Flash note
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China & ROW (rest of the world). A marriage of difficult coexistence

- **US-China relations: "**China risks isolation in search for Covid origin" says White House. Comments from the US National Security Advisor, Jake Sullivan, said China risks international isolation if it fails to allow a "real" investigation, on its territory, into the origins of Covid. However, he added the US is not at the point of issuing threats or ultimatums but if China does not live up to its obligations, the US will have to consider its responses.
US regulator (FCC) is proposing a ban on products from Huawei and other Chinese electronics companies including Hikvision. Products include surveillance cameras used by US schools but linked to human rights abuses in western China. The FCC order would ban US sales of specified equipment from companies and could force schools and other US customers to replace their camera systems. The order kicks off a period of review before a final vote is taken

- **China & Taiwan:** Beijing sends its largest fighter aircraft sortie this year close to Taiwan. Reuters reported on latest incursion by Chinese fighter jets into Taiwan's air defense zone Tuesday 15th June. Up to 28 fighter and bomber jets entered Taiwan's air defense identification zone according to the Taiwan government. When asked for the reasons of this incursion, Beijing said "Taipei was to blame for the heightened tensions" and that "it does not tolerate foreign forces intervening in Taiwan issues", referring to the G7 statement on Taiwan.
Taiwan to withdraw staff from its Hong Kong office: Taipei began withdrawing staff from its Hong Kong office on Sunday after Beijing officials demanded staff sign a document supporting Beijing's claim to Taiwan. The Taiwan government said only local staff would remain in the office after Beijing "repeatedly set unreasonable political conditions" for staff visas in Hong Kong. Taiwanese staff will not sign any such "one China" letter, it added.

    US lawmakers plan pro-Taiwan legislation in swipe against China. A group of bipartisan US lawmakers will introduce legislation this month that seeks to boost US ties with Taiwan. The new bill does not advocate a pivotal switch from the long-standing "strategic ambiguity", rather, calls on the White House to enhance deterrence against a cross-Strait conflict and stress cooperation with allies

- **China & Hong-Kong:** Beijing's grip on Hong Kong continues to tighten: Hong Kong leader Carrie Lam said on Sunday that "Hong Kong was looking to strengthen its position as a global financial hub by greater integration with China". She also said that Beijing had helped to restore stability in the city, contributing to greater China's financial reform and opening would inject fresh vigor into Hong Kong's economy.
  Additionally, An advisor to the jailed owner of the pro-democracy newspaper Apple Daily, Jimmy Lai, said the newspaper will be forced to close in a matter of days after the authorities froze the company's assets under terms of the recently introduced national security law. Next Digital (~282.HK~), which owns the newspaper would decide Monday on the next move forward after its lines of credit were frozen. The move comes just days after police raided the newspaper's offices and arrested several executives.

- **China & Australia:** The Australian government said on Saturday it was lodging a formal complaint with the WTO over China's imposition of anti-dumping duties on Australian wine imports. China responded to Canberra banning Huawei from participating in 5G networks in Australia and Canberra's call for an international investigation into the origins of Covid, by imposing tariffs that doubled or tripled the price of Australian wine in China, making the market unviable for exporters

Without a doubt, all these belligerent attitudes of China towards the international community, and especially its markedly warmongering position towards Taiwan, will not do anything good for Chinese financial assets.

Best