



GRANDATION CAPITAL

RESEARCH DEPARTMENT

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Companies mentioned in this report
(price as 8/23/19 market close)

Ticker	Price 8/23/19	WoW
PDD.O	\$ 30.59	28.15%
TIGR.O	\$ 5.00	17.92%
WB.O	\$ 40.19	13.66%
TOUR.O	\$ 3.40	7.26%
IQ.O	\$ 18.18	7.13%
AAPL.O	\$ 212.46	5.31%
TWTR.N	\$ 42.18	5.21%
BILI.O	\$ 14.70	4.93%
EXPE.O	\$ 130.77	3.13%
CTRP.O	\$ 33.32	2.97%
BABA.N	\$ 171.91	2.96%
MOMO.O	\$ 32.89	2.88%
BKNG.O	\$ 1,952.47	2.51%
GOOGL.O	\$ 1,191.52	1.90%
AMZN.O	\$ 1,805.60	1.66%
SNAP.N	\$ 16.08	0.56%
NFLX.O	\$ 296.93	0.40%
FB.O	\$ 182.04	-0.30%
TRIP.O	\$ 38.15	-0.78%
JD.O	\$ 29.49	-2.22%

TMT INDUSTRY REPORT

8/23/2019

VOLUME 3, ISSUE 7

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

Key takeaways: Inconsistent statements pivoted the market every week. As we spotted on Fed meeting at Jackson Hole this Friday, trade war severed, triggering by Chinese government retaliation of new tariff on \$75bn American goods. Trump took immediate reactions, hosting a meeting with trade delegation and "ordering" the U.S. companies to move away from China. Well, the U.S. companies may hold different views. The Federal Chamber of Commerce issued a letter to White House, addressed the U.S. president had no power to "order" companies to exit certain markets, and the top CEOs were against any further retaliations on trade. **TMT Industry:** IXN index is closed at 175.61 on 8/23/19, down 2.5% WoW. **Individual stocks:** In our screening stocks, the top 3 performers are PDD, TIGR and TOUR, up 32.8%, 21.2% and 9.1% MTD, respectively.

U.S. Macro Economic Indicators:

- **U.S. GDP quarterly data (Figure 1):** on 7/26/19, U.S. department of commerce released Q2'19 GDP growth at 2.1% YoY, topped the expectation of 2% YoY.
- **U.S. employment monthly data (Figure 2):** on 8/2/19, U.S. department of labor released July'19 unemployment rate of 3.7%, remained at 50-year record low. Average hourly earnings for all employees on private nonfarm payrolls increased by 3.2%, YoY. Non-farm payroll increased 164,000, in line with expectation of 165,000.
- **U.S. pending home sales index monthly data (Figure 3):** on 7/30/19, National Association of Realtors released June'19 pending home sales index, increasing 2.8% to 108.3.



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- **U.S. retail sales monthly data (Figure 4):** on 8/15/19, U.S. department of commerce released July'19 retail sales of \$523bn, up 0.7% 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 8/12/19, the People Bank of China released July'19 total social financing of RMB1,010bn, missed the consensus of RMB1,500bn, lower than \$2,260bn in June'19.
- **China export monthly data (Figure 8):** on 8/8/19, China department of customs released July'19 export of RMB152.4bn, up 10.3% YoY and 4.9% MoM and import of RMB121.4bn, up 0.4% YoY and 9.5% MoM. The export data well surpassed consensus of 2% decrease.
- **China CPI monthly data (Figure 9):** on 8/9/19, China bureau of statistics released July'19 CPI growth at 2.8% YoY, beat consensus of 2.7%.
- **China PMI monthly data (Figure 10):** on 8/1/19, China Bureau of Statistics released Jul'19 PMI at 49.7, up 0.3 MoM but still falling below 50 due to the U.S.-China trade tensions. However, non-manufacturing PMI remained healthy at 53.7, down 0.7 MoM, signaling domestic economic environment remains strong in China.
- **China industrial output data (Figure 11):** on 8/14/19, China bureau of statistics released July'19 industrial output growth at 4.8% YoY, the weakest annual gain since February 2002 and below market consensus of 5.8%.

What happened?

- **EU drafted billion-dollar plan to take on US tech firms.** On 8/23/19, EU officials drafted a plan for sovereign wealth fund to invest \$110bn in "high-potential European companies". The proposal encourages EU companies to catch up with competitors from the U.S. and China. One internal document specifically named risks from U.S. tech giants Google, Apple, Facebook and Amazon and Chinese firms Baidu, Alibaba and Tencent.
- **Alibaba postponed secondary IPO in Hong Kong due to protest.** On 8/21/19, BABA pushed back its planned secondary stock listing in Hong Kong due to uncertain macro-economic environment. The IPO aimed to raise additional \$15bn. Meanwhile, BABA announced \$6bn stock repurchase plan in the next two years.
- **Apple Card is now available across the U.S., featuring 3% daily cash back on Apple store and Uber.** On 8/20/19, AAPL partnered with Goldman Sachs to launch Apple Card with cash back features. The daily cash back includes: 1% when using titanium, physical Apple Card for any purchase; 2% when using the digital Apple Card through Apple Pay for any purchase and 3% when using the digital Apple Card for purchase from Apple stores and Uber platform.
- **Walmart sued Tesla solar panel caught on fire on warehouse roof.** On 8/20/19, WMT filed the lawsuit against TSLA, said SolarCity's panel caught fire at seven WMT stores due to inappropriate installations. WMT asked TSLA to remove all solar panels across all WMT's 240 warehouse locations.



- **Apple TV Plus to reportedly launch by Nov'19 for \$10 per month.** On 8/19/19, AAPL announced to launch its TV Plus subscription service with exclusive original shows and films in Nov'19 for \$10/month. A free trial will be tested after launch. Notably, AAPL plans to spend \$6bn on original shows and will launch first original show "The Morning Show" starring by Jennifer Aniston and Reese Witherspoon.
- **WeWork reveals massive \$900mn loss in filing to go public.** On 8/14/19, Wework reported revenue of \$1.54bn and a net loss of more than \$900mn for the first six months of 2019. Wework currently operates 528 locations, up from 485 for Q1'19, and it plans to open 169 new locations. 50% of its memberships are based outside the U.S. and enterprise customers, which made up 40% of its memberships, are Wework's fastest growing membership category.

Earnings Summary

- **PDD reported Q2'19 Earnings.** On 8/21/19 premarket, PDD reported Q2'19 earnings on revenue of \$1.06bn, beat consensus of \$186.61mn, up 158.9% YoY, and EPS of -\$0.05, beat consensus of -\$0.19. GMV grew to \$103.3bn, up 171% YoY. Average MAUs were up 88% YoY to 366mn, and active buyers increased 41% YoY to 483mn. Annual spending per active buyer was up 92% YoY to \$213.80. Cash and cash equivalents totaled \$3.47bn. For 6.18 promotional period from June 1st to June 18th, GMV increased 300% YoY with daily order volumes of 16mn. PDD's stock soared 13.25% after reporting. **(upside: ▲ for PDD).**
- **IQ reported Q2'19 Earnings.** On 8/19/19 after market, IQ reported Q2'19 earnings on revenue of \$1bn, in line with consensus, up 11.4% YoY, and EPS of -\$0.49, missed consensus of -\$0.45. Total subscriber was 100.5mn, up 50% YoY, 98.9% of whom were paid subscribers. Subscription revenue increased to \$497.1mn, up 38% YoY driven by strong content. Online advertising service revenue was \$320.6mn, down 16% YoY, due to the challenging macroeconomic environment in China, the delay of content launch and slower-than-expected recovery of in-feed advertising. IQ's stock was down 8.5% after reporting and jumped 9.13% next day. **(downside: ▼ for IQ).**
- **BIDU reported Q2'19 Earnings.** On 8/19/19 after market, BIDU reported Q2'19 earnings on revenue of \$3.84bn, beat consensus by \$120mn, up 1.1% YoY, and EPS of \$0.96, beat consensus of \$0.53. Free cash flow was \$817mn. The search engine market share rebounded in July to 76%. DAUs reached 188mn, up 27% YoY, in-app search queries grew over 20% YoY and smart mini program MAUs reached 270mn, up 49% MoM. BIDU's stock rose 7.54% after reporting. **(upside: ▲ for BIDU).**

What's coming up:

Date	Ticker	Company Name	Event	Location	Note
8/28/19	TIF	Tiffany	Q2'19 Earnings	NASDAQ	Before Market
8/29/19	BBY	Best Buy	Q2'20 Earnings	NASDAQ	Before Market
8/29/19	ANF	Abercrombie & Fitch	Q2'19 Earnings	NASDAQ	Before Market
9/4/19	AEO	American Eagle Outfitters	Q2'19 Earnings	NASDAQ	Before Market

Source: Thomson Reuters, Grandation Research



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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 MOMO to report Q2'19 earnings on 8/27/19.
- **Earnings surprise table (Figure 14):** on 8/21/19, PDD reported Q2'19 earnings with beat surprise on revenue of 17.8% and EPS of 73.8%.
- **Stock performance (Figure 15):** MTD, social media index underperformed the S&P 500. In our screening stocks, the top 3 performers are PDD, TIGR and TOUR, up 32.8%, 21.2% and 9.1% MTD, respectively.
- **Short interest tracker (Figure 16):** The latest short interest data with an 8/9/19 settlement was released on 8/19/19. Short interest, when compared with the 7/24/19 settlement data is up 3.88%, 3.32% for SNAP and TRIP, down 13.51% for WB.
- **Yield Curve Tracker (Figure 18-20):** WoW, the spread between the 10YR vs. 2YR has declined by 7bps to -1bps.
- **Currency Tracker (Figure 21-25):** YTD, the USD has appreciated against EUR, CNY, INR and GBP and depreciated against JPY, CAD.

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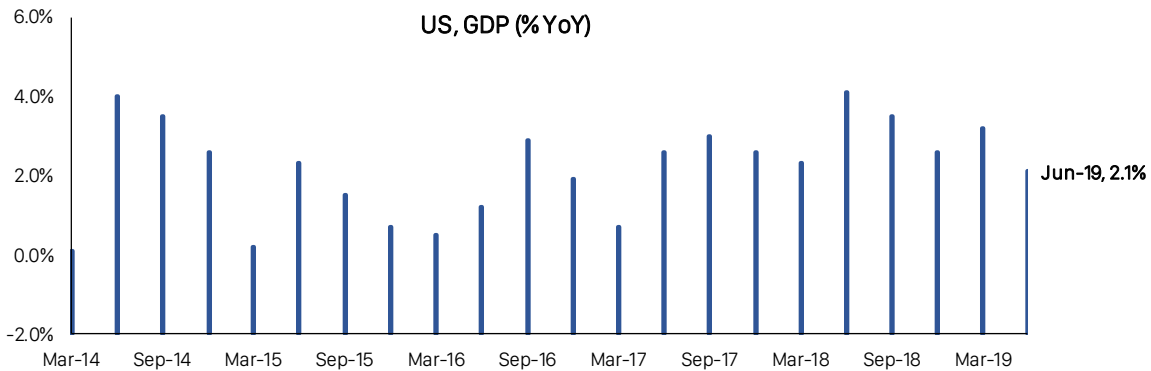
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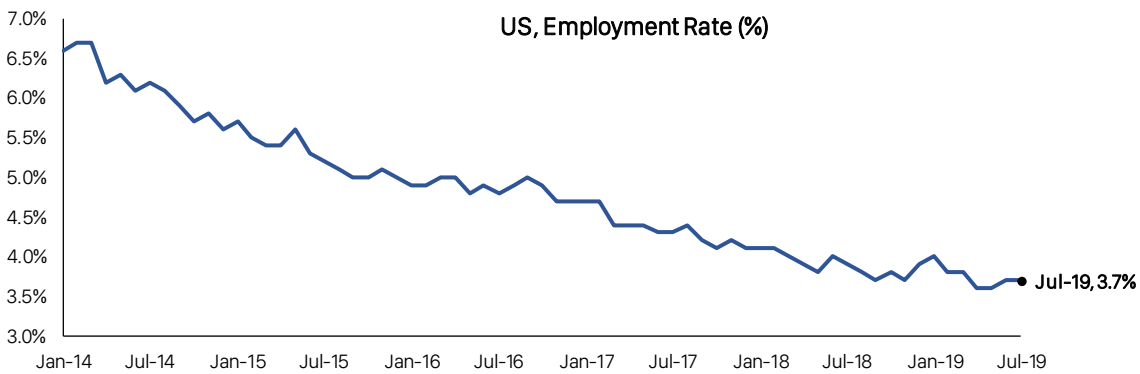
U.S. Macro Economic Indicator

Figure 1: U.S. GDP Tracker -- on 7/26/19, U.S. department of commerce released Q2'19 GDP of 2.1%, topped the expectation of 2.0%.



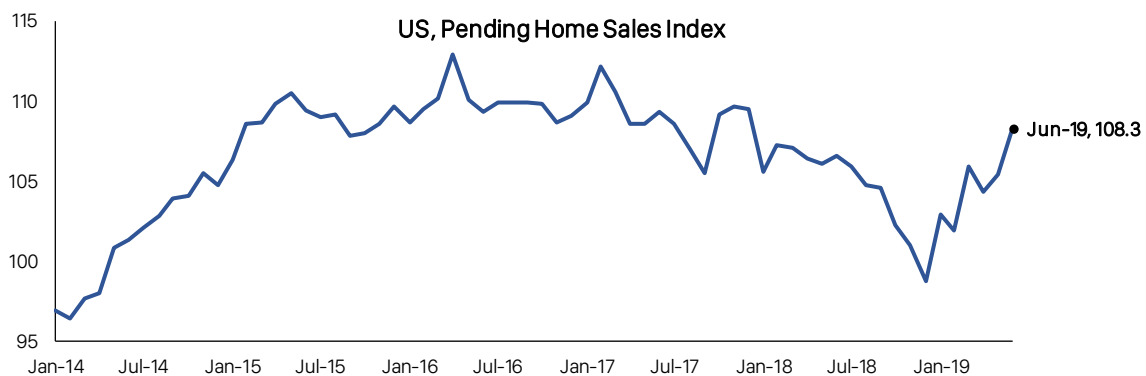
Source: U.S. BEU, Grandation Research

Figure 2: U.S. employment tracker -- on 8/2/19, U.S. department of labor released July'19 unemployment rate of 3.7%, remained at 50-year record low. Average hourly earnings for all employees on private nonfarm payrolls increased by 3.2%, YoY. Non-farm payroll increased 164,000, in line with expectation of 165,000.



Source: U.S. BLS, Grandation Research

Figure 3: U.S. pending home sales index tracker -- on 7/30/19, National Association of Realtors released June'19 pending home sales index, increasing 2.8% to 108.3.



Source: U.S. NAR, Grandation Research



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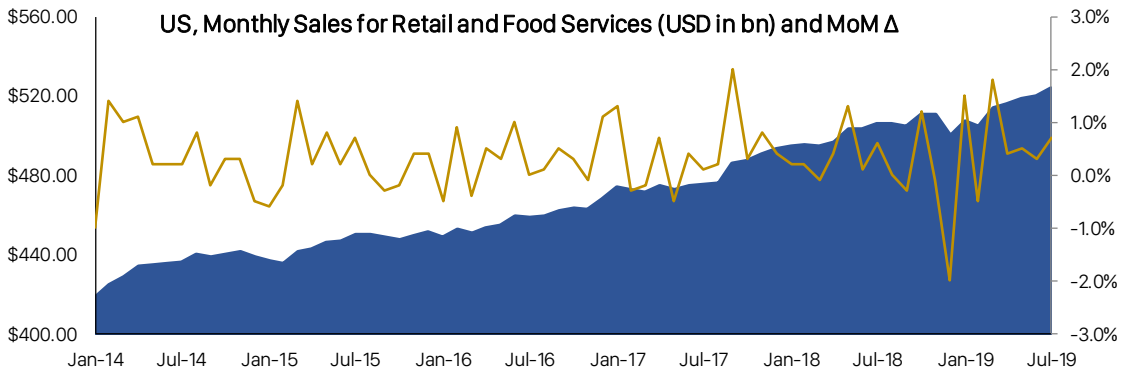


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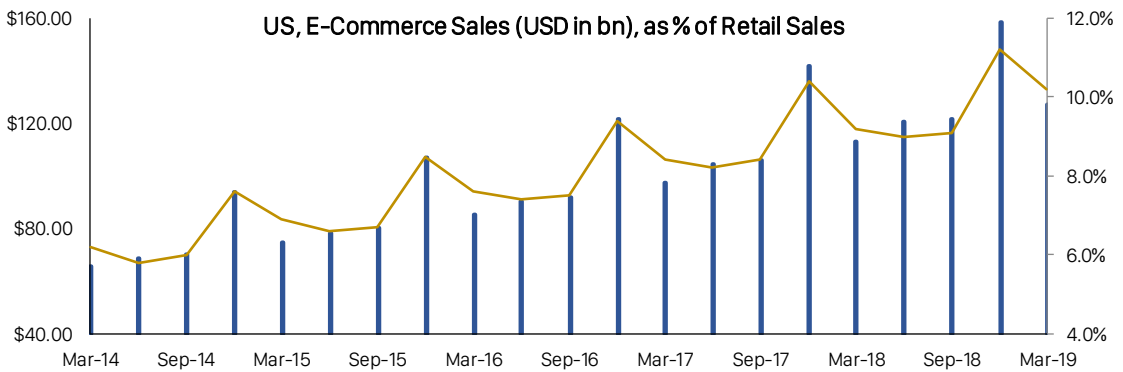
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Figure 4: U.S. retail sales tracker -- on 8/15/19, U.S. department of commerce released July'19 retail sales of \$523bn, up 0.7% MoM.



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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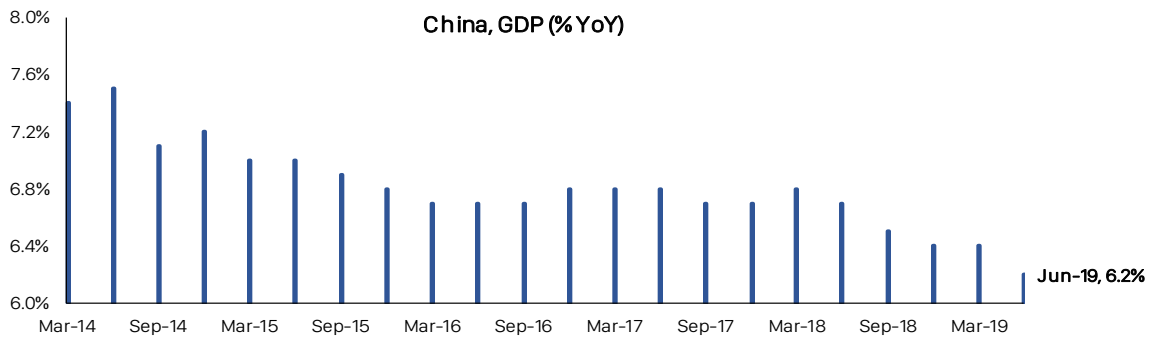
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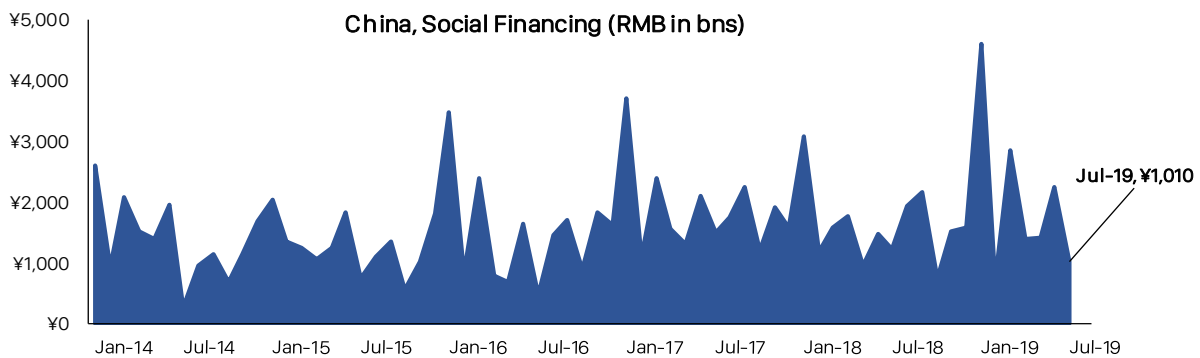
China Macro Economic Indicator

Figure 6: China GDP tracker -- on 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.



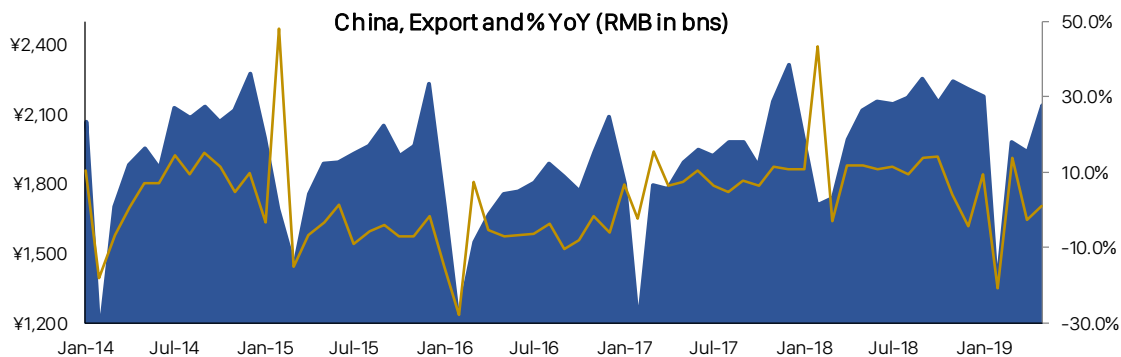
Source: China Stats, Grandation Research

Figure 7: China total social financing tracker --on 8/12/19, the People Bank of China released July'19 total social financing of RMB1010bn, missed the consensus of RMB1,500bn, lower than \$2,260bn in June'19.



Source: Trading Economics, Grandation Research

Figure 8: China export tracker -- on 8/8/19, China department of customs released July'19 export of RMB152.4bn, up 10.3% YoY and 4.9% MoM and import of RMB121.4bn, up 0.4% YoY and 9.5% 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 8/9/19, China bureau of statistics released July'19 CPI growth at 2.8% YoY, beat consensus of 2.7%.



Source: China Stats, Grandation Research

Figure 10: China PMI tracker -- on 8/1/19, China Bureau of Statistics released Jul'19 PMI at 49.9, up 0.3 MoM but still falling below 50 due to the U.S.-China trade tensions. However, non-manufacturing PMI remained healthy at 53.7, down 0.7 MoM, signaling domestic economic environment remains strong in China.



Source: China Stats, Grandation Research

Figure 11: China industrial output tracker -- on 8/14/19, China bureau of statistics released July'19 industrial output growth at 4.8% YoY, the weakest annual gain since February 2002 and below market consensus of 5.8%.



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	6.82	1.95	114.4	3.5	\$59.61	\$1.42
WB.O	Weibo Corp	9.04	1.72	465.0	5.3	\$19.45	\$0.31
FB.O	Facebook Inc	519.35	55.84	2,414.0	9.3	\$215.14	\$1.93
TWTR.N	Twitter Inc	32.61	3.04	330.0	10.7	\$98.81	\$0.77
BILI.O	Bilibili Inc	4.75	0.6	101.3	7.9	\$46.93	\$0.49
SNAP.N	Snap Inc	22.18	1.18	203.0	18.8	\$109.25	\$0.48
PDD.O	Pinduoduo Inc	35.56	1.91	289.7	18.6	\$122.74	\$0.55
BABA.N	Alibaba Group H	447.58	56.15	721.0	8.0	\$620.78	\$6.49
IQ.O	IQIYI Inc	13.22	3.63	96.8	3.6	\$136.55	\$3.13
NFLX.O	Netflix Inc	130.01	15.79	151.6	8.2	\$857.79	\$8.68

Source: Company filings, Grandation Research

Figure 13: Estimated earning schedule tracker-- We expect MOMO to report Q2'19 earnings on 8/27/19.

Next Earnings Schedule (Est)	Company	Ticker	Stock Price 8/23/2019	Street PT	Grandation PT	% PT/ Price	Consensus Revenue	Consensus EPS
8/23/2019	UP Fintech Holding Ltd	TIGR.O	\$5.00	\$6	NA	16.00%	NA	NA
8/26/2019	Bilibili Inc	BILI.O	\$14.70	\$21	NA	39.72%	\$210.97	-\$0.12
8/27/2019	Momo Inc	MOMO.O	\$32.89	\$41	NA	25.47%	\$581.90	\$0.73
8/28/2019	Tuniu Corp	TOUR.O	\$3.40	\$6	NA	70.39%	\$74.92	-\$0.09
9/9/2019	Ctrip.Com International Ltd	CTRP.O	\$33.32	\$45	NA	35.53%	\$1,224.03	\$0.30
10/14/2019	Netflix Inc	NFLX.O	\$296.93	\$388	\$250	30.81%	\$5,249.72	\$1.04
10/23/2019	Amazon.com Inc	AMZN.O	\$1,805.60	\$2,261	NA	25.24%	\$68,746.21	\$4.54
10/23/2019	Expedia Group Inc	EXPE.O	\$130.77	\$155	NA	18.61%	\$3,585.69	\$3.85
10/23/2019	Alphabet Inc	GOOGL.O	\$1,191.52	\$1,411	NA	18.45%	\$40,322.53	\$12.45
10/23/2019	Snap Inc	SNAP.N	\$16.08	\$16	NA	1.49%	\$434.65	-\$0.06
10/24/2019	Twitter Inc	TWTR.N	\$42.18	\$42	NA	-0.44%	\$873.90	\$0.21
10/28/2019	Facebook Inc	FB.O	\$182.04	\$232	NA	27.63%	\$17,367.81	\$1.91
10/30/2019	Apple Inc	AAPL.O	\$212.46	\$223	NA	5.06%	\$62,745.09	\$2.83
10/31/2019	Alibaba Group Holding Ltd	BABA.N	\$171.91	\$221	NA	28.82%	\$16,476.06	\$1.49
11/1/2019	IQIYI Inc	IQ.O	\$18.18	\$20	\$25	12.38%	\$1,067.95	-\$0.57
11/4/2019	Booking Holdings Inc	BKNG.O	\$1,952.47	\$2,080	NA	6.51%	\$5,076.84	\$44.51
11/5/2019	TripAdvisor Inc	TRIP.O	\$38.15	\$49	NA	28.44%	\$460.09	\$0.68
11/12/2019	Weibo Corp	WB.O	\$40.19	\$50	NA	24.94%	\$475.07	\$0.73
11/18/2019	JD.com Inc	JD.O	\$29.49	\$36	NA	21.39%	\$18,123.01	\$0.17
11/22/2019	Pinduoduo Inc	PDD.O	\$30.59	\$32	\$28	2.99%	\$1,009.74	-\$0.10

Source: Thomson Reuters, Grandation Research



Figure 14: Earnings surprise tracker—on 8/21/19, PDD reported Q2'19 earnings with revenue 17.8% and EPS 73.8% beat.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
TIGR.O	UP Fintech Holding Ltd	-	-	-	-	-	-
PDD.O	Pinduoduo Inc	8/21/2019	17.8%	-	-	51.3%	73.8%
IQ.O	IQIYI Inc	8/19/2019	1.3%	-	-	11.6%	-3.7%
WB.O	Weibo Corp	8/19/2019	0.6%	-	11.5%	13.9%	15.2%
BABA.N	Alibaba Group Holding Ltd	8/15/2019	2.9%	-	13.6%	11.7%	22.4%
JD.O	JD.com Inc	8/13/2019	1.9%	-	117.9%	451.3%	398.3%
BKNG.O	Booking Holdings Inc	8/7/2019	2.6%	-	2.7%	1.8%	3.9%
TRIP.O	TripAdvisor Inc	8/7/2019	-5.3%	-	3.9%	5.0%	-12.0%
AAPL.O	Apple Inc	7/30/2019	0.8%	-0.1%	2.3%	1.4%	3.9%
TWTR.N	Twitter Inc	7/26/2019	1.5%	-	0.6%	0.3%	741.7%
EXPE.O	Expedia Group Inc	7/25/2019	1.1%	1.8%	5.1%	6.8%	6.1%
GOOGL.O	Alphabet Inc	7/25/2019	2.1%	0.3%	4.4%	6.4%	25.8%
AMZN.O	Amazon.com Inc	7/25/2019	1.5%	-1.5%	4.7%	-16.3%	-6.3%
FB.O	Facebook Inc	7/24/2019	2.3%	-0.8%	5.4%	7.3%	5.9%
SNAP.N	Snap Inc	7/23/2019	8.0%	9.7%	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%
BILI.O	Bilibili Inc	5/13/2019	6.9%	-10.0%	-	9.5%	42.1%

Source: Thomson Reuters, Grandation Research

Figure 15: Stock performance tracker-- MTD, social media index underperformed the S&P 500. In our screening stocks, the top 3 performers are PDD, TIGR and TOUR, up 32.8%, 21.2% and 9.1% MTD, respectively.

Ticker	Name	Price 8/23/19	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
SOCLO	Global X Social Media ETF	32.83	0.13	-0.5%	-4.8%	16.7%
PNQIO	Invesco Nasdaq Internet ETF	134.48	0.63	-2.1%	-6.0%	19.3%
.SPX	Standard & Poor's Corp	2922.95	NA	-1.5%	-4.5%	13.5%
Companies:						
PDD.O	Pinduoduo Inc	30.59	35.56	18.2%	32.8%	31.8%
TIGR.O	UP Fintech Holding Ltd	5.00	0.66	14.4%	21.2%	0.0%
TOUR.O	Tuniu Corp	3.40	0.44	4.0%	9.1%	-30.7%
WB.O	Weibo Corp	40.19	9.04	6.9%	1.2%	-32.2%
BKNG.O	Booking Holdings Inc	1952.47	83.00	-1.0%	0.9%	10.5%
TWTR.N	Twitter Inc	42.18	32.61	1.2%	-3.0%	42.9%
BILI.O	Bilibili Inc	14.70	4.75	1.0%	-3.2%	0.5%
JD.O	JD.com Inc	29.49	43.02	-8.1%	-3.9%	37.3%
EXPE.O	Expedia Group Inc	130.77	22.27	-1.0%	-4.1%	13.0%
AAPL.O	Apple Inc	212.46	960.14	-1.8%	-4.8%	28.5%
BABA.N	Alibaba Group Holding Ltd	171.91	447.58	-5.7%	-4.9%	20.1%
IQ.O	IQIYI Inc	18.18	13.22	3.4%	-5.0%	18.7%
GOOGL.O	Alphabet Inc	1191.52	825.51	-2.2%	-5.3%	10.4%
MOMO.O	Momo Inc	32.89	6.82	-3.7%	-6.2%	36.3%
AMZN.O	Amazon.com Inc	1805.60	893.15	-2.5%	-6.4%	16.3%
SNAP.N	Snap Inc	16.08	22.18	-2.3%	-7.1%	183.3%
FB.O	Facebook Inc	182.04	519.35	-3.1%	-8.4%	35.7%
NFLX.O	Netflix Inc	296.93	130.01	-3.9%	-9.9%	8.7%
CTRP.O	Ctrip.Com International Ltd	33.32	18.44	-4.1%	-17.5%	18.8%
TRIP.O	TripAdvisor Inc	38.15	5.31	-4.4%	-17.8%	-32.7%

Source: Thomson Reuters, Grandation Research



Figure 16: Short Interest tracker-- The latest short interest data with an 8/9/19 settlement was released on 8/19/19. Short interest, when compared with the 7/24/19 settlement data is up 3.88%, 3.32% for SNAP and TRIP, down 13.51% 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	1,169,422	1,611,605	NA	132,786,817	NA	NA	NA	NA
TRIP.O	TripAdvisor Inc	1,450,121	15,811,811	NA	139,300,137	107,527,076	85.0%	14.70%	3.32%
BKNG.O	Booking Holdings Inc	341,739	1,278,168	NA	42,511,903	42,258,219	99.4%	3.02%	0.45%
TWTR.N	Twitter Inc	2,751,654	23,611,114	NA	773,017,657	745,134,608	96.4%	3.17%	-0.02%
GOOGL.O	Alphabet Inc	1,576,016	2,608,512	NA	693,398,350	299,115,867	99.9%	0.87%	-0.03%
WB.O	Weibo Corp	2,326,905	11,334,409	NA	225,035,097	16,800,000	92.7%	67.47%	-13.51%
PDD.O	Pinduoduo Inc	6,322,161	40,951,800	NA	4,649,428,688	344,725,953	98.8%	11.88%	1.16%
NFLX.O	Netflix Inc	6,924,697	22,034,440	NA	437,834,882	430,538,035	98.3%	5.12%	0.86%
BILI.O	Bilibili Inc	2,773,760	16,004,968	NA	323,423,402	275,697,956	93.9%	5.81%	-0.22%
MOMO.O	Momo Inc	2,692,696	5,506,989	NA	207,349,270	162,165,277	97.0%	3.40%	-1.25%
BABA.N	Alibaba Group Holding Ltd	3,925,197	35,056,140	2.03	2,603,570,993	1,341,286,987	51.5%	2.61%	-1.49%
AMZN.O	Amazon.com Inc	3,600,117	3,667,473	NA	494,656,015	416,696,274	84.2%	0.88%	0.07%
FB.O	Facebook Inc	16,678,024	25,254,827	1.57	2,852,950,498	2,380,413,322	98.9%	1.06%	-0.04%
JD.O	JD.com Inc	12,989,133	54,329,835	5.36	2,917,742,000	1,204,926,368	97.9%	4.51%	-0.28%
IQ.O	IQIYI Inc	7,589,969	62,914,611	NA	727,039,889	308,109,001	97.5%	20.42%	-0.95%
TOUR.O	Tuniu Corp	38,741	523,514	NA	129,777,182	10,771,919	96.2%	4.86%	0.23%
EXPE.O	Expedia Group Inc	1,627,371	8,509,018	NA	170,332,711	144,959,492	92.0%	5.87%	-2.38%
CTRP.O	Ctrip.Com International Ltd	3,706,437	13,331,483	NA	69,187,290	523,358,946	94.6%	2.55%	-1.62%
AAPL.O	Apple Inc	26,313,873	43,005,960	NA	4,519,180,000	4,515,391,473	99.9%	0.95%	0.01%
SNAP.N	Snap Inc	5,299,961	96,155,149	3.03	1,379,275,271	753,678,826	68.3%	12.76%	3.88%

Source: Thomson Reuters, Grandation Research

Figure 17: Compsheet

Ticker	Company	Market Cap (\$bn)	Price 8/23/19	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	130.01	296.93	10.9%	-8.1%	28.0%	23.7%	3.26	5.65	-2.5%	5.9x	42.9x	119.5x	91.0x	52.5x	1.3x	NA
WB.O	Weibo Corp	9.04	40.19	-31.2%	2.6%	5.7%	12.7%	2.72	3.11	3.9%	4.2x	12.6x	15.9x	14.8x	12.9x	NA	NA
PDD.O	Pinduoduo Inc	35.56	30.59	36.3%	37.4%	129.8%	61.7%	(3.38)	4.53	NA	5.4x	NA	NA	(64.2x)	47.9x	2.2x	NA
TIGR.O	UP Fintech Holding Ltd	0.66	5.00	NA	19.0%	NA	NA	(0.09)	0.25	NA	4.9x	NA	NA	(57.5x)	20.0x	NA	NA
BILI.O	Bilibili Inc	4.75	14.70	0.8%	-3.0%	57.9%	44.7%	(2.69)	-0.38	NA	3.5x	NA	NA	(38.7x)	(270.4x)	NA	NA
BKNG.O	Booking Holdings Inc	83.	1952.47	13.4%	3.5%	4.5%	8.7%	101.98	115.90	6.3%	5.3x	14.4x	21.9x	19.1x	16.8x	1.4x	NA
MOMO.O	Momo Inc	6.82	32.89	40.6%	-3.2%	27.2%	16.9%	19.31	23.29	NA	2.3x	10.7x	22.4x	12.0x	9.9x	NA	NA
BABA.N	Alibaba Group Holding Ltd	447.58	171.91	25.4%	-0.7%	35.8%	29.6%	48.95	61.04	3.5%	5.8x	20.2x	31.9x	24.9x	19.9x	NA	NA
AMZN.O	Amazon.com Inc	893.15	1805.60	20.2%	-3.3%	19.9%	18.9%	23.49	33.22	2.9%	2.9x	21.0x	75.8x	76.9x	54.4x	NA	NA
AAPL.O	Apple Inc	960.14	212.46	34.7%	-0.3%	-2.5%	4.6%	11.66	12.80	6.3%	3.6x	12.9x	18.5x	18.2x	16.6x	NA	NA
TWTR.N	Twitter Inc	32.61	42.18	46.8%	-0.3%	17.1%	16.1%	2.47	1.16	2.9%	7.3x	21.8x	14.0x	17.1x	36.5x	NA	NA
FB.O	Facebook Inc	519.35	182.04	38.9%	-6.3%	26.0%	21.7%	6.33	9.49	3.4%	5.9x	12.2x	30.9x	28.7x	19.2x	1.0x	NA
JD.O	JD.com Inc	43.02	29.49	40.9%	-1.4%	21.9%	17.0%	6.17	8.30	2.0%	0.4x	22.9x	51.1x	33.8x	25.1x	0.5x	NA
GOOGL.O	Alphabet Inc	825.51	1191.52	14.0%	-2.2%	18.8%	17.4%	48.78	55.76	3.7%	3.9x	11.9x	24.5x	24.4x	21.4x	NA	NA
SNAP.N	Snap Inc	22.18	16.08	191.8%	-4.3%	44.1%	34.9%	(0.22)	-0.02	-1.2%	10.2x	NA	NA	(74.7x)	(647.3x)	NA	NA
IQ.O	IQIYI Inc	13.22	18.18	22.3%	-2.2%	17.8%	22.0%	(13.48)	-8.53	NA	2.8x	10.4x	NA	(9.6x)	(15.1x)	NA	NA
TOUR.O	Tuniu Corp	0.44	3.40	-30.0%	10.0%	0.8%	7.3%	(1.00)	0.80	NA	0.6x	NA	NA	(23.5x)	28.5x	NA	NA
EXPE.O	Expedia Group Inc	22.27	130.77	16.1%	-1.5%	8.2%	9.6%	6.96	8.16	6.1%	NA	10.1x	32.3x	18.8x	16.0x	NA	1.0%
TRIP.O	TripAdvisor Inc	5.31	38.15	-29.3%	-13.6%	0.3%	8.0%	1.87	2.17	6.9%	2.6x	9.4x	39.2x	20.4x	17.5x	NA	NA
CTRP.O	Ctrip.Com International Ltd	18.44	33.32	23.1%	-14.5%	18.6%	18.4%	9.85	12.19	NA	3.4x	18.9x	35.0x	23.9x	19.3x	1.0x	NA

Source: Thomson Reuters, Grandation Research



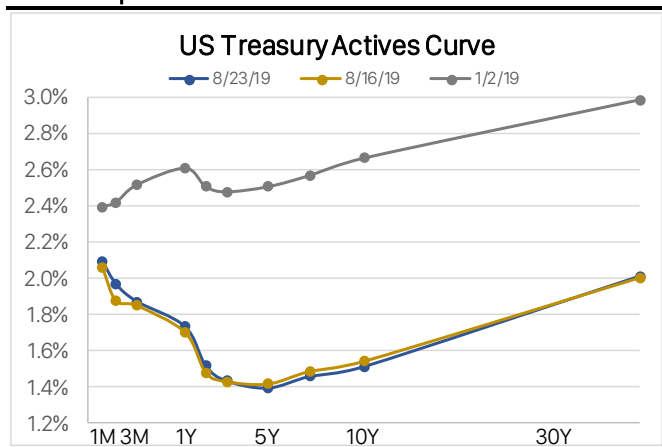
Yield Curve Tracker

Figure 18: Yield Curve tracker – WoW, the spread between the 10YR vs. 2YR has declined by 7bp to -1bps.

Yield Curve (unit: bps)	8/23/19	8/16/19	WoW Δ	1/2/19	YTD Δ	8/23/18	YoY Δ
US Generic Govt 1MT Yield	2.093	2.059	1.6%	2.394	-12.6%	1.94	7.9%
US Generic Govt 3MT Yield	1.966	1.871	5.1%	2.417	-18.7%	2.08	-5.4%
US Generic Govt 6MT Yield	1.870	1.846	1.3%	2.513	-25.6%	2.23	-16.2%
US Generic Govt 1YT Yield	1.732	1.699	1.9%	2.605	-33.5%	2.43	-28.7%
US Generic Govt 2YT Yield	1.517	1.478	2.6%	2.504	-39.4%	2.61	-41.9%
US Generic Govt 3YT Yield	1.433	1.428	0.3%	2.475	-42.1%	2.67	-46.3%
US Generic Govt 5YT Yield	1.393	1.414	-1.5%	2.503	-44.4%	2.71	-48.7%
US Generic Govt 7YT Yield	1.456	1.483	-1.8%	2.564	-43.2%	2.78	-47.5%
US Generic Govt 10YT Yield	1.512	1.540	-1.9%	2.661	-43.2%	2.82	-46.4%
US Generic Govt 30YT Yield	2.010	2.000	0.5%	2.982	-32.6%	2.97	-32.4%
US 10YR & 2YR Spread	-1	6	-7	16	-16	21	-21

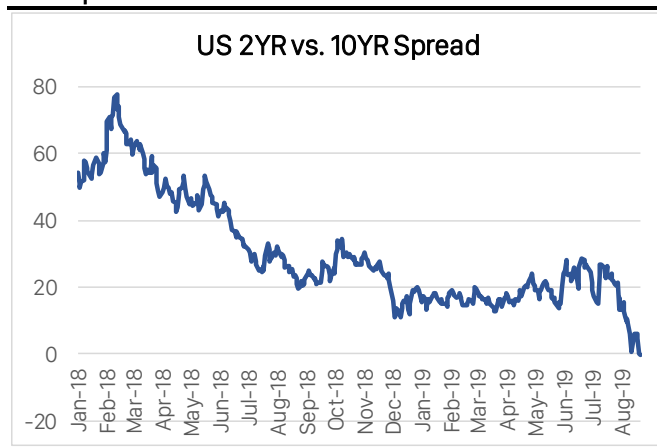
Source: Thomson Reuters, Grandation Research

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



Source: Thomson Reuters, Grandation Research

Figure 20: WoW, the 10YR vs. 2YR has declined by 7bp to -1bps.



Source: Thomson Reuters, Grandation Research



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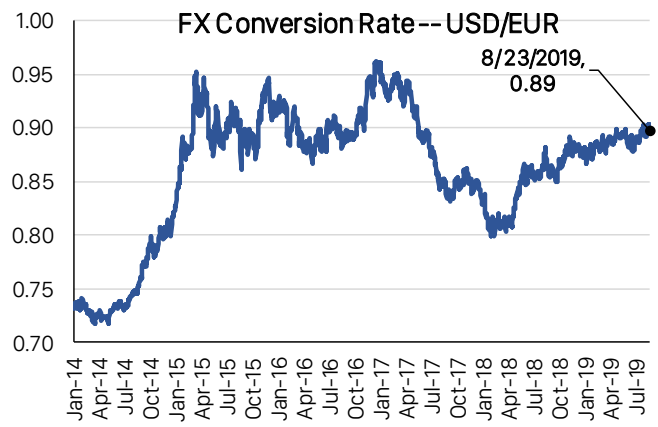
Currency Tracker

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

Currency	8/23/19	8/16/19	WoW Δ	1/2/19	YTD Δ	8/24/18	YoY Δ
USD/EUR	0.898	0.902	-0.4%	0.882	1.8%	0.86	4.3%
USD/JPY	105.370	106.360	-0.9%	108.870	-3.2%	111.22	-5.3%
USD/CNY	7.093	7.041	0.7%	6.860	3.4%	6.80	4.3%
USD/GBP	0.815	0.823	-1.0%	0.793	2.7%	0.78	4.7%
USD/CAD	1.330	1.327	0.2%	1.358	-2.0%	1.30	2.1%
USD/INR	71.492	71.150	0.5%	69.98	2.2%	69.96	2.2%

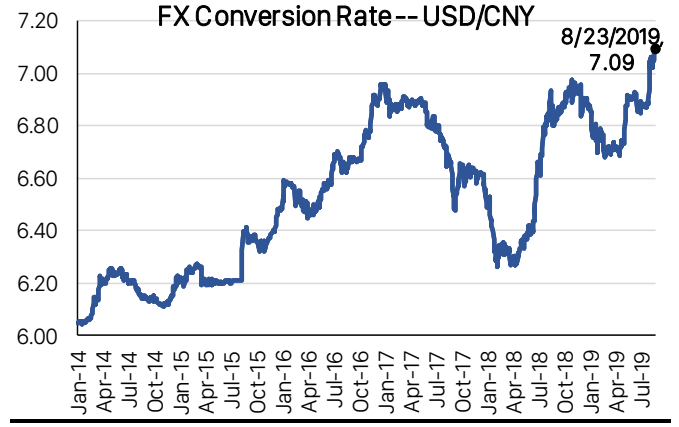
Source: Thomson Reuters, Grandation Research

Figure 22: YTD, USD/EUR depreciated 0.5% to 0.89.



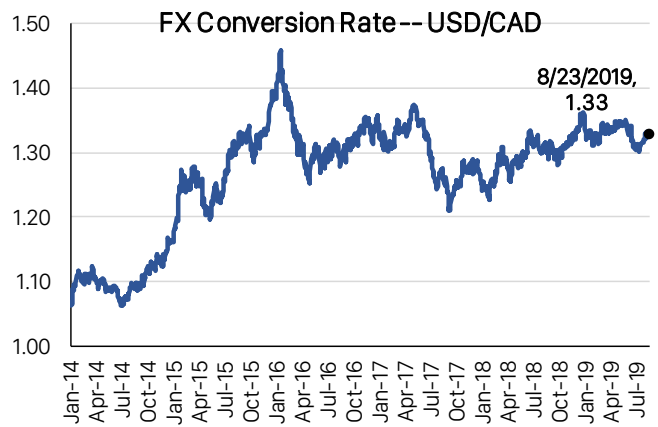
Source: Thomson Reuters, Grandation Research

Figure 23: YTD, USD/CNY appreciated 0.7% to 7.09.



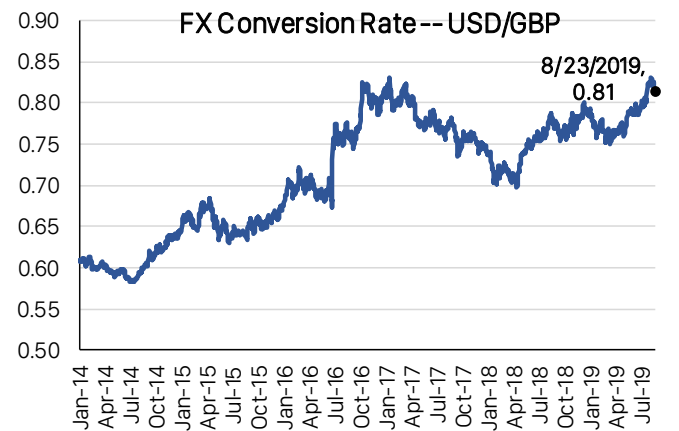
Source: Thomson Reuters, Grandation Research

Figure 24: YTD, USD/CAD appreciated 0.3% to 1.33



Source: Thomson Reuters, Grandation Research

Figure 25: YTD, USD/GBP depreciated 1.0% to 0.81.



Source: Thomson Reuters, Grandation Research



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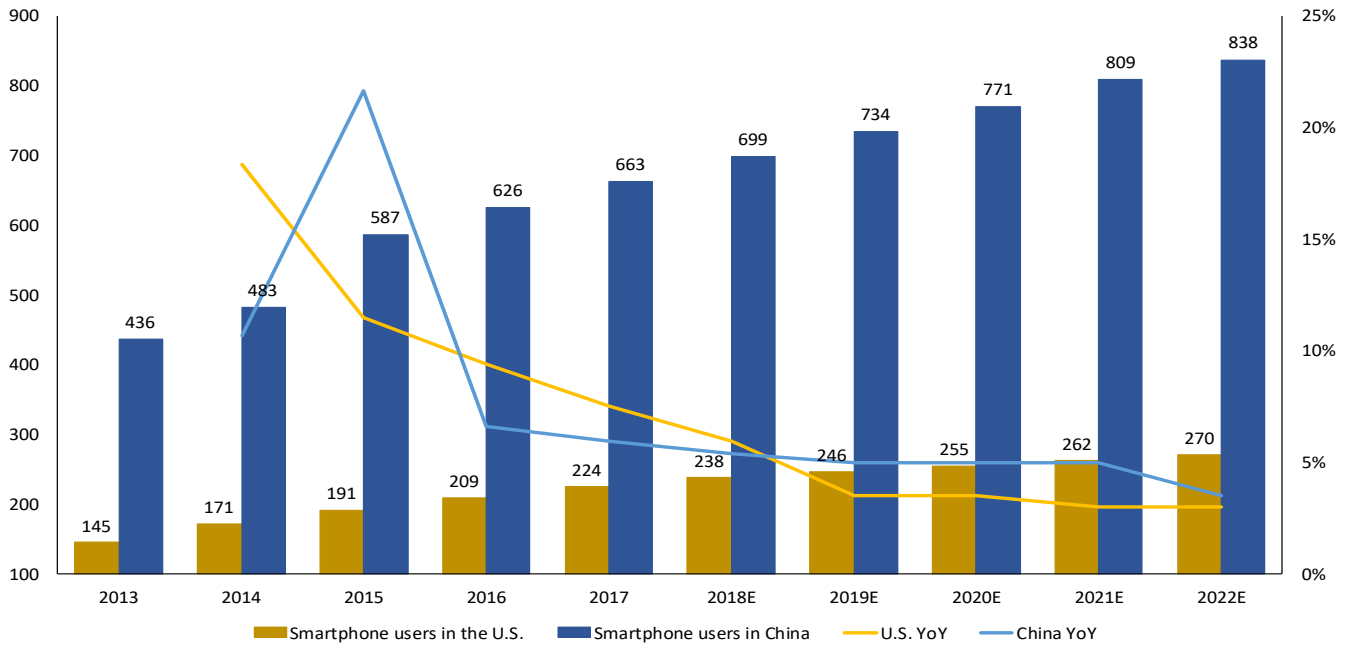
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Appendix 1: Smartphone users of China----Smartphone users in China are expected to grow to 699.04mn, 5.4% YoY, in 2018; **Smartphone users of the U.S.**---- Smartphone users in the U.S. are expected to grow to 237.6mn, 5.9% YoY, in 2018.

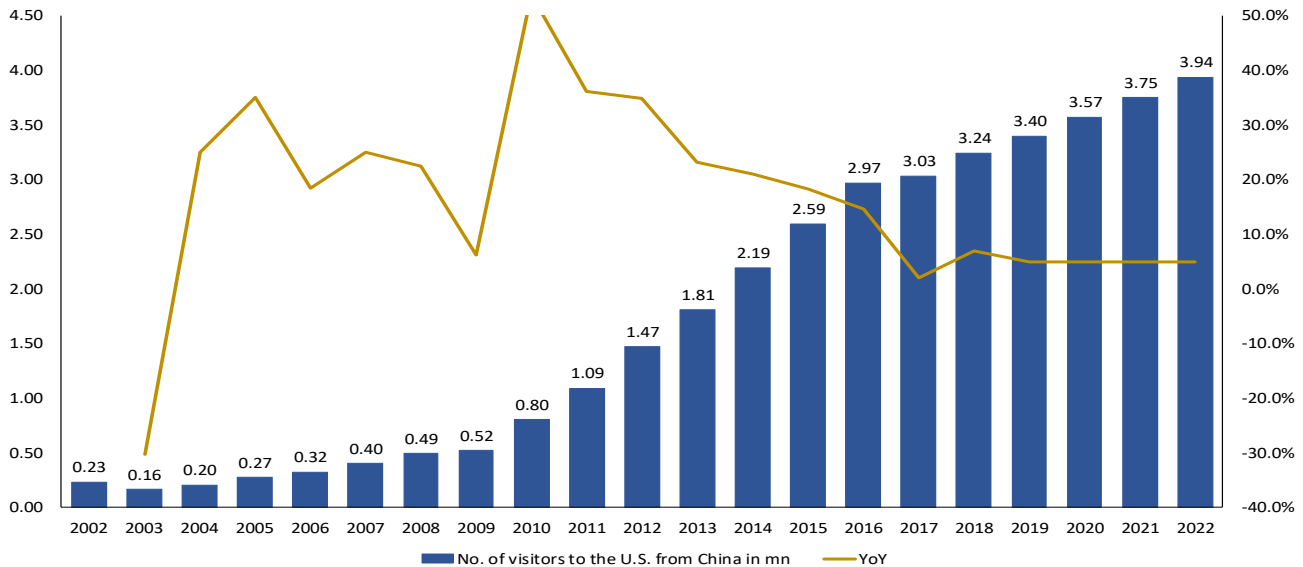
Smartphone users of China and the U.S. (mn)



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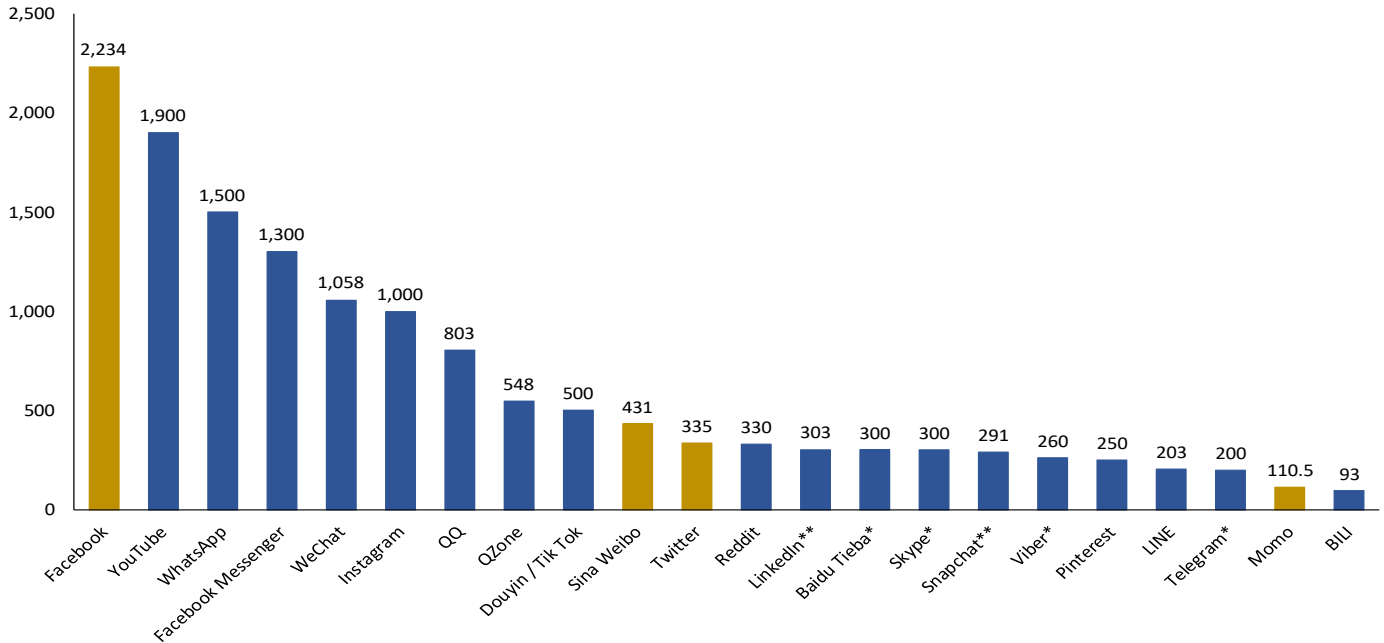
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Appendix 3 Ranking in selected Social Sites by Users----As of Oct 2018, FB and TWTR reported to have 2,234mn and 335mn active users, while WB and MOMO reported to have 431mn and 111mn active users.

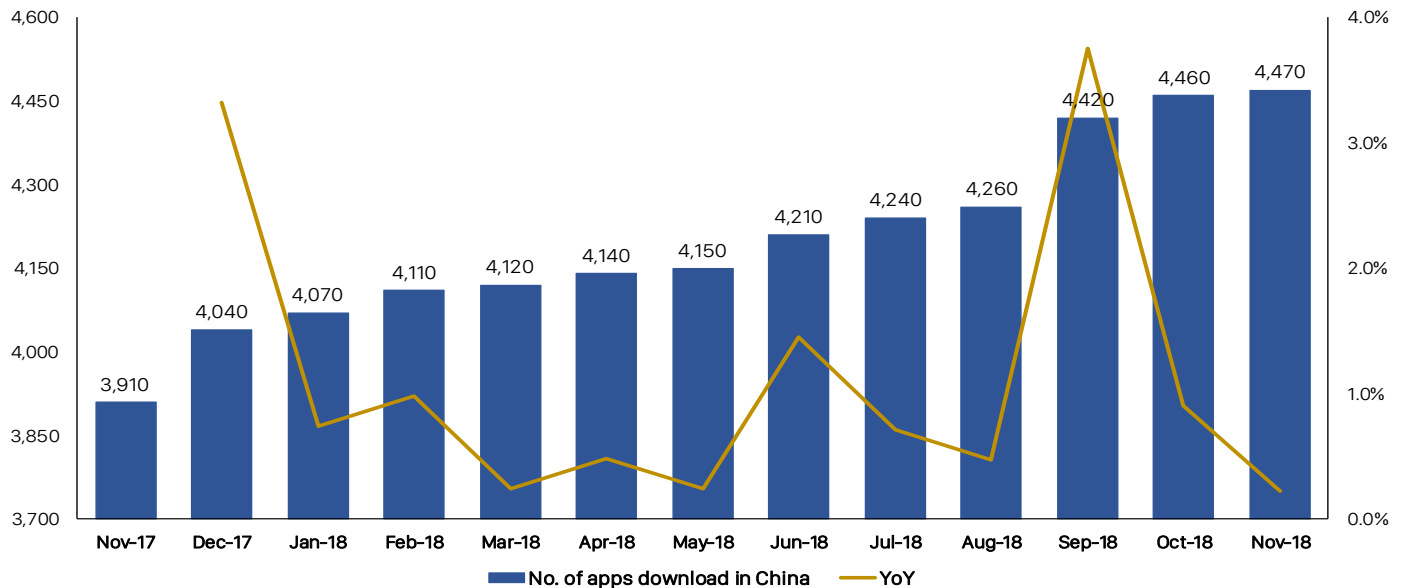
Number of Users in Selected Social Sites (mn)



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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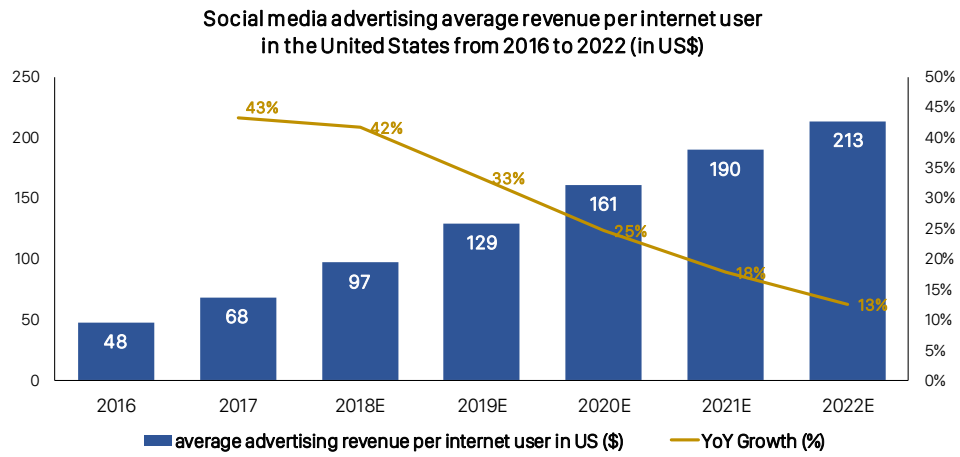


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Appendix 5: Social media advertising average average revenue per internet users in the U.S. from 2016–2022 (in U.S.\$)



Source: Statista, Grandation Research



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Rating on Investment Recommendations

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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