



GRANDATION CAPITAL

RESEARCH DEPARTMENT

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Companies mentioned in this report
 (price as 7/25/19 market close)

Ticker	Price 7/25/19	WoW
SNAP.N	\$ 17.61	17.95%
MOMO.O	\$ 35.67	10.43%
CTRP.O	\$ 40.28	7.13%
JD.O	\$ 32.20	4.85%
PDD.O	\$ 20.93	4.81%
BKNG.O	\$ 1,919.25	2.76%
TRIP.O	\$ 46.86	2.74%
TWTR.N	\$ 38.73	2.73%
AAPL.O	\$ 208.67	2.62%
IQ.O	\$ 19.11	2.36%
BABA.N	\$ 178.67	2.20%
EXPE.O	\$ 137.82	1.98%
FB.O	\$ 204.66	1.42%
BILI.O	\$ 15.80	1.41%
WB.O	\$ 41.28	1.03%
AMZN.O	\$ 2,000.81	0.44%
TOUR.O	\$ 3.33	-0.30%
GOOGL.O	\$ 1,139.73	-0.61%
TIGR.O	\$ 4.37	-6.42%
NFLX.O	\$ 317.94	-12.28%

TMT INDUSTRY REPORT

7/26/2019

VOLUME 3, ISSUE 5

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

Key takeaways: On-scheduled U.S. trade delegation visit reaffirmed the restart of trade talk as we started to see Chinese ADS to rebound. Q2 earnings kicked off this week with mixed results primarily divested by industries. For FAANG, FTC and DOJ scrutinized big tech firms for increasing antitrust concerns, led FAANY stock under pressure despite mostly better-than-expected earnings. NASDAQ is closed at 7929.9, up modestly 1.2% WoW. **TMT Industry:** IXN index is closed at 186.85 on 7/25/19, up 0.4% WoW. **Individual stocks:** in our screening portfolio, the best stock performers are SNAP, CTRP and TWTR were up 23.7%, 9.3% and 9.2% MTD, respectively.

U.S. Macro 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.
- **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. Notable job gains occurred in professional and business services, in health care, and in transportation and warehousing.
- **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.



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- **U.S. retail sales monthly data (Figure 4):** on 7/16/19, U.S. department of commerce released June'19 retail sales of \$519bn, up 0.4% MoM, beat the expectation of 0.1% MoM.
- **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 Macro Economic Indicators:

- **China GDP quarterly data (Figure 6):** on 7/16/19, China bureau of statistics released Q2'19 GDP growth at 6.2% YoY, in line with the expectation of 6.3% YoY, including 3.3% YoY, 5.6% YoY and 7.0% YoY in primary, secondary and tertiary industries, respectively.
- **China total social financing monthly data (Figure 7):** on 7/12/19, the People Bank of China released Jun'19 total social financing of RMB2,260bn, beat the consensus of RMB1,950bn, higher than \$1,400bn in May'19.
- **China export monthly data (Figure 8):** on 7/12/19, China department of customs released Jun'19 export of RMB145.4bn, down 1.3% YoY and 0.5% MoM and import of RMB110.8bn, down 7.3% YoY and 6.2% MoM. The export data was better-than-expected 2% decrease from street perspective.
- **China CPI monthly data (Figure 9):** on 7/10/19, China bureau of statistics released June'19 CPI growth at 2.7% YoY, with food price up 8.3% and non-food price up 1.4%.
- **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 7/16/19, China bureau of statistics released Jun'19 industrial output growth at 6.3% YoY.

What happened?

- **AMZN former head of Business Division, Prentis Wilson, joined buck sale start-up firm Boxed.** On 7/23/19, Prentis Wilson, led AMZN Business division to \$10bn in annual sales, joined Boxed as the start-up's first president. AMZN has lost several high-profile leaderships in the past quarters, including former head of AMZN Prime Greg Geeley to Airbnb, former SVP of the marketplace Sebastian Gummingham to WeWork, VP of consumer engagement Chee Chew to Twilio.
- **FB's Libra raised "very serious concerns," said Treasury Secretary Steven Mnuchin.** On 7/16/19, Capitol Hill hosted crypto testimony. Treasury Secretary Steven Mnuchin addressed the government concerns on digital currency, such as money laundry and terrorist financing. FB's Libra Head, David Marcus, assured "FB will not offer Libra until it receives the proper approvals."
- **TSLA dropped Model 3's price and lowered Model S and X's long-range prices.** On 7/16/19, TSLA announced to stop "Standard Range" for Model S and X and dropped price for Model S and X's "Long Range" trim. In addition, Model 3's entry price was reduced from \$39,990 to \$38,990. Meanwhile, full self-driving capabilities option price will increase by \$1,000, effective on Aug 16. Market believed the new price strategy will help TSLA further differentiate high-end and mainstream market.
- **BABA's shareholders approved stock split.** On 7/16/19, BABA's shareholders approved BABA's 1-to-8 stock split proposal and believed the lower stock price will help BABA to attract more investors and ease the capital raising activities in future. Earlier, BABA had filed its IPO proposal in Hong Kong Stock Exchange, planning to raise \$20B.



- **MSFT invested \$1bn in OpenAI.** On 7/22/19, MSFT announced to invest \$1bn in OpenAI, co-founded by Elon Musk, for tackling more complex tasks than AI.

Earnings Summary

- **NFLX reported Q2'19 Earnings.** On 7/17/19 after market, NFLX released Q2'19 earnings on in line revenue of \$4.92bn and weaker-than-expected EPS of 60c. Notably, Q2 new additions for subscribers sunk sharply to 2.7mn vs. prior guidance of 5mn, U.S. subscriptions were decreased for the first time in the past 8 years. NFLX's stock fell more than 10% after reporting (**downside: ▼ for NFLX**).
- **MSFT reported Q4'19 Earnings.** On 7/18/19 after market, MSFT released Q4'19 earnings on stronger-than-expected revenue of \$33.7bn, up 12% YoY, and stronger-than-expected EPS of \$1.37. Management also provided slightly better-than-expected full year guidance. Notably, revenue from Azure increased 64% YoY, hitting to the lowest growth in past four years. MSFT's stock was up 2% after reporting (**upside: ▲ for MSFT**).
- **FB reported Q2'19 Earnings.** On 7/24/19 after market, FB reported Q2'19 earnings on revenue of \$16.9bn, up 28% YoY, surpassed of \$16.5bn, and adj EPS of \$1.99, beat Street expectation of \$1.88. FB recorded a \$2bn charge in Q2 tied to the FTC settlement. It previously set aside \$3bn. Daily active users rose 8% YoY to \$1.59bn for June. Monthly active users also rose 8% YoY, to \$2.41bn. FB's stock jumped 3.2% after reporting. (**upside: ▲ for FB**).
- **TSLA reported Q2'19 Earnings:** On 7/24/19 after market, TSLA reported Q2'19 earnings on revenue of \$6.35bn, up 59% YoY, missed Street expectation of \$6.41bn, and EPS of -\$1.12, missed Street expectation of - \$0.40. Although TSLA fell short of analysts' expectations, management reiterated FY19's guidance of 360,000 to 400,000. Tesla's ramping up of China's Gigafactory is on schedule to open by the end of the year, allowing TSLA to lower production cost and reap local credits. TSLA stock declined 11% after reporting. (**downside: ▼ for TSLA**).
- **GOOGL reported Q2'19 Earnings.** On 7/25/19 after market, GOOGL reported Q2'19 earnings on revenue of \$38.9bn, beat consensus of \$38.15bn, up 19% YoY, and EPS of \$14.21, beat consensus of \$11.30, up 213% YoY. GOOGL reported advertising revenue of \$32.60bn, up 16% YoY. GOOGL now faces the threat of antitrust action as DOJ is reportedly planned to probe GOOGL and other Big Tech for broad review. At the same time, board of directors approved the company to repurchase up an additional \$25bn of shares. GOOGL's stock jumped more than 8% after reporting. (**upside: ▲ for GOOGL**).
- **AMZN reported Q2'19 Earnings.** On 7/25/19 after market, AMZN reported Q2'19 earnings on revenue of \$63.4bn, beat consensus by \$810mn, up 19.9% YoY, and EPS of \$5.22, missed consensus by \$0.36, up 2.9% YoY. Street believed one day prime delivery will boost purchase frequencies in future, but it also compressed gross margin as cost for one-day delivery was higher-than-expected while exceeding revenue forecasts. AMZN's stock declined 3.2% after reporting. (**downside: ▼ for AMZN**).



What's coming up:

Date	Ticker	Company Name	Event	Location	Note
7/23/19	SNAP	Snap	Q2'19 Earnings	NASDAQ	After Market
7/24/19	FB	Facebook	Q2'19 Earnings	NASDAQ	After Market
7/24/19	TSLA	Tesla	Q2'19 Earnings	NASDAQ	After Market
7/25/19	GOOGL	Alphabet	Q2'19 Earnings	NASDAQ	After Market
7/25/19	AMZN	Amazon	Q2'19 Earnings	NASDAQ	After Market
7/26/19	TWTR	Twitter	Q2'19 Earnings	NASDAQ	PreMarket
8/6-8/7	NA	Oppenheimer	22nd Annual TMT Conference	Boston	Over 1400 attendences
8/7-8/8	NA	Canaccord Genuity	39th Annual Growth Conference	Boston	Over 1000 attendences

Source: Thomson Reuters, Grandation Research

Data Tracker:

- **Selected MAU vs. Rev analysis table (Figure 12):** for Q2'19, FB and SNAP updated MAU/DAU number of 2.4bn and 203mn, implying \$1.93 and \$0.48 revenue per MAU/DAU.
- **Estimated earning schedule table (Figure 13):** we expect AAPL to report Q2'19 earnings on 7/30/19.
- **Earnings surprise table (Figure 14):** on 7/24/19, Facebook reported Q2'19 earnings with revenue 2.3% and EPS 5.8% beats.
- **Stock performance (Figure 15):** MTD, social media index outperformed the S&P 500. In our screening stocks, the top 3 performers are SANP, CTRP and TWTR, up 23.7%, 9.3% and 9.2% MTD, respectively.
- **Short interest tracker (Figure 16):** The latest short interest data with an 7/15/19 settlement was released on 7/24/19. Short interest, when compared with the 6/28/19 settlement data is up 8.81% for WB and down 1.32%, 2.25% for BILL and BABA.
- **Yield Curve Tracker (Figure 18-20):** WoW, the spread between the 10YR vs. 2YR has increased by 1bps to 24bps.
- **Currency Tracker (Figure 21-25):** YTD, the USD has appreciated against EUR, CNY, and GBP and depreciated against JPY, CAD and INR.



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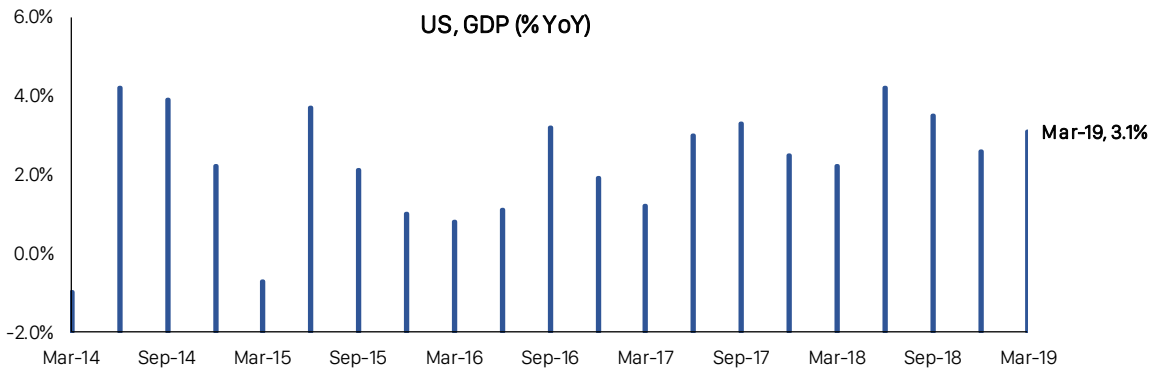
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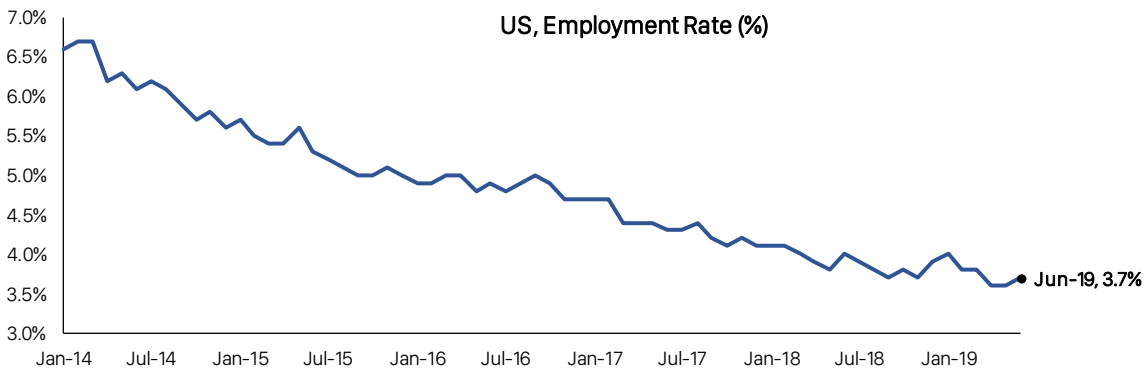
U.S. Macro Economic Indicator

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%.



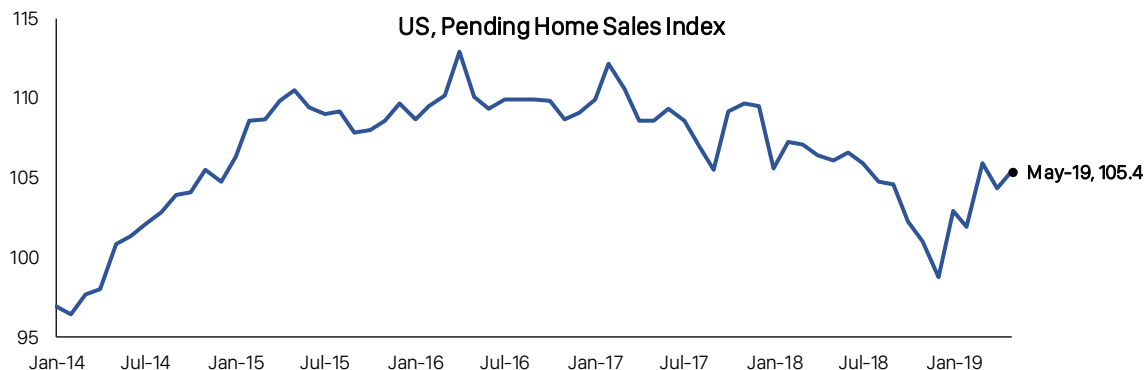
Source: U.S. BEU, Grandation Research

Figure 2: 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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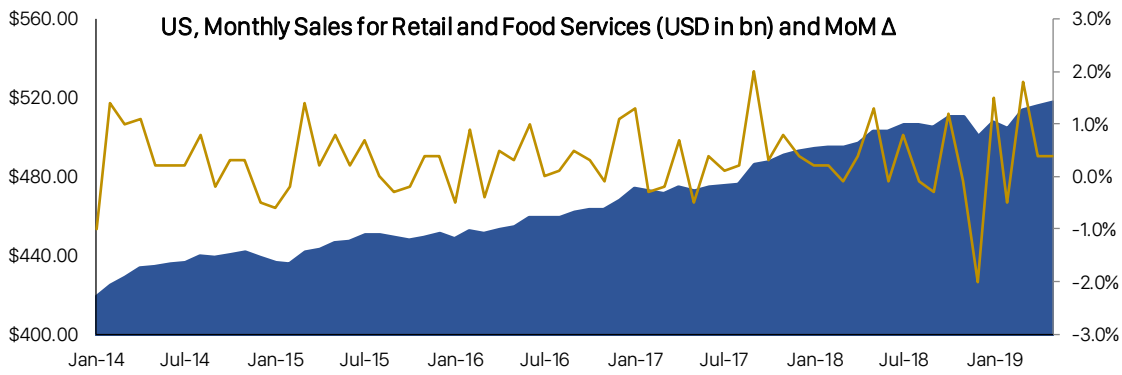


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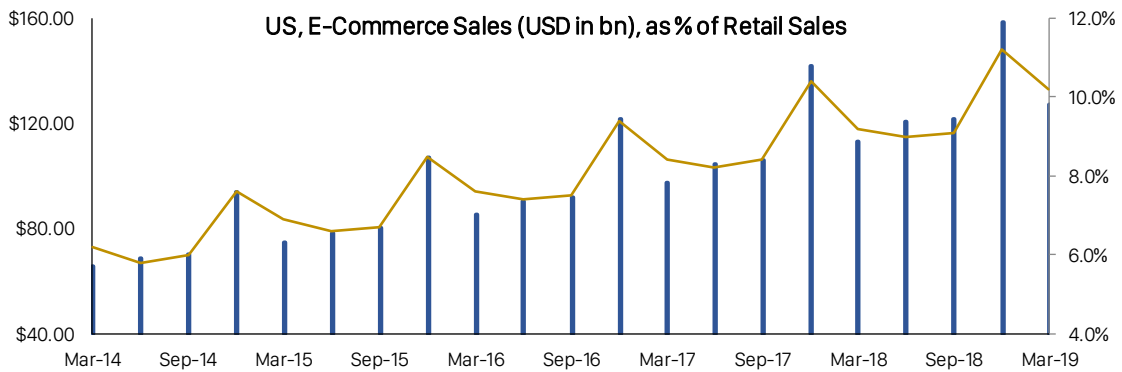
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Figure 4: U.S. retail sales tracker -- on 7/16/19, U.S. department of commerce released June'19 retail sales of \$519bn, up 0.4% MoM, beat the expectation of 0.1% MoM.



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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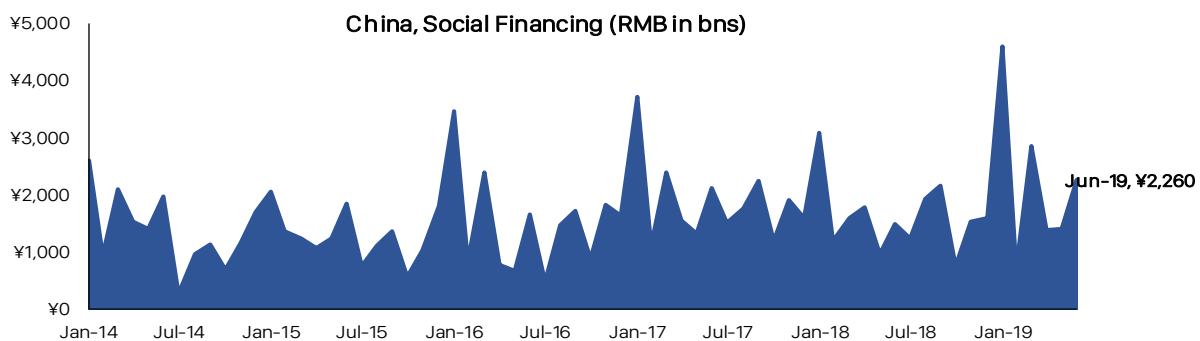
China Macro Economic Indicator

Figure 6: China GDP tracker -- on 7/16/19, China bureau of statistics released Q2'19 GDP growth at 6.2% YoY, in line with the expectation of 6.3% YoY, including 3.3% YoY, 5.6% YoY and 7.0% YoY in primary, secondary and tertiary industries, respectively.



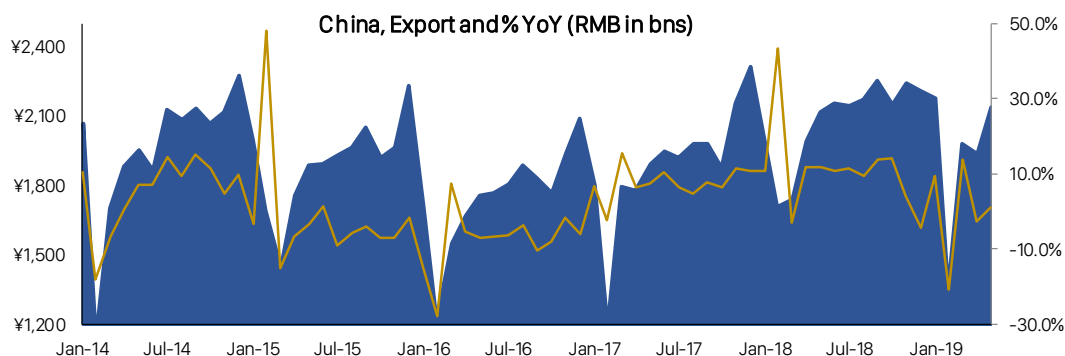
Source: China Stats, Grandation Research

Figure 7: China total social financing tracker -- on 7/12/19, the People Bank of China released Jun'19 total social financing of RMB2,260bn, beat the consensus of RMB1,950bn, higher than \$1,400bn in May'19.



Source: Trading Economics, Grandation Research

Figure 8: China export tracker -- on 7/12/19, China department of customs released Jun'19 export of RMB145.4bn, down 1.3% YoY and 0.5% MoM and import of RMB110.8bn, down 7.3% YoY and 6.2% MoM. The export data was better-than-expected 2% decrease from street perspective.



Source: China Customs, Grandation Research



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Figure 9: China CPI tracker-- on 7/10/19, China bureau of statistics released June'19 CPI growth at 2.7% YoY, with food price up 8.3% and non-food price up 1.4%.



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 7/16/19, China bureau of statistics released Jun'19 industrial output growth at 6.3% YoY.



Source: China Stats, Grandation Research



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Industry Data Tracker

Figure 12: Selected MAU vs. Rev analysis—For Q2'19, FB and SNAP updated MAU/DAU number of 2.4bn and 203mn, implying \$1.93 and \$0.48 revenue per MAU/DAU.

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	7.4	1.95	114.4	3.8	\$64.65	\$1.42
WB.O	Weibo Corp	9.29	1.72	465.0	5.4	\$19.98	\$0.31
FB.O	Facebook Inc	584.2	55.84	2,414.0	10.5	\$242.00	\$1.93
TWTR.N	Twitter Inc	29.77	3.04	330.0	9.8	\$90.21	\$0.77
BILI.O	Bilibili Inc	5.11	0.6	101.3	8.5	\$50.45	\$0.49
SNAP.N	Snap Inc	23.85	1.18	203.0	20.2	\$117.48	\$0.48
PDD.O	Pinduoduo Inc	24.33	1.91	289.7	12.7	\$83.98	\$0.55
BABA.N	Alibaba Group H	465.18	56.15	721.0	8.3	\$645.19	\$6.49
IQ.O	IQIYI Inc	13.89	3.63	96.8	3.8	\$143.53	\$3.13
NFLX.O	Netflix Inc	139.21	15.79	151.6	8.8	\$918.48	\$8.68

Source: Company filings, Grandation Research

Figure 13: Estimated earning schedule tracker-- We expect AAPL to report Q2'19 earnings on 7/30/19.

Next Earnings Schedule (Est)	Company	Ticker	Stock Price 7/25/2019	Street PT	Grandation PT	% PT/ Price	Consensus Revenue	Consensus EPS
7/25/2019	Amazon.com Inc	AMZN.O	\$2,000.81	\$2,256	NA	12.76%	\$62,476.12	\$5.57
7/25/2019	Expedia Group Inc	EXPE.O	\$137.82	\$149	NA	8.36%	\$3,118.25	\$1.67
7/25/2019	Alphabet Inc	GOOGL.O	\$1,139.73	\$1,335	NA	17.15%	\$38,149.31	\$11.30
7/26/2019	Twitter Inc	TWTR.N	\$38.73	\$40	NA	2.75%	\$829.07	\$0.19
7/30/2019	Apple Inc	AAPL.O	\$208.67	\$214	NA	2.33%	\$53,404.36	\$2.10
8/5/2019	IQIYI Inc	IQ.O	\$19.11	\$23	\$25	18.26%	\$1,026.21	-\$0.44
8/6/2019	Weibo Corp	WB.O	\$41.28	\$56	NA	34.53%	\$429.76	\$0.60
8/7/2019	Booking Holdings Inc	BKNG.O	\$1,919.25	\$2,021	NA	5.29%	\$3,748.48	\$22.67
8/7/2019	TripAdvisor Inc	TRIP.O	\$46.86	\$53	NA	12.62%	\$445.68	\$0.51
8/14/2019	JD.com Inc	JD.O	\$32.20	\$34	NA	4.37%	\$21,423.27	\$0.07
8/17/2019	UP Fintech Holding Ltd	TIGR.O	\$4.37	\$6	NA	32.72%	NULL	NA
8/20/2019	Momo Inc	MOMO.O	\$35.67	\$41	NA	15.50%	\$587.96	\$0.73
8/21/2019	Alibaba Group Holding Ltd	BABA.N	\$178.67	\$218	NA	22.18%	\$16,214.56	\$1.50
8/26/2019	Pinduoduo Inc	PDD.O	\$20.93	\$29	\$28	38.56%	\$863.54	-\$0.21
8/27/2019	Tuniu Corp	TOUR.O	\$3.33	\$6	NA	73.97%	\$74.92	-\$0.09
8/28/2019	Bilibili Inc	BILI.O	\$15.80	\$21	NA	30.71%	\$216.45	-\$0.12
9/3/2019	Ctrip.Com International Ltd	CTRP.O	\$40.28	\$45	NA	12.07%	\$1,257.99	\$0.31
10/14/2019	Netflix Inc	NFLX.O	\$317.94	\$388	\$250	22.15%	\$5,247.90	\$1.04
11/1/2019	Facebook Inc	FB.O	\$204.66	\$232	NA	13.19%	\$17,140.70	\$1.87
11/2/2019	Snap Inc	SNAP.N	\$17.61	\$16	NA	-7.32%	\$432.67	-\$0.06

Source: Thomson Reuters, Grandation Research



Figure 14: Earnings surprise tracker—on 7/24/19, Facebook reported Q2'19 earnings with revenue 2.3% and EPS 5.8% beat.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
TIGR.O	UP Fintech Holding Ltd	-	-	-	-	-	-
FB.O	Facebook Inc	7/24/2019	2.3%	-	5.4%	7.3%	5.8%
SNAP.N	Snap Inc	7/23/2019	8.0%	-	34.8%	-0.6%	39.7%
NFLX.O	Netflix Inc	7/17/2019	-0.1%	0.0%	12.7%	14.0%	6.6%
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%
TWTR.N	Twitter Inc	4/23/2019	1.4%	3.4%	18.9%	32.2%	143.7%

Source: Thomson Reuters, Grandation Research

Figure 15: Stock performance tracker-- MTD, social media index outperformed the S&P 500. In our screening stocks, the top 3 performers are SANP, CTRP and TWTR were up 23.7%, 9.3% and 9.2% MTD, respectively.

Ticker	Name	Price 7/25/19	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
SOCL.O	Global X Social Media ETF	33.8	0.14	3.1%	4.8%	22.4%
PNQI.O	Invesco Nasdaq Internet ETF	142.35	0.66	1.8%	3.1%	28.5%
.SPX	Standard & Poor's Corp	3019.56	NA	0.8%	2.0%	19.7%
Companies:						
SNAP.N	Snap Inc	17.61	23.85	26.2%	23.7%	221.1%
CTRP.O	Ctrip.Com International Ltd	40.28	22.29	5.7%	9.3%	49.0%
TWTR.N	Twitter Inc	38.73	29.77	3.7%	9.2%	32.6%
JD.O	JD.com Inc	32.20	46.82	2.7%	5.1%	52.1%
GOOGL.O	Alphabet Inc	1139.73	790.58	0.4%	4.9%	8.7%
TOUR.O	Tuniu Corp	3.33	0.43	7.3%	4.6%	-30.5%
BABA.N	Alibaba Group Holding Ltd	178.67	465.18	2.5%	4.6%	29.3%
AAPL.O	Apple Inc	208.67	960.11	2.2%	4.6%	31.2%
PDD.O	Pinduoduo Inc	20.93	24.33	7.3%	4.3%	-4.1%
AMZN.O	Amazon.com Inc	2000.81	985.06	0.5%	4.2%	31.4%
FB.O	Facebook Inc	204.66	584.20	1.2%	4.0%	53.1%
EXPE.O	Expedia Group Inc	137.82	20.51	2.3%	3.9%	22.7%
BKNG.O	Booking Holdings Inc	1919.25	83.09	2.3%	2.7%	11.8%
MOMO.O	Momo Inc	35.67	7.40	2.0%	-0.1%	52.9%
TRIP.O	TripAdvisor Inc	46.86	6.51	2.5%	-0.6%	-14.7%
BILI.O	Bilibili Inc	15.80	5.11	1.0%	-3.5%	7.6%
WB.O	Weibo Corp	41.28	9.29	-0.4%	-7.6%	-31.1%
IQ.O	IQIYI Inc	19.11	13.89	1.8%	-7.8%	28.0%
NFLX.O	Netflix Inc	317.94	139.21	3.6%	-11.1%	22.0%
TIGR.O	UP Fintech Holding Ltd	4.37	0.58	-8.8%	-23.3%	0.0%

Source: Thomson Reuters, Grandation Research



Figure 16: Short Interest tracker-- The latest short interest data with an 7/15/19 settlement was released on 7/24/19. Short interest, when compared with the 6/28/19 settlement data is up 8.81% for WB and down 1.32%, 2.25% for BILI and BABA.

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	2,330,699	1,966,334	NA	132,786,817	NA	NA	NA	NA
TRIP.O	TripAdvisor Inc	1,676,417	12,210,938	NA	139,021,263	107,246,643	85.0%	11.39%	0.35%
BKNG.O	Booking Holdings Inc	382,391	1,106,356	NA	43,291,345	43,028,413	99.4%	2.57%	-0.84%
TWTR.N	Twitter Inc	2,631,835	23,644,642	NA	768,631,304	740,664,356	96.3%	3.19%	0.46%
GOOGL.O	Alphabet Inc	1,721,433	2,710,615	NA	694,243,815	299,047,256	99.9%	0.91%	0.19%
WB.O	Weibo Corp	2,160,652	13,604,694	NA	225,035,097	16,800,000	92.7%	80.98%	8.81%
PDD.O	Pinduoduo Inc	6,260,171	36,945,027	NA	4,649,428,688	344,725,953	98.8%	10.72%	0.31%
NFLX.O	Netflix Inc	6,620,187	18,353,605	NA	437,834,882	430,649,805	98.3%	4.26%	-0.08%
BILI.O	Bilibili Inc	3,277,070	16,621,508	NA	323,423,402	275,697,956	93.9%	6.03%	-1.32%
MOMO.O	Momo Inc	3,288,425	7,229,541	NA	207,349,270	155,460,117	97.0%	4.65%	0.10%
BABA.N	Alibaba Group Holding Ltd	4,095,712	54,669,529	2.75	2,603,570,993	1,330,948,107	51.6%	4.11%	-2.25%
AMZN.O	Amazon.com Inc	3,928,262	3,357,298	NA	492,331,776	412,945,003	83.9%	0.81%	0.02%
FB.O	Facebook Inc	17,440,790	26,249,946	1.40	2,854,488,736	2,377,389,993	98.9%	1.10%	0.07%
JD.O	JD.com Inc	14,143,557	57,063,323	5.12	2,907,939,382	1,192,116,195	97.9%	4.79%	-0.30%
IQ.O	IQIYI Inc	8,631,639	65,314,803	NA	727,039,889	305,657,360	97.5%	21.37%	-0.09%
TOUR.O	Tuniu Corp	44,144	499,159	NA	129,777,182	10,771,919	96.2%	4.63%	-1.19%
EXPE.O	Expedia Group Inc	1,571,992	10,142,579	NA	148,807,688	117,936,062	86.7%	8.60%	-0.77%
CTRP.O	Ctrip.Com International Ltd	3,895,492	11,692,578	NA	69,187,290	280,866,808	94.8%	4.16%	-0.01%
AAPL.O	Apple Inc	26,438,360	42,428,971	NA	4,601,075,000	4,597,982,857	99.9%	0.92%	-0.10%
SNAP.N	Snap Inc	5,083,845	94,172,664	3.61	1,379,275,271	1,036,039,340	81.1%	9.09%	1.12%

Source: Thomson Reuters, Grandation Research

Figure 17: Compsheet

Ticker	Company	Market Cap (\$bn)	Price 7/25/19	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		
NFLX.O	Netflix Inc	142.94	326.46	22.0%	-11.1%	27.9%	23.3%	3.27	5.69	-2.3%	6.6x	46.9x	131.4x	99.8x	57.4x	1.5x	NA
WB.O	Weibo Corp	9.06	40.24	-31.1%	-7.6%	9.0%	13.9%	2.69	3.16	6.5%	4.2x	12.6x	15.0x	14.9x	12.7x	1.3x	NA
PDD.O	Pinduoduo Inc	25.	21.51	-4.1%	4.3%	115.9%	65.3%	(3.69)	4.62	NA	3.8x	NA	NA	(40.1x)	32.0x	2.7x	NA
TIGR.O	UP Fintech Holding Ltd	0.57	4.27	NA	-23.3%	NA	NA	(0.09)	0.25	NA	3.9x	NA	NA	(49.1x)	17.1x	NA	NA
BILI.O	Bilibili Inc	5.08	15.70	7.6%	-3.5%	59.4%	46.4%	(2.64)	-0.21	NA	3.7x	NA	NA	(40.9x)	(504.9x)	NA	NA
BKNG.O	Booking Holdings Inc	83.38	1926.13	11.8%	2.7%	4.8%	8.9%	100.67	113.02	5.3%	5.5x	14.9x	22.3x	19.1x	17.0x	1.4x	NA
MOMO.O	Momo Inc	7.41	35.76	52.9%	-0.1%	27.1%	16.6%	19.29	23.30	NA	2.4x	11.4x	23.7x	12.8x	10.6x	0.9x	NA
BABA.N	Alibaba Group Holding Ltd	461.59	177.29	29.3%	4.6%	34.1%	29.5%	46.81	59.97	4.0%	5.8x	21.1x	36.5x	26.1x	20.3x	NA	NA
AMZN.O	Amazon.com Inc	971.77	1973.82	31.4%	4.2%	19.6%	18.9%	26.82	37.55	2.7%	3.3x	22.9x	83.4x	73.6x	52.6x	0.7x	NA
AAPL.O	Apple Inc	952.51	207.02	31.2%	4.6%	-3.3%	4.2%	11.41	12.52	6.7%	3.7x	13.1x	17.7x	18.1x	16.5x	NA	NA
TWTR.N	Twitter Inc	29.3	38.12	32.6%	9.2%	16.1%	14.7%	1.07	1.09	2.2%	6.8x	19.3x	22.2x	35.8x	35.1x	NA	NA
FB.O	Facebook Inc	572.92	200.71	53.1%	4.0%	25.9%	21.7%	6.55	9.50	3.1%	6.7x	13.7x	29.8x	30.6x	21.1x	1.2x	NA
JD.O	JD.com Inc	46.28	31.83	52.1%	5.1%	20.3%	17.1%	4.72	7.12	1.2%	0.5x	29.3x	102.8x	46.4x	30.7x	0.6x	NA
GOOGL.O	Alphabet Inc	787.29	1135.94	8.7%	4.9%	18.6%	17.4%	46.37	54.12	3.8%	3.9x	11.4x	28.5x	24.5x	21.0x	1.8x	NA
SNAP.N	Snap Inc	24.4	17.69	221.1%	23.7%	44.2%	34.6%	(0.21)	-0.02	-1.1%	11.5x	NA	NA	(83.7x)	(1166.1x)	NA	NA
IQ.O	IQIYI Inc	13.84	19.04	28.0%	-7.8%	20.4%	23.2%	(12.47)	-8.20	NA	2.8x	10.8x	NA	(10.5x)	(16.0x)	NA	NA
TOUR.O	Tuniu Corp	0.44	3.38	-30.5%	4.6%	0.8%	7.3%	(1.00)	0.80	NA	0.6x	NA	NA	(23.4x)	28.3x	NA	NA
EXPE.O	Expedia Group Inc	20.57	138.21	22.7%	3.9%	8.1%	9.6%	6.96	8.04	5.7%	1.7x	9.7x	48.5x	19.8x	17.2x	NA	0.9%
TRIP.O	TripAdvisor Inc	6.39	46.00	-14.7%	-0.6%	4.2%	8.5%	1.96	2.19	6.1%	3.2x	12.0x	46.1x	23.4x	21.0x	NA	NA
CTRP.O	Ctrip.Com International Ltd	22.32	40.33	49.0%	9.3%	18.8%	18.6%	9.84	12.23	NA	4.0x	22.1x	41.1x	28.2x	22.7x	1.2x	NA

Source: Thomson Reuters, Grandation Research



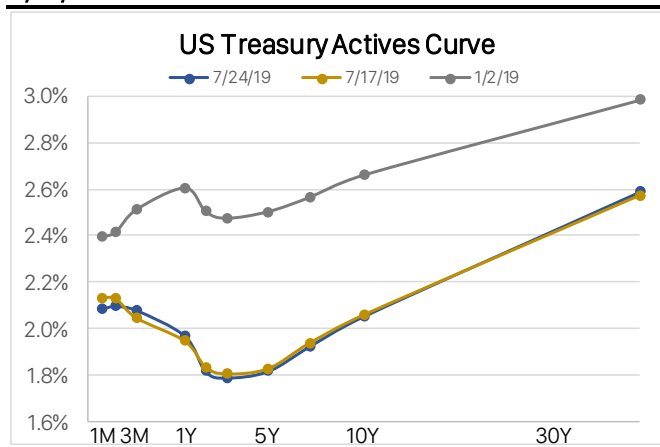
Yield Curve Tracker

Figure 18: Yield Curve tracker – WoW, the spread between the 10YR vs. 2YR has increased by 1bp to 24bps.

Yield Curve (unit: bps)	7/24/19	7/17/19	WoW Δ	1/2/19	YTD Δ	7/24/18	YoY Δ
US Generic Govt 1MT Yield	2.087	2.133	-2.1%	2.394	-12.8%	1.88	11.0%
US Generic Govt 3MT Yield	2.098	2.128	-1.4%	2.417	-13.2%	2.01	4.5%
US Generic Govt 6MT Yield	2.080	2.046	1.7%	2.513	-17.2%	2.19	-5.1%
US Generic Govt 1YT Yield	1.970	1.947	1.2%	2.605	-24.4%	2.40	-18.0%
US Generic Govt 2YT Yield	1.818	1.836	-1.0%	2.504	-27.4%	2.64	-31.1%
US Generic Govt 3YT Yield	1.791	1.807	-0.9%	2.475	-27.7%	2.73	-34.5%
US Generic Govt 5YT Yield	1.818	1.829	-0.6%	2.503	-27.4%	2.82	-35.5%
US Generic Govt 7YT Yield	1.923	1.938	-0.8%	2.564	-25.0%	2.91	-33.9%
US Generic Govt 10YT Yield	2.055	2.061	-0.3%	2.661	-22.8%	2.95	-30.3%
US Generic Govt 30YT Yield	2.589	2.573	0.6%	2.982	-13.2%	3.08	-15.9%
US 10YR & 2YR Spread	24	23	1	16	8	31	-8

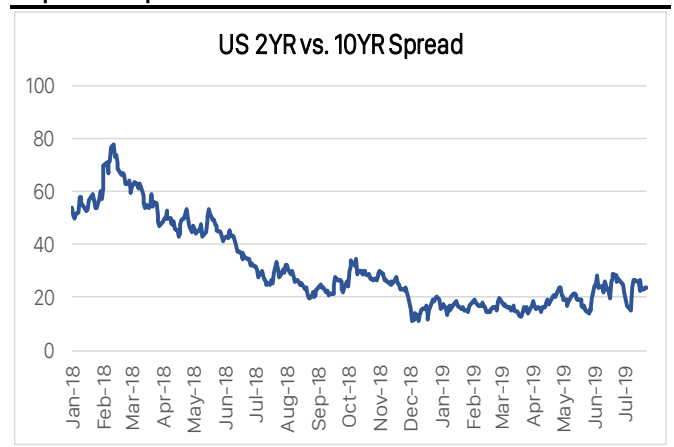
Source: Thomson Reuters, Grandation Research

Figure 19: The US Treasury Actives was in line with 7/17/19



Source: Thomson Reuters, Grandation Research

Figure 20: WoW, the 10YR vs. 2YR has increased by 1bp to 24bps.



Source: Thomson Reuters, Grandation Research



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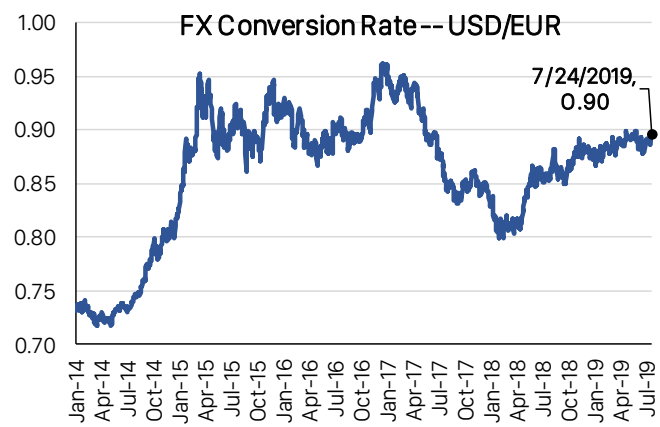
Currency Tracker

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

Currency	7/24/19	7/17/19	WoW Δ	1/2/19	YTD Δ	7/25/18	YoY Δ
USD/EUR	0.898	0.891	0.7%	0.882	1.8%	0.85	5.3%
USD/JPY	108.140	107.940	0.2%	108.870	-0.7%	110.97	-2.6%
USD/CNY	6.872	6.873	0.0%	6.860	0.2%	6.77	1.6%
USD/GBP	0.800	0.804	-0.5%	0.793	0.9%	0.76	5.5%
USD/CAD	1.314	1.305	0.7%	1.358	-3.2%	1.30	0.7%
USD/INR	68.931	68.830	0.1%	69.98	-1.5%	68.73	0.3%

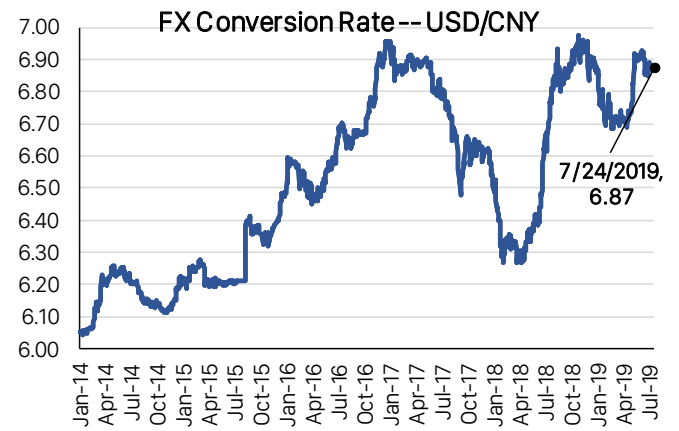
Source: Thomson Reuters, Grandation Research

Figure 22: YTD, USD/EUR appreciated 1.8% to 0.90.



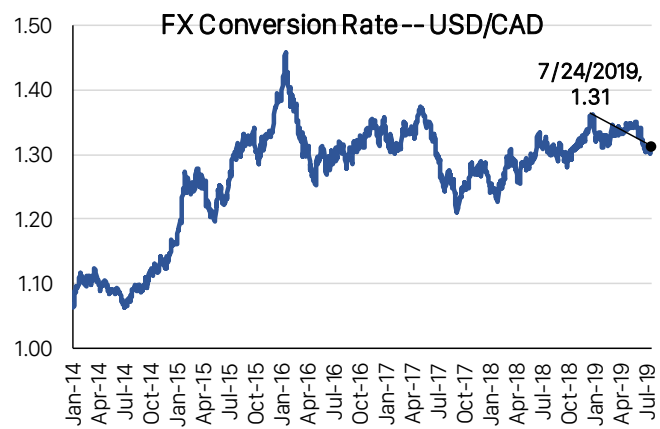
Source: Thomson Reuters, Grandation Research

Figure 23: YTD, USD/CNY appreciated 0.2% to 6.87.



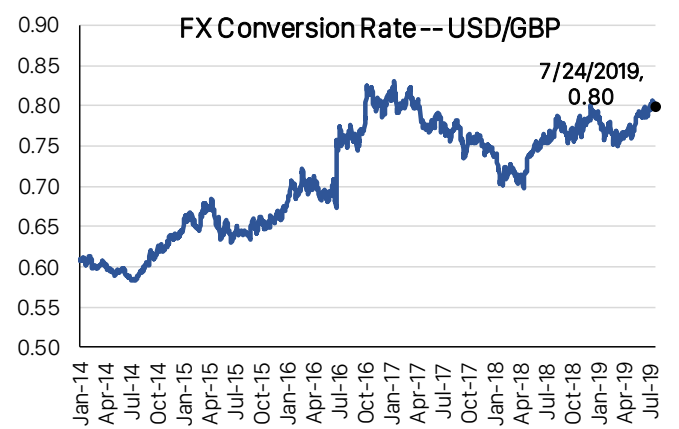
Source: Thomson Reuters, Grandation Research

Figure 24: YTD, USD/CAD depreciated 3.2% to 1.31



Source: Thomson Reuters, Grandation Research

Figure 25: YTD, USD/GBP appreciated 0.9% to 0.80.



Source: Thomson Reuters, Grandation Research



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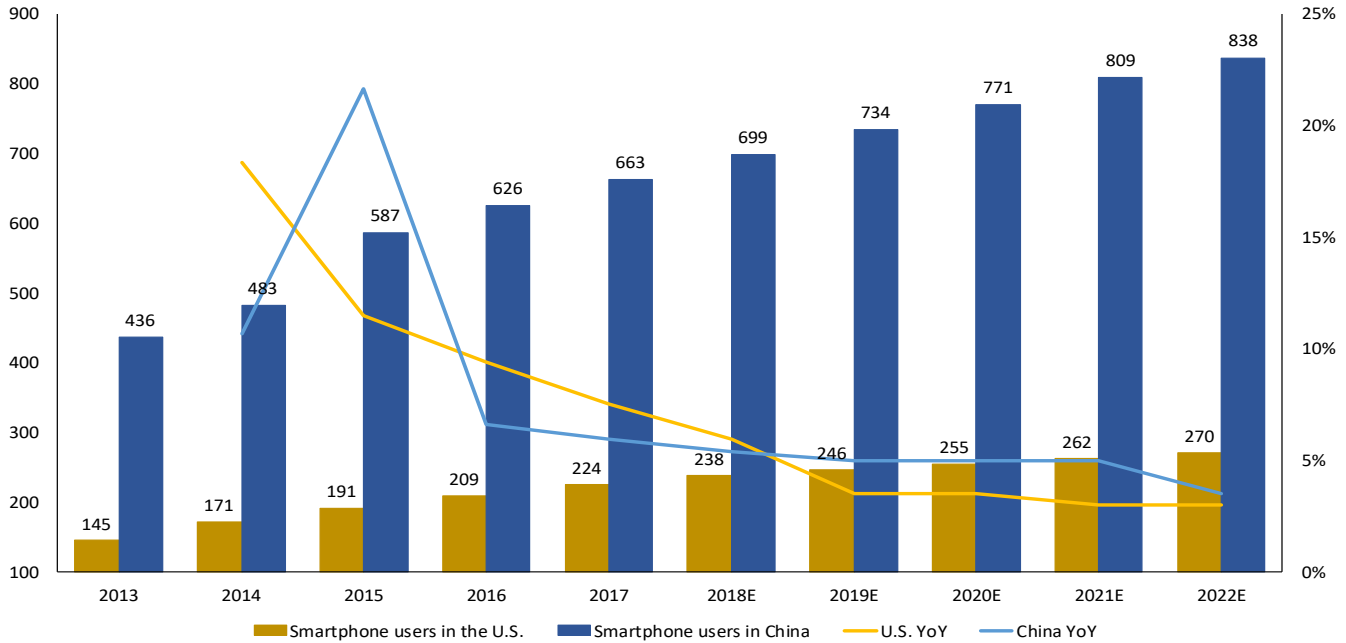
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Appendix 1: Smartphone users of China----Smartphone users in China are expected to grow to 699.04mn, 5.4% YoY, in 2018; **Smartphone users of the U.S.**---- Smartphone users in the U.S. are expected to grow to 237.6mn, 5.9% YoY, in 2018.

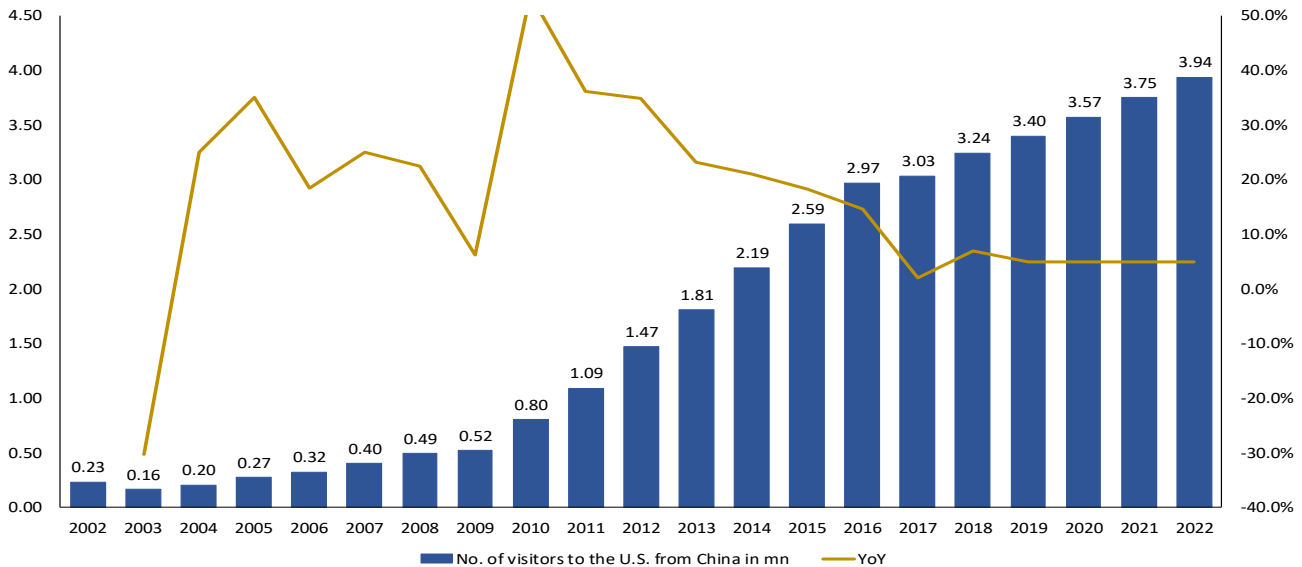
Smartphone users of China and the U.S. (mn)



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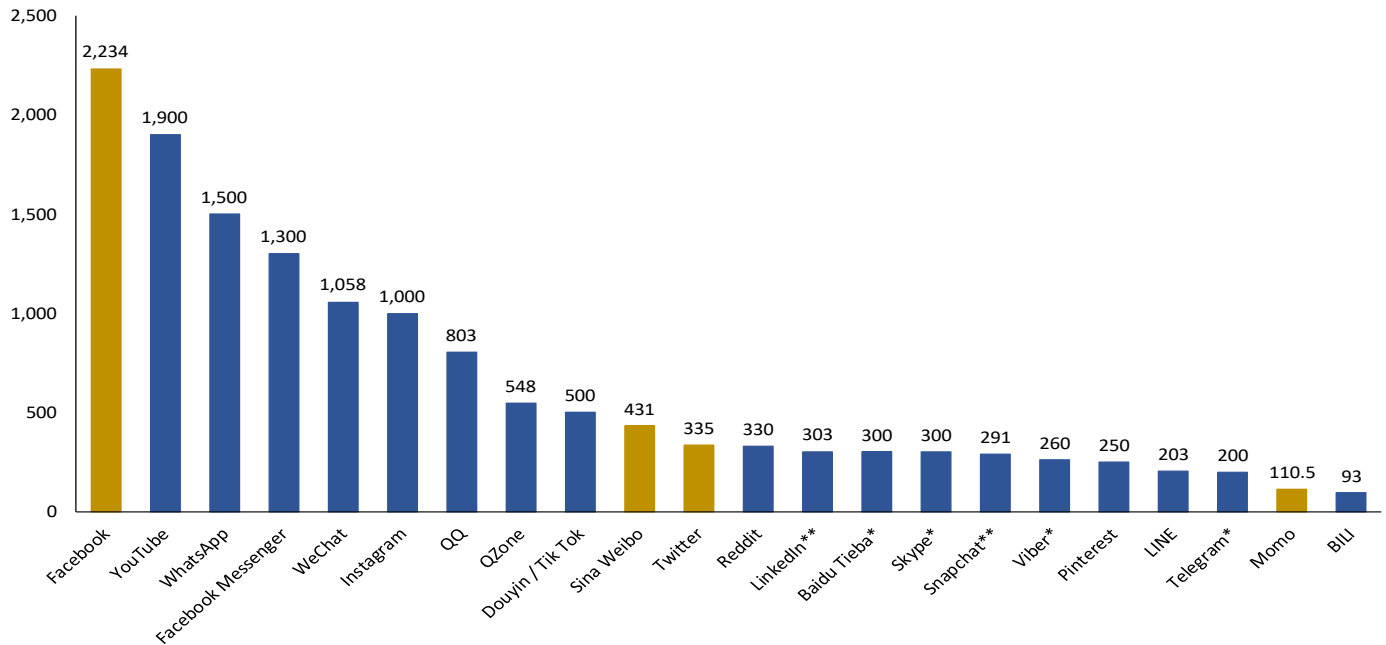
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Appendix 3 Ranking in selected Social Sites by Users----As of Oct 2018, FB and TWTR reported to have 2,234mn and 335mn active users, while WB and MOMO reported to have 431mn and 111mn active users.

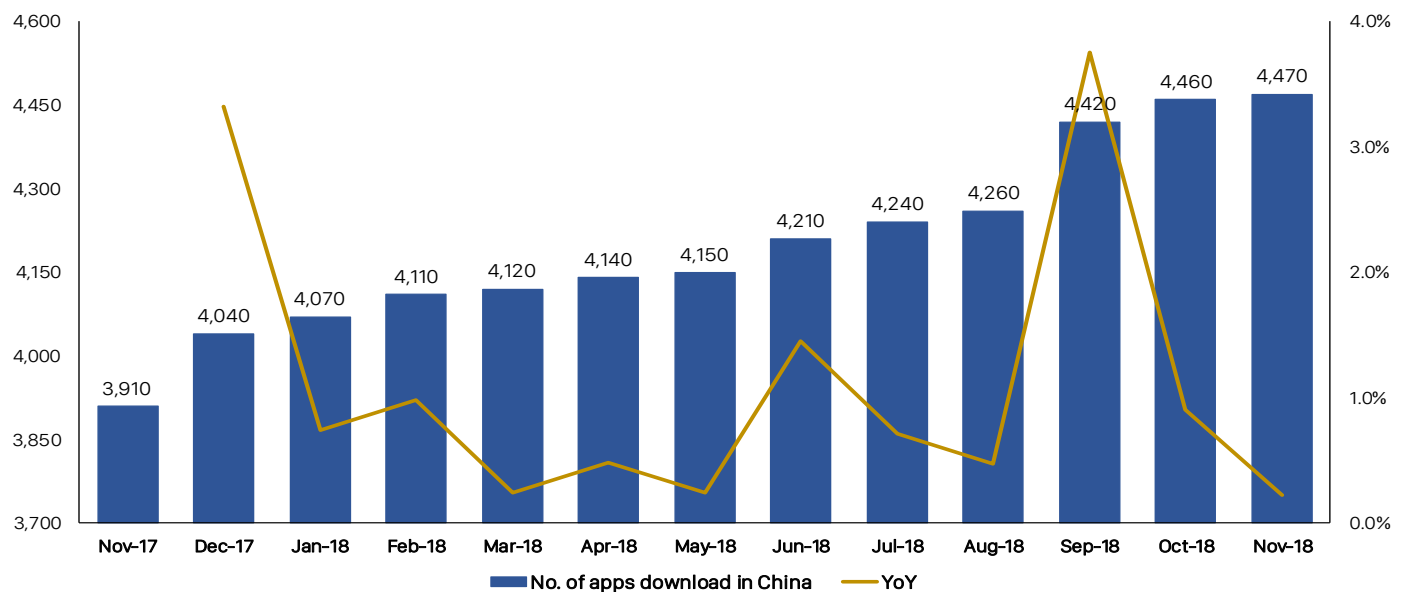
Number of Users in Selected Social Sites (mn)



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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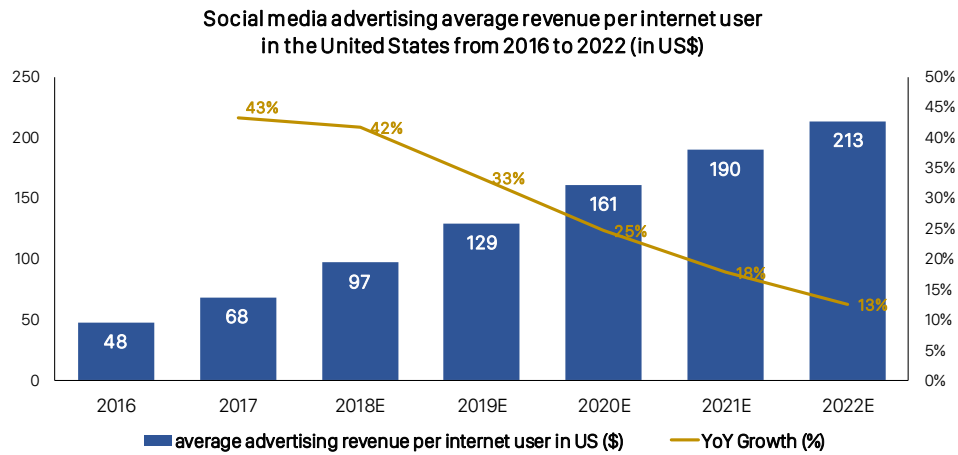


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Appendix 5: Social media advertising average average revenue per internet users in the U.S. from 2016–2022 (in U.S.\$)



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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