Div. Yield
						This yr /Last yr	Next yr /this yr	FY0	FY1				LTM	FY0	FY1		
TIGR.O	UP Fintech Holding Ltd	0.72	5.41	NA	-2.9%	NA	86.2%	(0.03)	0.26	NA	5.6x	NA	NA	(150.1x)	19.3x	NA	NA
WB.O	Weibo Corp	9.72	43.21	-26.0%	-0.8%	9.3%	14.0%	2.72	3.20	6.1%	4.5x	13.6x	16.1x	15.6x	13.3x	0.9x	NA
PDD.O	Pinduoduo Inc	23.81	20.48	-8.7%	-0.7%	115.0%	64.1%	(3.44)	4.74	NA	3.6x	NA	NA	(40.1x)	29.1x	2.6x	NA
NFLX.O	Netflix Inc	166.11	379.93	41.9%	3.4%	28.6%	24.7%	3.42	5.87	-2.0%	7.6x	55.3x	138.8x	109.9x	64.1x	1.7x	NA
BILI.O	Bilibili Inc	5.37	16.60	13.8%	2.0%	59.8%	46.2%	(2.65)	-0.20	NA	4.1x	NA	NA	(42.8x)	(577.6x)	NA	NA
BKNG.O	Booking Holdings Inc	81.3	1877.87	9.0%	0.2%	4.9%	8.9%	100.95	113.56	5.5%	5.4x	14.5x	21.7x	18.6x	16.5x	1.4x	NA
MOMO.O	Momo Inc	7.17	34.58	47.9%	-3.4%	27.4%	16.9%	19.40	23.52	NA	2.4x	10.9x	22.9x	12.2x	10.1x	0.5x	NA
BABA.N	Alibaba Group Holding Ltd	439.48	168.80	23.1%	-0.4%	34.2%	29.9%	46.75	60.35	4.2%	5.6x	20.1x	34.8x	24.8x	19.2x	NA	NA
AMZN.O	Amazon.com Inc	978.9	1988.30	32.4%	5.0%	18.1%	17.7%	27.30	38.25	2.8%	3.3x	22.7x	84.1x	71.5x	51.0x	0.6x	NA
AAPL.O	Apple Inc	925.92	201.24	27.6%	1.7%	-3.3%	4.4%	11.43	12.61	7.0%	3.6x	12.8x	17.2x	17.5x	15.9x	1.4x	NA
TWTR.N	Twitter Inc	28.94	37.65	31.0%	7.9%	16.2%	14.8%	1.06	1.10	2.3%	6.6x	19.0x	21.9x	34.3x	33.3x	1.2x	NA
FB.O	Facebook Inc	568.64	199.21	52.0%	3.2%	24.7%	21.1%	7.10	9.36	2.8%	6.8x	13.9x	29.6x	27.6x	20.9x	1.3x	NA
JD.O	JD.com Inc	44.71	30.75	46.9%	1.5%	20.4%	17.1%	4.71	7.17	1.3%	0.5x	27.3x	99.5x	44.8x	29.4x	0.5x	NA
GOOGL.O	Alphabet Inc	780.72	1124.29	7.6%	3.8%	17.3%	16.6%	45.46	53.57	3.8%	3.8x	11.5x	28.2x	24.6x	20.8x	1.6x	NA
SNAP.N	Snap Inc	20.65	15.25	176.8%	6.6%	35.9%	31.8%	(0.30)	-0.11	-2.1%	10.5x	NA	NA	(50.8x)	(140.0x)	NA	NA
IQ.O	IQIYI Inc	14.53	19.99	34.4%	-3.2%	23.4%	24.0%	(11.97)	-7.39	NA	2.9x	11.4x	NA	(11.3x)	(18.3x)	NA	NA
TOUR.O	Tuniu Corp	0.4	3.10	-36.2%	-4.0%	0.8%	7.3%	(1.00)	0.80	NA	0.5x	NA	NA	(22.1x)	26.8x	NA	NA
EXPE.O	Expedia Group Inc	19.86	133.45	18.5%	0.3%	7.9%	9.6%	6.98	8.16	5.9%	1.7x	9.4x	46.8x	19.0x	16.2x	1.4x	1.0%
TRIP.O	TripAdvisor Inc	6.37	45.79	-15.1%	-1.1%	4.3%	8.5%	1.96	2.20	6.3%	3.2x	11.9x	45.9x	23.2x	20.7x	1.4x	NA
CTRP.O	Ctrip.Com International Ltd	21.	37.94	40.2%	2.8%	18.8%	18.7%	9.87	12.05	NA	3.8x	20.8x	38.7x	25.6x	21.0x	1.2x	NA

Source: Thomson Reuters, Grandation Research



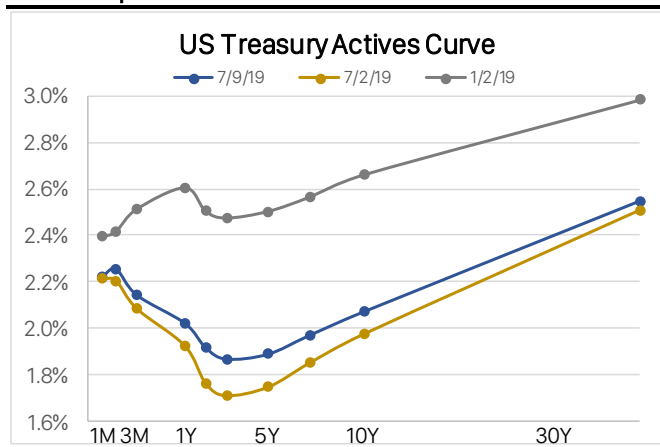
Yield Curve Tracker

Figure 18: Yield Curve tracker -- the spread between the 10YR vs. 2YR has shorten by 6bps WoW to 16bps.

Yield Curve (unit: bps)	7/9/19	7/2/19	WoW Δ	1/2/19	YTD Δ	7/9/18	YoY Δ
US Generic Govt 1MT Yield	2.220	2.212	0.4%	2.394	-7.3%	1.86	19.5%
US Generic Govt 3MT Yield	2.253	2.205	2.2%	2.417	-6.8%	1.96	14.9%
US Generic Govt 6MT Yield	2.142	2.085	2.7%	2.513	-14.8%	2.12	1.1%
US Generic Govt 1YT Yield	2.021	1.925	5.0%	2.605	-22.4%	2.32	-13.0%
US Generic Govt 2YT Yield	1.917	1.765	8.6%	2.504	-23.5%	2.56	-25.2%
US Generic Govt 3YT Yield	1.868	1.712	9.1%	2.475	-24.5%	2.66	-29.8%
US Generic Govt 5YT Yield	1.889	1.748	8.1%	2.503	-24.5%	2.75	-31.3%
US Generic Govt 7YT Yield	1.969	1.851	6.4%	2.564	-23.2%	2.83	-30.4%
US Generic Govt 10YT Yield	2.072	1.977	4.8%	2.661	-22.1%	2.86	-27.6%
US Generic Govt 30YT Yield	2.546	2.508	1.5%	2.982	-14.6%	2.97	-14.2%
US 10YR & 2YR Spread	16	21	-6	16	0	30	-14

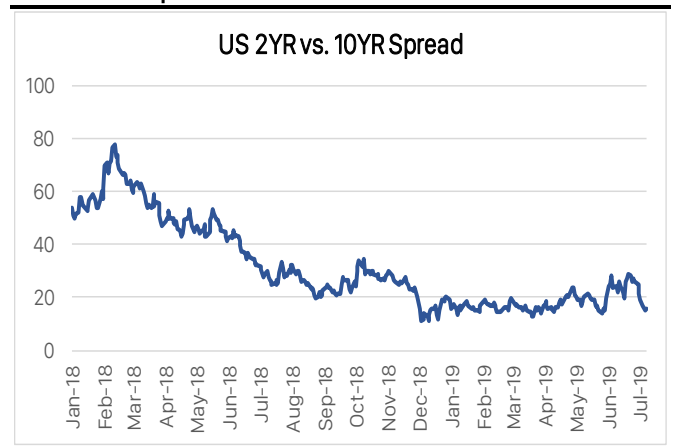
Source: Thomson Reuters, Grandation Research

Figure 19: The US Treasury Actives Curve inverted and steepened WoW.



Source: Thomson Reuters, Grandation Research

Figure 20: The 10YR vs. 2YR spread was down 6bps WoW to 16bps.



Source: Thomson Reuters, Grandation Research



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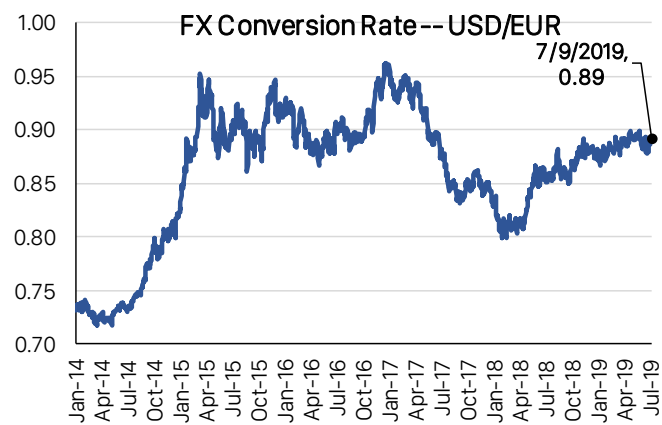
Currency Tracker

Figure 21: Currency tracker—YTD, the USD has appreciated against the CNY, GBP and EUR and depreciated against CAD and INR.

Currency	7/9/19	7/2/19	WoW Δ	1/2/19	YTD Δ	7/10/18	YoY Δ
USD/EUR	0.892	0.886	0.7%	0.882	1.2%	0.85	4.8%
USD/JPY	108.860	107.880	0.9%	108.870	0.0%	110.98	-1.9%
USD/CNY	6.883	6.872	0.2%	6.860	0.3%	6.63	3.8%
USD/GBP	0.802	0.794	1.0%	0.793	1.1%	0.75	6.5%
USD/CAD	1.313	1.310	0.2%	1.358	-3.3%	1.31	0.2%
USD/INR	68.550	68.880	-0.5%	69.98	-2.0%	68.75	-0.3%

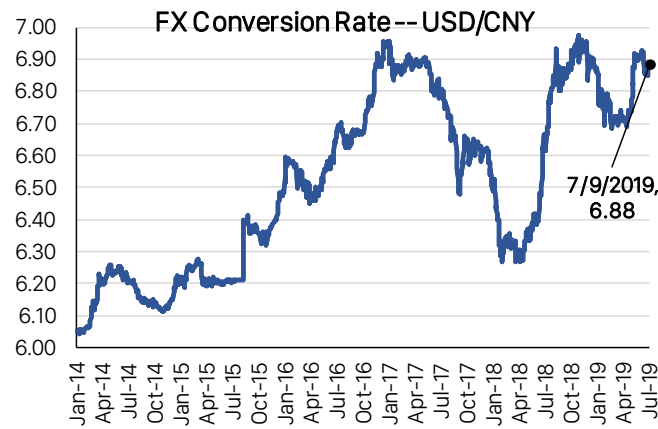
Source: Thomson Reuters, Grandation Research

Figure 22: USD/EUR appreciated 1.2% to 0.89.



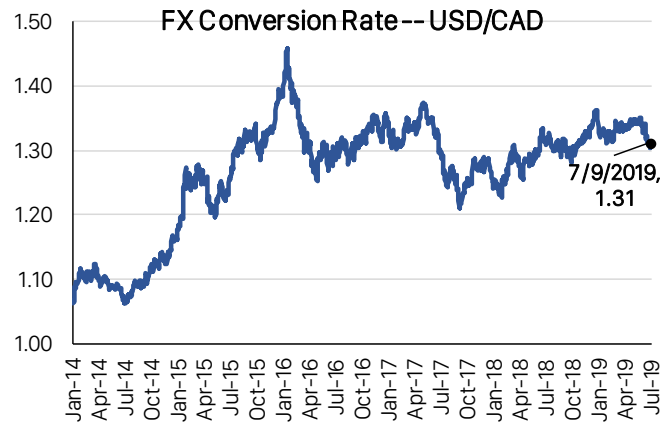
Source: Thomson Reuters, Grandation Research

Figure 23: USD/CNY appreciated 0.3% WoW to 6.88.



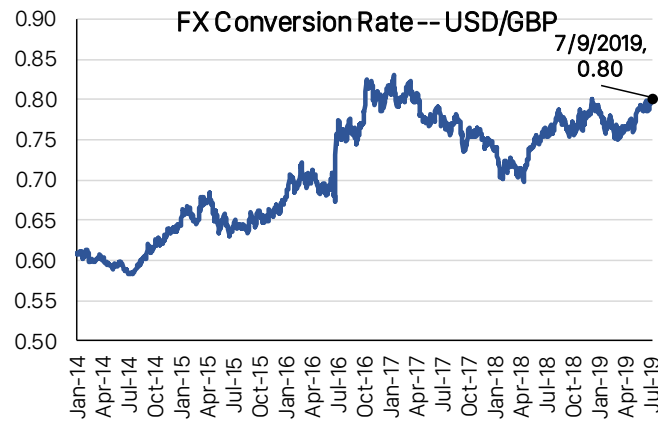
Source: Thomson Reuters, Grandation Research

Figure 24: USD/CAD depreciated 3.3% to 1.31



Source: Thomson Reuters, Grandation Research

Figure 25: USD/GBP appreciated 1.1% to 0.80.



Source: Thomson Reuters, Grandation Research



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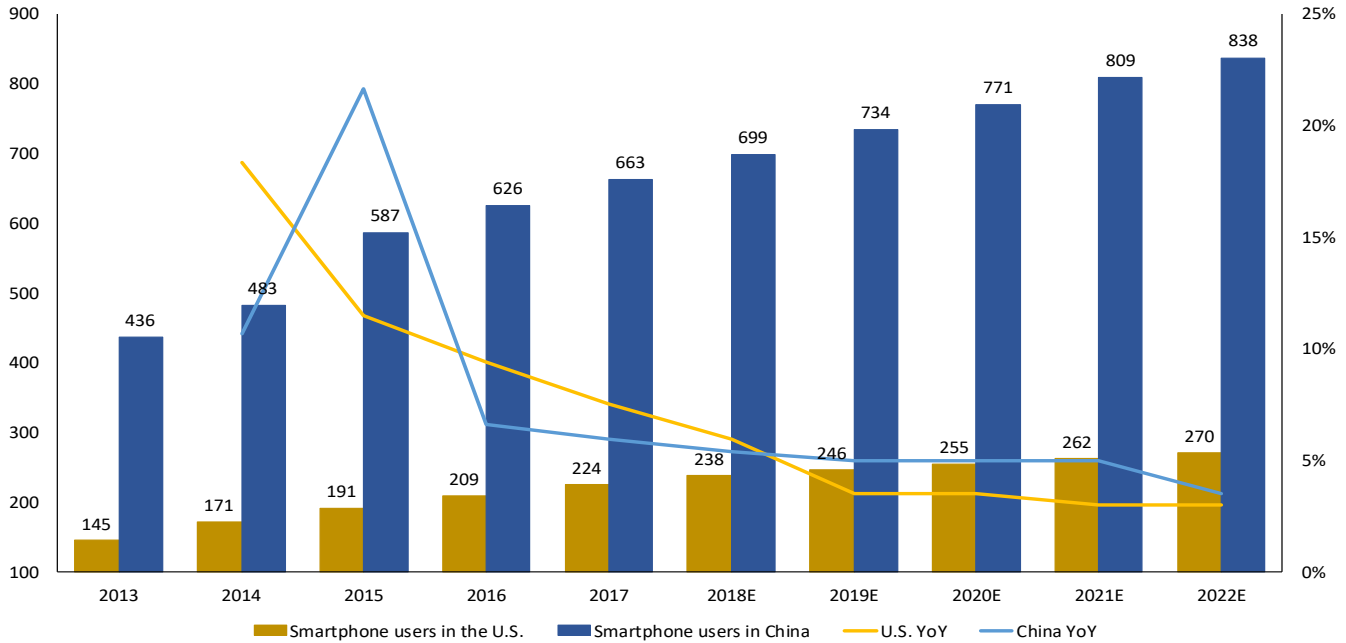
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Appendix 1: Smartphone users of China----Smartphone users in China are expected to grow to 699.04mn, 5.4% YoY, in 2018; **Smartphone users of the U.S.**---- Smartphone users in the U.S. are expected to grow to 237.6mn, 5.9% YoY, in 2018.

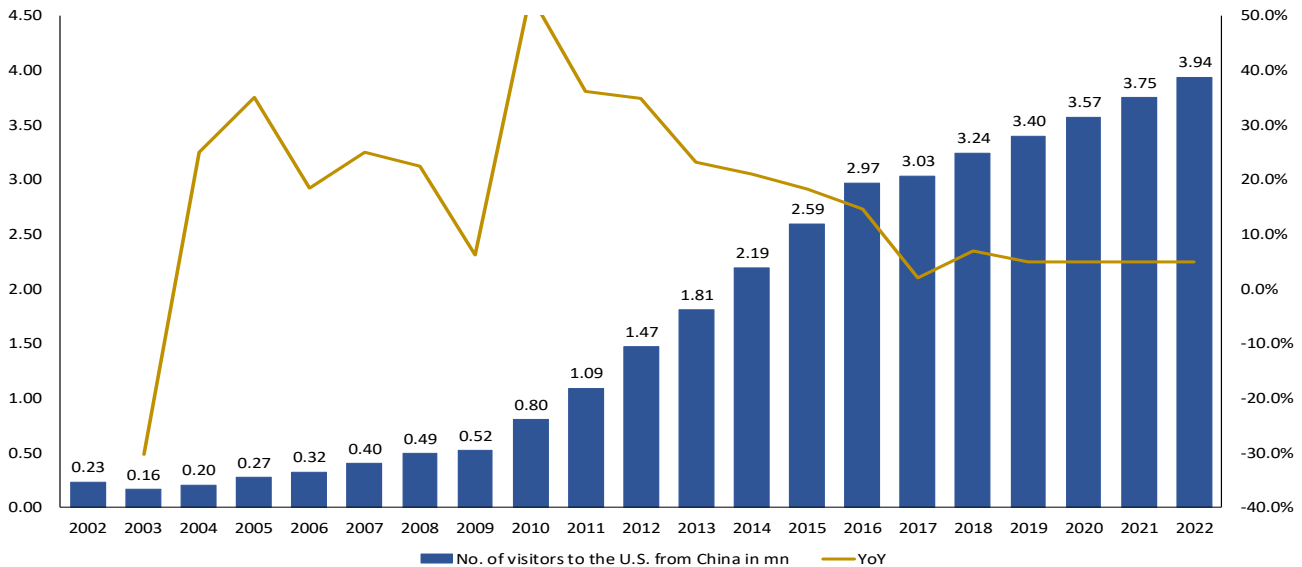
Smartphone users of China and the U.S. (mn)



Source: Statista, Grandation Research

Appendix 2 No. of visitors to the U.S. from China----The estimated visitors to the U.S. from China are expected to be 3.24mn, 6.9% YoY in 2018.

No. of visitors to the U.S. from (mn)



Source: Statista, Grandation Research



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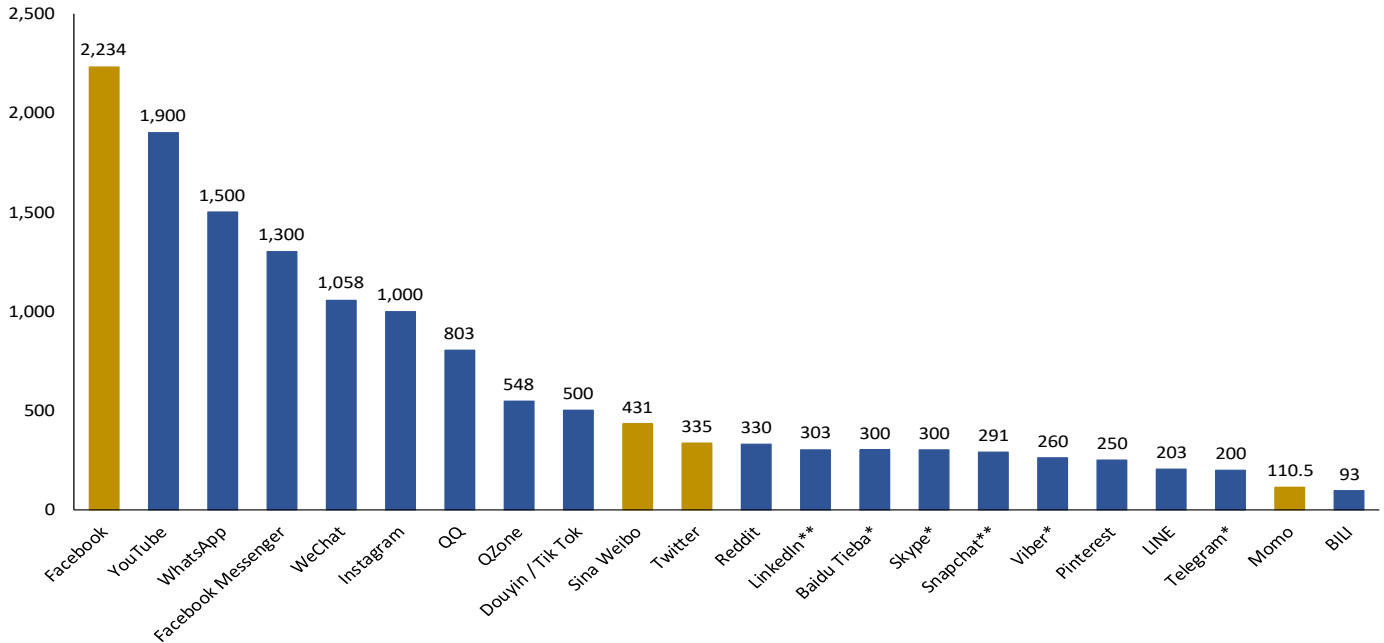
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Appendix 3 Ranking in selected Social Sites by Users----As of Oct 2018, FB and TWTR reported to have 2,234mn and 335mn active users, while WB and MOMO reported to have 431mn and 111mn active users.

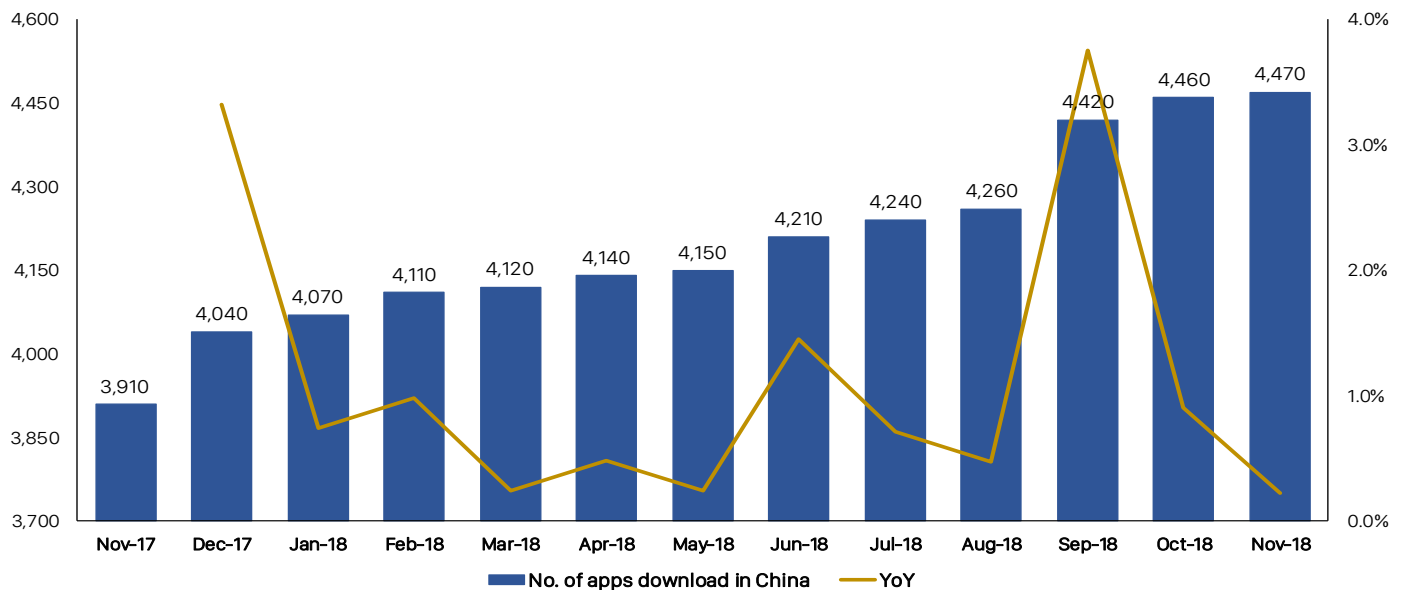
Number of Users in Selected Social Sites (mn)



Source: Statista, Grandation Research

Appendix 4: No. of app downloads in China---- China released November data on No. of app downloads on Chinese market. By the end of Nov'18, 4.47mn apps are active in smartphone system, up 14.3% YoY and up 0.2% MoM.

No. of Apps download in China (in thousands)



Source: Statista, Grandation Research



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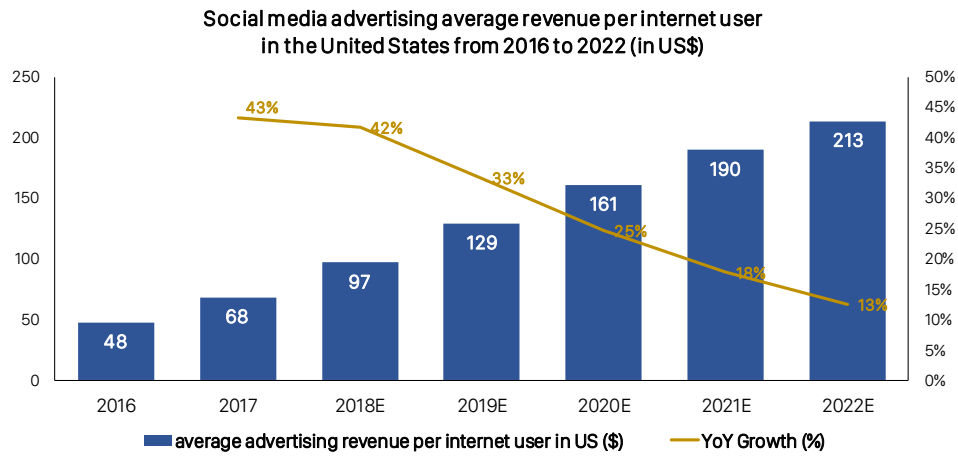


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Appendix 5: Social media advertising average average revenue per internet users in the U.S. from 2016-2022 (in U.S.\$)



Source: Statista, Grandation Research



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Our rating system attempts to incorporate industry, company and/or overall market risks and volatilities; therefore, our investment recommendations on based on the security's 12-month price target from the date this report is issued.

- **STRONG BUY:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return exceeding 25% over the next 12-month period.
- **BUY:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return between 10% to 25% over the next 12-month period.
- **NEUTRAL:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return between -10% to 10% over the next 12-month period.
- **SELL:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return between -25% to -10% over the next 12-month period.
- **STRONG SELL:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return exceeding -25% over the next 12-month period.

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