

US Stock Express

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Inflation in Top Euro-Area Economies Probably Slowed in May

Change in consumer prices (YoY)

Germany France Italy Spain
Inflation at 2% or lower in all four economies



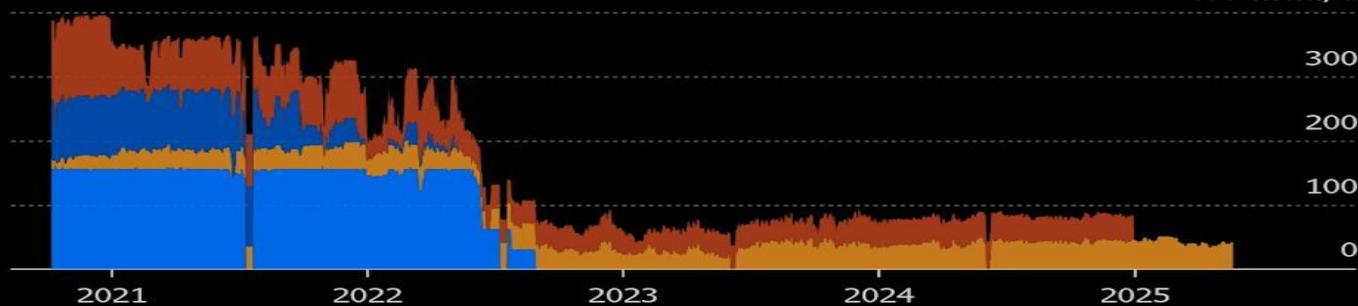
Source: Destatis, Insee, Istat, INE, Bloomberg survey of economists

Bloomberg

Baltic Sea Used to Be Key Route for Russian Gas

Nord Stream 2 was supposed to double capacity of the link with Germany

Nord Stream flows TurkStream supply to EU
Yamal-Europe (via Kondratki in Poland) Ukraine transit (main flows to Slovakia)
400 mcm/d



Source: Grid data

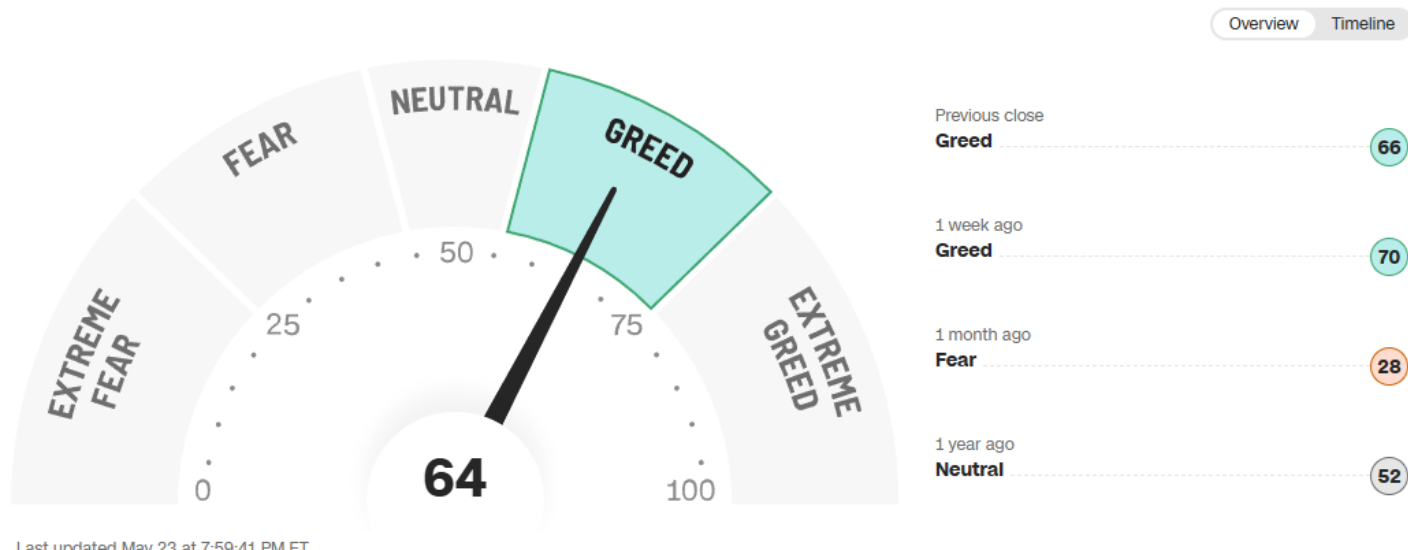
Note: Chart shows supply via biggest pipeline links between Russia and EU (million cubic meters per day)

Bloomberg

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



North East West South is NEWS

US President Trump announced that he would impose a 50% tariff on EU goods from June 1, saying that US-EU trade negotiations had reached a deadlock.

Trump has asked Apple and other companies to move smartphone production back to the United States, otherwise they will face high tariffs.

The U.S. Treasury Department announced that it would grant Syria a 180-day sanctions waiver to ease restrictions on Syria's financial activities and give the Syrian interim authorities a chance to rebuild the country.

Atlanta Federal Reserve President Raphael Bostic said the Fed may have to "wait three to six months to see how (interest rate) uncertainty develops." John Williams, president of the New York Fed, believes that it will still be difficult to clarify the overall situation in June and July.

The European Union is about to issue a formal warning to fashion e-commerce platform Shein, further escalating its investigation into the company's consumer protection compliance. A "Common Position" document will be issued, setting out specific allegations about Shein's business practices and calling for remedial measures.



World Observation

Day 1189
Russia/Ukraine Conflict

Cost Price Ratio

The battlefield tariff now extended to small parcels, and thus aroused a problem of Cost Price Ratio which is one of the hottest topic in the internet. Because of the changing of consuming habit after the pandemic, internet buying has already replaced a lot of goods on the shelf. People can hardly touch the product before delivery, and whether that product is suitable for them is also a problem. As for safety of electrical appliances, it is also a major problem of discussion today.

Cost price ratio is that when a consumer is going to buy a product, they do not mind to pay a higher price, but it must be worthwhile. This showing the even price cut is necessary but quality is above all. Originally, this happens in higher prices of luxury products, but recently extended to lower price electric appliances including desk top of portable USB fans and lights. As for a desk fan, there are different level of noises, some people would not mind it, but if it is put near the bed, noise is a very important factor. For it may disturb sleeping quality. Even if a portable fan, the coverage of wind and spread of wind is hard to check on internet. As for desk light, whether it is too blazing or comfortable, hard to say before you practically use it and handle it.

Above all, it is the safety level, whether that appliance can meet with the strictest standard of EU standard, which is famous worldwide. People are concerning safety more than any other function. Therefore France introduced the magnitude of sampling checking, they need to have more sampling for checking and thus need to increase their facilities, extend their venue and train more staff to fulfill the EU standard of sampling check. Also another sector is in foodstuff safety. Thus the need to increase the handling charge, tariff and time for parcels. The cost is increased, but would it lead to inflation? Still have to observe. Anyway, we can see the trend is extending and Cost and Price Ratio will be upgraded to safety rather than simple usage and conveniences.





Market Observation

Adjustment or Turning Down

MSTR

369.510

-29.950

(7.498%)

There are 3 prominent unfavorable news for the market this week. International credit rating agency Moody's downgraded the US sovereign credit rating from the highest level 3A to Aa1, citing rising government debt. Harvard University was banned to receive international students. Apple had to be levied 25% tariff on i-phones produced aboard.

From the NASDAQ chart on page 4, a reversed Head & Shoulders is formed, but the right shoulder is too small that this is an incomplete pattern. However, Nasdaq is stronger than S&P, it proves technology stocks are leading the market. People may ask, is the market going to refill the jumping gap. The standard answer is that most of the gaps in US stocks will be refilled, but we do not know when will exception comes. Even is refilled, may not be today, may be several months later. No one can say this answer is wrong, that means just neglect it.

There are still a lot of uncertainties, just like tariff on EU may start on Jun 1st, and tariff talk on other countries not yet come to compromise. So that there may be a deep drop. But please refer to the drop which the bottom is on April 7th, a lot of people are waiting for such a V-shape rebound. So this time they would buy before the bottom of last time occurs. For most of the time, US stocks are running above the 250-SMA, and when under it, it the time for buying in. It is hard to believe another bottom as deep as April 7th are waiting for you to buy in.

For technology stocks, mind that the Magnificent Seven (MAGS) is performing weaker than Nasdaq (QQQ). So better hold the later for AAPL, NVDA and TSLA are quite weak this year because of Donald Trump. But he will step down in 2029, tariff will be cut at least to some extent, and Landing of Mars will come true in 2029 or 2030. If you hold ETF that performs better than the market, the profit will be unbelievable.