

Prime Number Weekly Market View:

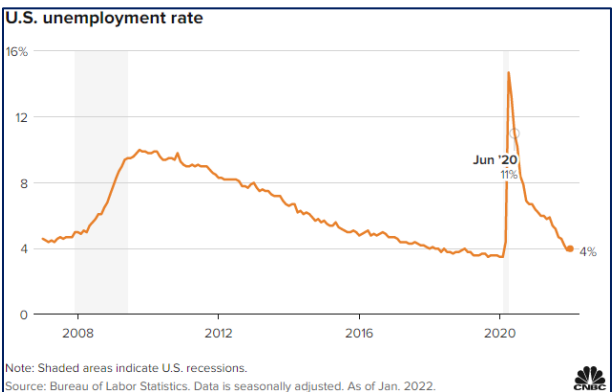
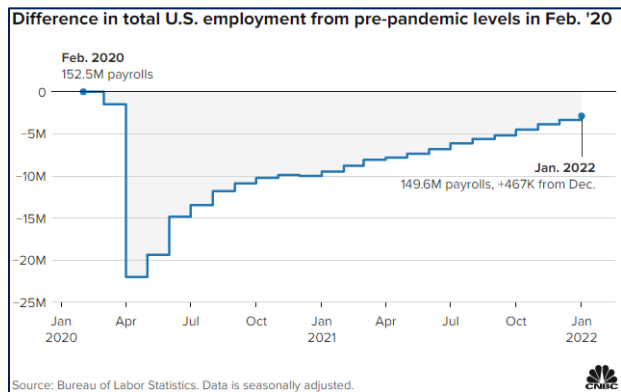
The S&P 500 and Nasdaq Composite erased early losses to finish higher Friday to conclude their best week so far this year, led by continued strength in quarterly earnings reports and a better-than-expected January jobs report. Google was up 7.5% post-earnings; Amazon surged 13.5% for their biggest one-day gain since 2015; and Snap skyrocketed 58%, suggesting that Meta Platforms' earnings disappointment that sent shares crashing 26% on Thursday was a company-specific issue. U.S. payrolls came in at a three-month high as employers added more jobs than forecast last month despite a surge in COVID-19 infections. Average hourly earnings also rose more than expected, although not enough to keep pace with inflation. Crude oil soared to a fresh seven-year high near \$93 a barrel, and the average price of gasoline surged to the highest in more than seven years. U.S. Treasury prices fell with the 10-year yield briefly topping 1.93%, jumping from about 1.5% at the start of the year as the Federal Reserve has signaled a more aggressive fight against inflation. For the week, the Dow Jones average added 1.1%, the S&P gained 1.5%, and the Nasdaq jumped 2.4%.

Alibaba (BABA) is set to release its Q3 (calendar Q4) earnings results this month. Alibaba's results could be a bellwether for the overall Chinese equity market. Expectations for revenue and earnings growth are low, making it likely that Alibaba delivers better than expected results. 2022 could be a major reset year for Alibaba. Beijing's change in attitude towards China's largest companies indicates a softening policy stance. Alibaba's free cash flow generation remains very strong and will be augmented by new growth opportunities outside China in South East Asia. Alibaba's logistics business presents a huge growth opportunity. As Beijing pulls back from the regulatory crackdown on leading technology and e-commerce companies there is an opportunity for a major repricing of Alibaba's growth prospects.

– Michael Longthorne, Co-CEO of Prime Number Capital

Prime Number Weekly Recap:

- The successful opening of 2022 Winter Olympics successfully in Beijing is expected to boost China's winter/snow sport economy. Winter sports are generally more expensive than summer sports and had little penetration in China. Since winning the bid for the 2022 Winter Olympics in 2015, China has significantly increased investment in infrastructure. It now expects to reach 300.5M snow sport tourists during the 2021-2022 winter, with snow tourism revenue to hit RMB 323B, according to a report released by the China Tourism Academy early last month. ([South China Morning Post](#))
- "3R" (ready-to-eat, ready-to-cook, ready-to-heat) food, or semi-finished food has become a new vogue for family reunion dinner amid pandemic restrictions in China. According to Dingdong, 3R food sales have increased by over 300% in 2021, and orders containing 3R foods accounted for over 40% of total orders. During the Chinese New Year, its 3R food sales surged by over 400%. ([Sina](#))
- Alibaba was down ~4.9% on Hong Kong Exchange on Monday as it disclosed 1B newly registered ADS in a US regulatory filing on Friday, which suggested to Citi's analyst that SoftBank may intend to sell part of stake in BABA. ([Bloomberg](#))
- The US nonfarm payrolls in January surprisingly jumped by 467k, well ahead of the market's expectation of 150k. Leisure and hospitality led the gain despite of the Omicron surge. ([CNBC](#)) ADP previously reported unexpected weak nonfarm employment of 301k decline in January. ([CNBC](#))





- The United States and Europe are talking to major LNG importers in Asia—including Japan, South Korea, India, and even China—to potentially send some of their gas supply to Europe in case the Russia-Ukraine crisis escalates into a conflict. ([Bloomberg](#)) On the other hand, Russia and China has reached a 30-year natural gas deal on February 4 that covers 10 BCM per year via a newly agreed pipeline. ([Reuters](#))
- The House passed an expensive bill on February 4 aimed at boosting the US semiconductor manufacturing capacity and competitiveness with China. It includes \$52B to invest in chip manufacturing, \$45B to improve supply chain for critical items, and \$160B for scientific research and innovation. ([NPR](#))
- Following Take-Two's \$12.7B deal to acquire Zynda, and Microsoft's \$68.7B deal to acquire Activision Blizzard, Sony announced on Monday to acquire Bunie for \$3.6B. ([The Verge](#))

Prime Number Weekly Market Comment:

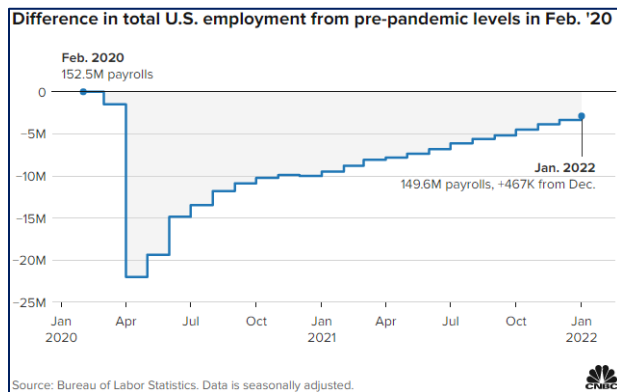
受第四季度季报和一月份就业数据提振，上周 Dow Jones 指数收涨 1.1%，S&P 500 涨 1.5%，Nasdaq 涨 2.4%。在季报后，谷歌涨 7.5%；亚马逊涨 13.5%，为自 2015 年来最大的单日涨幅；Meta 令人失望的一季度指引令其股价大跌 26%，拖累了整个社交平台板块；但 Snapchat 随后超预期的季报令股价大涨 58%，表明 Meta 的疲软表现是公司本身的问题。另一方面，尽管有奥密克戎肆虐，美国一月份非农就业增长远超市场预期。平均小时工资尚不能抵消通胀带来的冲击，但其增速依然好过预期。上周原油价格上涨至每桶\$93，为过去 7 年来最高。随着美联储加快加息步伐，美国 10 年期国债收益率从今年年初仅 1.5% 上涨至 1.93%。

阿里巴巴将在二月份公布其第三财务季度季报。阿里巴巴的表现可能会是整个中国股市的风向标。目前市场对其营收和利润增速的预期较低。公司的自由现金流依然非常强劲，并且在海外市场（尤其是东南亚）的投资和增长机会非常亮眼，其物流业务有着非常大的增长空间。随着中国政府减小对头部科技企业的政策管控，阿里巴巴的股价也许有机会在今年重整旗鼓。

– 质数资本 Co-CEO Michael Longthorne

Prime Number Weekly Recap:















- 2022 北京冬季奥运会的成功举办或将带火冰雪经济。冬季运动相比夏季运动的成本更高，在中国的渗透率较低。自从中国在 2015 年赢得了 2022 冬季奥运会的举办权，北京政府大大增加了对冬季运动基础设施的投入。中国旅游研究院在上个月的一份报告中预计 2021-2022 冬季的冰雪运动游客将达到 300.5M，冰雪旅游带来的营收规模将达到 RMB 323B。([South China Morning Post](#))
- 预制菜已经成为 2022 年春节年夜饭的新宠。根据叮咚的数据，预制菜在 2021 年的销售额增长超 300%，包含预制菜的订单渗透率已经达到了 40% 以上，在年货节期间预制菜相关食品的销售增长超 400%。([Sina](#))
- 阿里巴巴港股周一大跌 4.9%。上周阿里巴巴披露想美国 SEC 申请额外注册 10 亿份 ADS。Citi 分析师认为这或许表示软银可能出售部分手中的阿里巴巴股份。([Bloomberg](#))
- 美国一月份非农就业相比十二月份增加了 46.7 万，远超市场预期的 15 万。尽管有奥密克戎肆虐，休闲和酒店业依然贡献了最大的增长。([CNBC](#)) 而此前 ADP 数据显示一月份非农就业增长下跌 30.1 万。([CNBC](#))



- 美国和欧洲正在与亚洲天然气进口国（包括日本、韩国、印度、甚至中国）协商为欧洲提供天然气，以避免俄乌冲突升级导致俄国切断对欧洲的天然气供给。([Bloomberg](#)) 与此同时，俄国和中国在 2 月 4 日达成了一项为期 30 年的天然气交易。俄国将通过一条双方约定建造的新管道为中国提供每年 10BCM 的天然气。([Reuters](#))
- 美国众议院在 2 月 4 日通过了一项旨在提高美国芯片生产能力和相对中国产业竞争力的议案，其中包括\$52B 对芯片生产行业的投资，\$45B 对重要产品供应链的投资，以及\$160B 对科技研究和创新的支持。([NPR](#))
- 紧随 Take-Two 宣布\$12.7B 收购 Zynda，以及微软宣布\$68.7B 收购动视暴雪后，索尼周一宣布将以\$3.6B 的价格收购《命运》和《光环》的工作室 Bunie。([The Verge](#))

PRIME NUMBER CAPITAL


OUR CASES

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

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 Supplier Of Display Modules And Polarizers NASDAQ: OST Exp. Nov 2021 Lead Underwriter	Project C Top E-Cigarette Company in China Exp. Jan 2022 Lead Underwriter	 Leading Wheelchair Manufacturer NASDAQ: [TBA] Exp. Nov 2021 Lead Underwriter	 Medical Device Manufacturer in China NASDAQ: MHUA Exp. Nov 2021 Lead Underwriter	 Electronics Component Trading Platform NASDAQ: ICZ Exp. Nov 2021 Lead Underwriter
\$40M IPO Project PNAI SPAC Exp. Dec 2021 Lead Underwriter	\$40M IPO RichSpace Acquisition Corp. SPAC Exp. Dec 2021 Lead Underwriter	\$40M IPO Project ASK SPAC Exp. Dec 2021 Lead Underwriter	\$75M IPO Project Manna SPAC Exp. Dec 2021 Lead Underwriter	And More ...

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- 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



Yang Pu, CFA, MBA
Equity Research

- 6 years of equity research experience
- Mainly covering US/China TMT industry
- Worked at DeMatteo Research, Trillium Asset Management

