

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: GDP YoY	2Q18	6.7.0%	6.8.0%
China: Retail Sales YoY	Jun	8.90%	8.50%
China: Industrial Profits YoY	Jun	6.50%	6.80%
UK: Rightmove House Price YoY	Jul	N/A	1.70%
India: Wholesale Prices YoY	Jun	5.23%	4.43%

Source: Bloomberg

II. Macro News

- **China records higher new yuan-denominated loans, slowing down in M2 growth for H1.** China's new yuan-denominated loans expanded to 9.03 trillion yuan (\$1.35 trillion) in the first six months of the year, 1.06 trillion yuan more than the same period a year ago, central bank data showed. [China Daily]
- **Germany Delays Greece's Final Bailout Payment.** Germany held up the final bailout disbursement for Greece. Eurozone finance ministers approved the €15 billion (\$17.5 billion) aid payment at a meeting in Brussels, but Germany declined to sign off on the deal. [WSJ]
- **Singapore GDP Growth Eases to One-Year Low as Trade Risks Mount.** Singapore's economy expanded at a slower pace than forecast in the second quarter, clouding the outlook for the export-reliant city state at a time when global trade risks are rising. [Bloomberg]

III. Industry News

- **SFC Amends Takeovers Rules; Lifts Independent Shareholder Approval of Whitewash Waiver to 75%.** The Securities and Futures Commission on Friday released consultation conclusions on proposed amendments to the Codes on Takeovers and Mergers and Share Buy-backs (Codes). The amended Codes, gazetted Friday, will apply with immediate effect. [AASocks]
- **Eurozone Seasonally Adjusted Industrial Production Up 1.3% MoM in May; Beats Estimates.** Eurostat revealed that the seasonally adjusted industrial production in Eurozone rose 1.3% month-on-month in May, the biggest climb in recent six months. The figure also beats market estimates of a 1.2% advancement. [AASocks]
- **China-U.S. Trade Grew in First Half as Tariff Standoff Worsened.** China's total trade with the U.S. increased in the first half of 2018, even as the trade dispute between the two nations deteriorated. Total trade grew 13.1% in the first six months of the year, according to a statement from the customs administration in Beijing on Friday. [Bloomberg]

IV. Corporate News

- **ZTE expects to report loss of at least US\$1 billion for first half of 2018.** Chinese telecommunications giant ZTE Corp, which was hit with a trade ban by the United States earlier this year, expects to report a net loss of 7bn yuan (US\$1.04bn) to 9bn yuan in the first six months of 2018, the company said in a regulatory filing on Friday. [SCMP]
- **Johnson & Johnson ordered to pay US\$4.7bn over claims of cancer-causing asbestos in its talcum powder.** Johnson & Johnson must pay US\$4.14bn in punitive damages to women who claimed asbestos in the company's talc products caused them to develop ovarian cancer. [SCMP]

- **US senators urge keeping ZTE ban in a bid to block a deal by Trump.** A bipartisan group of six US senators urged their colleagues now drawing up a final defence appropriations bill to retain a ban on selling components to Chinese telecoms giant ZTE Corp, a day after the US Commerce Department said a deal was close with the company to lift the ban. [SCMP]
- **Huawei to build Africa warehouse.** Huawei Technologies Co Ltd. will build its first dedicated warehouse for Africa in Johannesburg, in its latest move to meet the rising demand from local consumers. Huawei said the warehouse will greatly shorten the time needed to deliver handsets and improve customer satisfaction. [China Daily]
- **U.S. Lifts Ban on China's ZTE After \$1.4 Billion Penalty.** The U.S. Commerce Dept has lifted the ban on American firms selling products to China's ZTE Corp.. The ban was removed after ZTE paid the final tranche of a \$1.4 billion penalty by placing \$400 million in escrow at a U.S. bank, the department said in an emailed statement on Friday. [Bloomberg]
- **Sunac China to Buy HK\$785M Co. Shares for Share Award Plan.** Sunac China has authorized the trustee to purchase c.28.7m shares from open market for ~HK\$785m for share award plan, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China Grand Pharma Sees at Least 50% Increase in 1H Profits.** China Grand Pharmaceutical and Healthcare Holdings Ltd.'s core product categories have expanded through internal R&D and also M&As, and its mid-to-long term development strategy has contributed to returns, according to the co.'s filing to the Hong Kong exchange. [Bloomberg]
- **CNPC Flags 'Sharp Rise' in 1H Profit on Oil Rally, Solid Demand.** China National Petroleum Corp. says 1H profit rose sharply on higher global oil prices and domestic demand for refined products, according to statement on website Friday, citing remarks from Chairman Wang Yilin at an internal meeting. [Bloomberg]
- **Airbus Slows Delivery to HNA-Backed Airlines Amid Cash Woes.** Airbus SE has delivered only two aircraft to HNA Group Co.'s family of airlines since January amid a cash crunch that has led the Chinese conglomerate to miss payments to the planemaker. [Bloomberg]
- **GIC Sees Opportunities in China, Other Emerging Markets.** Singapore's state fund GIC Pte. has grown cautious on the global economy and is predicting lower investment returns in coming years. Still, executives are seeing some opportunities in the emerging markets including China. [Bloomberg]
- **Evergrande Has Spent HK\$2.78B Buying Back Shares Since July 3.** Evergrande has bought back c.133.1m shares since July 3, spending ~HK\$2.78b, according to Hong Kong stock exchange filings and Bloomberg calculation. Repurchased shares represent c.1.01% of issued share capital. [Bloomberg]
- **Apple, Suppliers to Invest \$300 Million in Clean Energy in China.** Apple Inc., expanding its environmental efforts, announced a \$300 million fund to promote clean energy in China. The iPhone maker said it's creating the fund to boost the use of renewable energy in its supply chain, which is primarily spread across regions in China. [Bloomberg]
- **Brilliance China Denies Stake Change in BMW JV.** BMW's shareholding in JV with Brilliance China will lift to at least 75% from 50%, German media reported earlier. Yet, Mainland media cited Brilliance China chairman Qi Yumin's denial on such rumor, saying a specific shareholding proportion is impossible when the national policy has not been rolled out. [AASocks]
- **Angang Steel Buys Stake in Indonesia Investment Project with Over \$10M.** Angang Steel announced that it subscribed for 90.91% equity interest in An Steel International Co., Limited at a cash consideration of RMB8.6961 million (approx. HK\$10.23 million).
- **Yanzhou Coal Controlling Shareholder Adds 97.98M H Shares.** Yanzhou Coal nounced that Yankuang Group, the controlling shareholder of the Company, increased 97.989 million H Shares in the Company on 10 July through Yankuang Hong Kong Company, its wholly-owned subsidiary. [AASocks]
- **Chow Tai Fook 1FQ HK, Macau SSSG 26% YoY; Mainland SSSG 4%.** Chow Tai Fook announced that for the three months ended 30 June 2018, retail sales value growth of Hong Kong and Macau was 21% yearly and same-store sales growth was 26% yearly. For Mainland China, same-store sales growth was 4% yearly. [AASocks]

V. Overnight Market Recap

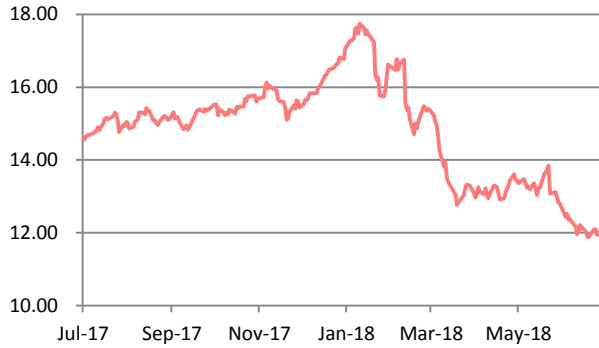
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,801	3.0	0.1	1.5	0.8	4.6	0.9	13.9	4.8
	Dow Jones	25,019	94.5	0.4	2.3	(0.3)	1.8	(3.0)	15.6	1.2
	Nasdaq Composite	7,826	2.1	0.0	1.8	1.0	9.4	8.3	24.0	13.4
	Russell 2000	1,687	(3.2)	(0.2)	(0.4)	0.2	7.9	7.3	18.1	9.9
	VIX Index	12.18	(0.4)	(3.2)	(8.9)	1.7	(26.4)	4.5	28.1	10.3
Europe Equity	Euro Stoxx 50	3,455	9.1	0.3	0.2	(1.4)	0.4	(4.6)	(2.0)	(1.4)
	DAX	12,541	47.8	0.4	0.4	(3.6)	1.2	(5.3)	(0.7)	(2.9)
	CAC	5,429	23.3	0.4	1.0	(1.3)	2.2	(1.5)	3.7	2.2
	FTSE 100	7,662	10.5	0.1	0.6	0.4	6.4	(1.2)	3.8	(0.3)
APAC Equity	HSI	28,525	44.6	0.2	0.7	(5.9)	(5.9)	(10.6)	8.1	(4.7)
	HSCEI	10,746	(6.4)	(0.1)	1.2	(9.5)	(10.5)	(16.0)	0.2	(8.2)
	HSI VIX	18.46	(0.8)	(4.0)	(15.6)	15.6	(13.8)	30.4	42.2	26.4
	CSI 300	3,493	11.6	0.3	3.8	(6.9)	(8.3)	(18.0)	(5.7)	(13.4)
	SH Composite	2,831	(6.5)	(0.2)	3.1	(6.3)	(9.0)	(17.6)	(12.1)	(14.4)
	SZ Composite	1,604	7.3	0.5	4.5	(5.2)	(12.1)	(16.8)	(14.7)	(15.5)
	Nikkei 225	22,597	409.4	1.9	3.7	(1.1)	3.5	(5.7)	12.3	(0.7)
KOSPI	2,311	25.8	1.1	1.7	(3.8)	(5.9)	(8.3)	(4.2)	(6.3)	
Commodities (USD)	Brent (Future)	75.33	0.9	1.2	(2.3)	2.2	5.1	8.5	53.4	12.2
	WTI (Future)	71.01	0.7	1.0	(3.8)	8.7	6.8	11.0	51.9	17.0
	Gold	1,244	(3.1)	(0.2)	(0.9)	(2.8)	(7.7)	(7.2)	0.7	(4.6)
	Copper (Future)	6,237	9.0	0.1	(0.7)	(14.1)	(8.7)	(12.3)	6.1	(13.9)
	Baltic Dry Index	1,666.00	34.0	2.1	3.5	15.3	62.5	36.4	85.1	22.0
FX	Dollar Index	94.68	(0.2)	(0.2)	0.8	(0.1)	5.9	4.8	(0.4)	2.8
	EUR	1.17	0.0	0.1	(0.5)	0.5	(5.6)	(4.7)	1.8	(2.7)
	JPY	112.38	(0.2)	(0.2)	1.7	(1.7)	(4.8)	(1.8)	0.1	0.2
	CNY	6.69	0.0	(0.4)	(0.7)	(4.4)	(6.2)	(3.8)	1.4	(2.8)
	CNH	6.71	0.0	0.3	0.7	(3.7)	(6.5)	(4.0)	0.9	(2.8)
CDS	ChinaGov CDS	66.90	(1.6)	(2.3)	(7.4)	20.9	12.2	41.5	1.1	33.6
	CDX Emerging Market	96.73	0.1	0.1	0.1	0.6	(1.5)	(2.8)	1.0	(2.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.97	0.0	0.2	2.0	1.9	1.7	1.4	1.0	1.4
	2-Year Treasury Yield	2.58	(0.0)	(0.3)	2.6	2.5	2.4	2.0	1.4	1.9
	5-Year Treasury Yield	2.72	(0.0)	(0.8)	2.7	2.8	2.7	2.3	1.9	2.2
	10-Year Treasury Yield	2.83	(0.0)	(0.6)	2.9	2.9	2.8	2.5	2.3	2.4
	2-10 Spread	24.50	(1.0)	(4.1)	29.5	37.1	44.5	54.4	97.2	51.8
China rates	O/N China Repo Rate	2.33	(0.1)	(5.3)	2.0	2.6	2.9	3.2	2.6	3.0
	1-Week China Repo Rate	2.65	0.2	6.0	2.6	2.8	3.0	3.5	2.6	3.1
	O/N SHIBOR	2.48	(0.0)	(0.3)	2.0	2.6	2.6	2.8	2.6	2.8
	1-Week SHIBOR	2.69	-	-	2.6	2.8	2.8	2.9	2.8	3.0

Source: Bloomberg

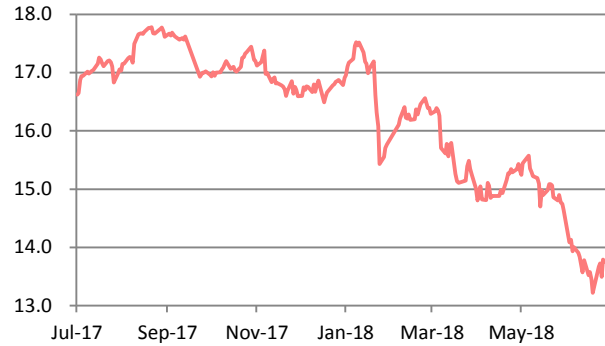
VI. Key Indicators

Hang Seng Index PE Ratio



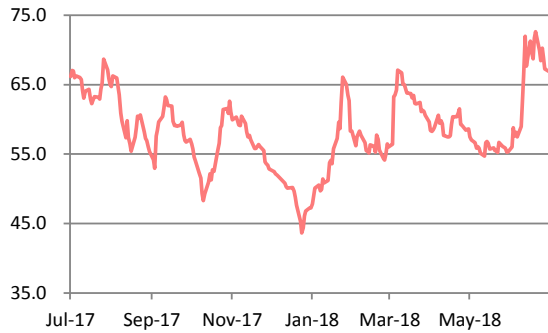
Source: Bloomberg

Shanghai Composite Index PE Ratio



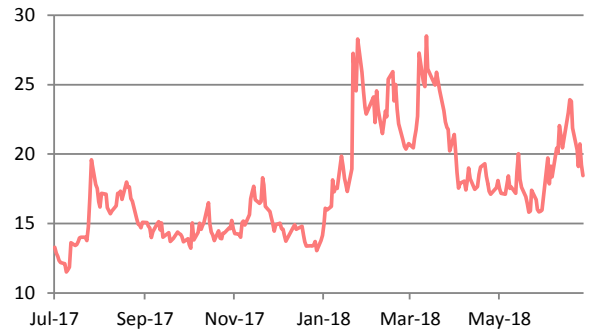
Source: Bloomberg

China 5Y CDS Index_USD



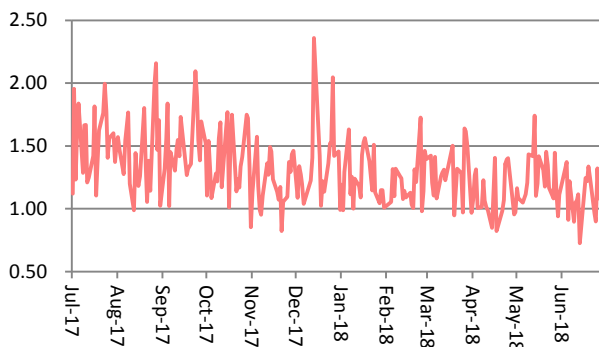
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

Research

LIU Taisheng, Steven
Head of Research & TMT
(852) 3465 5652
stevenliu@csci.hk

CHAN Ka Yeung, Duncan
Commodity
(852) 3465 5654
duncanchan@csci.hk

TIAN Yang
Automotive
(852) 3465 5775
tianyong@csci.hk

YAO Xue, Snowy
Power & Coal
(852) 3465 5675
snowyyao@csci.hk

SHEN Xiangfei, Thomas
Technology Hardware
(852) 3465 8689
thomasshen@csci.hk

XU Qiwen
Consumer Discretionary
(852) 3465 8690
xuqiwen@csci.hk

Institutional Sales & Trading

XIANG Xinrong, Ron
Head of IST
(852) 3465 5633
ronxiang@csci.hk

HO Wen Hao, Jack
(852) 3465 5685
jackho@csci.hk

WANG Zhuo, Gary
(852) 3465 8655
wangzhuo@csci.hk

LEE Ying Ju, Rose
(852) 3465 5707
roselee@csci.hk

XIA Tian
(852) 3465 5670
xiatian@csci.hk

XU Xiaowei, Vincent
(852) 3465 5795
vincentxu@csci.hk

CHAU Manying, Angel
(852) 3465 5781
angelchau@csci.hk

LIU Honglin, Charlene
(852) 3465 8686
charleneliu@csci.hk

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China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495