



### *Prime Number Weekly Market View:*

The US Federal Reserve's indication that it may speed up its rate hike schedule weighed on equity performance in Asia and the US this week. The 10-year interest rate increase comes after Fed minutes published Wednesday indicated that the central bank plans shrink its balance sheet by \$95 billion a month. Fed officials also suggested there could be one or more 50-basis-point interest rate hikes on the cards. This more aggressive tightening of monetary policy, along with rising inflation, has seen yields invert. Investors have been selling out of shorter-dated Treasury in favor of long-dated government debt, indicating concerns about the near-term health of the economy, with fears of a recession on the rise. On Friday the US 10-year bond was testing 2.7%, a fresh 3 year high. Combined with rising inflation pressures and higher interest rates, there is a marked slowing in projected profit growth for US equities. Refinitiv estimates that for the S&P500, 1Q 2022 saw Net Income +4.3% yoy and EPS +6.4% yoy compared to 4Q 2021 Net Income +30.1 yoy and EPS +32.1% yoy. The slowdown is driven by higher energy costs, rising labor costs, and shifting spending patterns.

Asian equities saw another choppy week of trading as earnings season wrapped, and investors assessed the risks presented by covid lockdowns in China. However, Mainland China markets were closed on Monday and Tuesday, and Hong Kong was closed on Tuesday.

The China Securities Regulatory Commission (CSRC), China's primary securities regulator, proposed a rule change on Monday that would allow for audit inspections by foreign regulatory agencies, removing a major hurdle for US-listed Chinese companies in complying with the Holding Foreign Companies Accountable Act (HFCAA).

The March Caixin Services PMI came in at 42 on Wednesday, well below expectations of nearly 50, indicating a contraction month-over-month. Covid lockdowns likely played a role in the disappointing release, which underscores, yet again, how important raising domestic consumption will be in achieving the government's 2022 GDP growth target of 5.5%.

– Michael Longthorne, Co-CEO of Prime Number Capital

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### *Prime Number Weekly Recap:*

- Russia calls for integrating BRICS payment systems ([Reuters](#))
- European Stock Futures Decline on French Vote as Risks Remain ([Yahoo Finance](#))
- GoTo Shares Jump After Raising \$1.1 Billion in One of 2022's Biggest IPOs ([Bloomberg](#))
- Chinese indexes drop at least 2% after data shows China producer inflation surging ([CNBC](#))
- Chinese investors are planning to boost stock positions on bets the market has already bottomed out or will do so soon, forecasting gains of 4% to 5% by the end of June ([Yahoo Finance](#))
- IPO deals in China and Hong Kong slump as omicron cases jump ([CNBC](#))



### Prime Number Weekly Market Comment:

针对周亚洲和美国股市的表现，美联储暗示可能加快加息步伐。在美联储周三公布的会议纪要显示央行计划每月将资产负债表缩减 950 亿美元后，10 年利率加息。美联储官员还暗示，后续可能有一次或多次 50 个基点的加息。更激进的货币政策收紧，加上通胀上升，导致收益率倒挂。投资者一直在抛售短期国债，转而购买期限较长的政府债券，这表明人们越来越担心经济近期健康状况和会出现的萧条。这周五美国 10 年期债券达到 2.7%，创下三年新高。通胀压力上升加上利率上升，美股预期利润增长明显放缓。Refinitiv 估计，对于标准普尔 500 指数而言，2022 年第一季度的净利润将同比增长 4.3%，每股收益将同比增长 6.4%，而 2021 年第四季度的净利润将同比增长 30.1%，每股收益将同比增长 32.1%。增长放缓是由更高的能源成本、不断上涨的劳动力成本和不断变化的支出模式推动的。

随着投资者评估中国冠状病毒封锁带来的风险，在收益季节即将结束之时，亚洲股市迎来又一个震荡的一周。中国内地市场周一和周二休市，而香港市场周二休市。

中国主要证券监管机构中国证监会（CSRC）周一提议修改规则，允许外国监管机构进行审计检查，消除在美国上市的中国公司遵守《外国企业责任法案》（HFCAA）的主要障碍。

周三财新服务业采购经理人指数为 42，远低于预期的近 50，环比收缩。Covid 封锁可能是此令人失望的情况发生的重要因素，再次强调了促进国内消费对实现政府 2022 年 5.5% 的 GDP 增长目标的重要性。

– 质数资本 Co-CEO Michael Longthorne

### Prime Number Weekly Recap:

- 俄罗斯呼吁整合金砖国家支付系统 ([Reuters](#))
- 由于风险依然存在，欧洲股票期货因法国投票而下跌 ([Yahoo Finance](#))
- GoTo 在 2022 年最大的首次公开募股中筹集了 11 亿美元后飙升 ([Bloomberg](#))
- 在数据显示中国生产者通胀飙升后，中国指数至少下跌 2% ([CNBC](#))
- 中国投资者正计划增持股票，押注市场已经触底或即将触底，预计到 6 月底将上涨 4% 至 5% ([Yahoo Finance](#))
- 随着 omicron 案件的增加，中国和香港的 IPO 数量下降 ([CNBC](#))



## OUR CASES

 <b>\$36M IPO</b> NASDAQ: MHUA Feb 2022 Lead Underwriter	 <b>\$30M IPO</b> NASDAQ: AIH Oct 2019 Joint Book Runner	 <b>\$85M IPO</b> NASDAQ: BLCT Jul 2020 Joint Book Runner	 <b>\$45M IPO</b> NASDAQ: LIZI Jan 2020 Joint Book Runner	 <b>\$100M IPO</b> NASDAQ: EBON Jun 2020 Joint Book Runner	
 <b>\$46M IPO</b> NASDAQ: QK Nov 2019 Joint Book Runner	 <b>\$40M IPO</b> NASDAQ: EH Dec 2019 Co-Manager	 <b>\$256M IPO</b> NASDAQ: GTH Jun 2020 Syndicate Member	 <b>De-SPAC</b> NASDAQ: UK Nov 2020 De-SPAC FA	 <b>De-SPAC</b> NASDAQ: CLNN Dec 2020 De-SPAC FA	 <b>De-SPAC</b> NASDAQ: LGHL Jun 2020 IPO Advisor
 <b>Private Placement</b> Ayla Networks FA to Investors	 <b>Private Placement</b> Magic Leap FA to Investors	 <b>Private Placement</b> Circle FA to Investors	 <b>Private Placement</b> Palantir FA to Investors	 <b>Private Placement</b> Pinterest FA to Investors	 <b>Private Placement</b> Automation Anywhere FA to Investors

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## UPCOMING TRANSACTIONS

 <b>Supplier Of Display Modules And Polarizers</b> NASDAQ: OST Exp. June 2022 Lead Underwriter	 <b>Leading Wheelchair Manufacturer</b> NASDAQ: ZIYL Exp. June 2022 Lead Underwriter	 <b>Electronics Component Trading Platform</b> NASDAQ: ICZ Exp. June 2022 Lead Underwriter	 <b>Electronics Company in China</b> NASDAQ: RAYA Exp. June 2022 Lead Underwriter	 <b>Industry Pioneer Developing Consumer and Commercial EVs</b> NASDAQ: PEV Exp. April 2022 Lead Underwriter	<b>Project Star</b> Manufacturing Company in China Exp. Sep 2022 Lead Underwriter
<b>Project Smart</b> Developer of IoT Connectivity Related Products and solutions Exp. June 2022 Lead Underwriter	<b>Project Wealth</b> FinTech Company in China Exp. Aug 2022 Lead Underwriter	<b>\$60M IPO</b>  PRIME NUMBER ACQUISITION I NASDAQ: PNAC Exp. May 2022 Lead Underwriter	<b>\$60M IPO Project Ask</b> SPAC Exp. May 2022 Lead Underwriter	<b>\$75M IPO Pomelo Acquisition Ltd.</b> NASDAQ: PAEL Exp. Jun 2022 Lead Underwriter	<b>\$75M IPO Project Evolving</b> SPAC Exp. Sep 2022 Lead Underwriter

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## MEET OUR EXPERTS



**Xiaoyan Jiang**  
Founder and CEO

- Vast experience with US and HK listings
- Former Head of US Asia Multinational Banking, and Asia Pacific Head of Real Estate, TMT, and Consumers at BNP Paribas
- Deutsche Bank, GE Capital, Deloitte Consulting, Sinochem Holdings
- Philanthropist



**Michael Longthorne**  
Co-CEO

- Global financial markets executive
- Founding member of Mizuho Securities USA Equity Department
- Extensive equity research experience in Asian-related Securities
- Decker Co., Mizuho, Daiwa Securities Capital Markets, ING Baring, Salomon Brothers



**Hao Sheng**  
COO & Head of Research

- Over 20 years of experience
- Director of Credit Suisse
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