

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Housing Starts / Building Permits	Jun	1325k/1325k	1350k/1301k
UK: CPI / Core YoY	Jun	2.6%/2.0%	2.4%/2.1%
UK House Price Index YoY	May	N/A	3.90%
Eurozone: Construction Output YoY	May	N/A	1.80%
Russia: Unemployment Rate	Jun	4.70%	4.70%

Source: Bloomberg

II. Macro News

- **IMF forecasts 6.6% growth for China.** The International Monetary Fund has forecast that China's economy will grow 6.6 percent in 2018, unchanged from its April projection, in its latest World Economic Outlook, which stresses that the risk that current trade tensions escalate further is the greatest near-term threat to global growth. [China Daily]
- **IMF cuts projections for euro area, U.K. and Japan, while U.S. escapes downgrade.** The IMF kept its projection for 2018 global growth unchanged at 3.9% for now, but downgraded many major countries. While the U.S. escaped thanks to a fiscal boost, the euro area, Germany, France and the U.K. were cut after weak, weather-related, first quarters, and Japan's forecast was also lowered. [Bloomberg]
- **Strong Retail Sales in June Boosted Growth.** Americans boosted their spending at retailers in June, capping a strong quarter of consumption that is expected to help ramp up economic growth. Many economists estimate the nation's gross domestic product expanded robustly in the second quarter. [WSJ]

III. Industry News

- **China's new energy power generation sees faster growth.** China reported faster growth in new energy power generation in June, official data showed Tuesday. In June, nuclear power generation increased 19.3 percent year-on-year, compared with 15.1 percent in May, according to NDRC data. [China Daily]
- **China Steel Records Tumble as Revamped Industry Enjoys Boom.** China churned out a record volume of steel in the 1H as mills pushed furnaces hard to benefit from healthy margins and growing demand from sectors including property, shipbuilding and machinery. China produced 451mn metric tons, up 6% YoY YoY, according to the NBS. [Bloomberg]
- **HKMA and seven banks to jointly launch blockchain-based trade finance platform in Sept.** The HKMA and seven local lenders will launch a trade finance platform using blockchain technology in September, reflecting efforts by the city to bolster fintech development and close the gap with regional rival Singapore. [SCMP]

IV. Corporate News

- **Singapore sovereign wealth fund GIC to invest US\$75 million in Chinese drug maker Ascletris' Hong Kong IPO.** Ascletris Pharma, the first biotechnology firm to file for an IPO in Hong Kong following recent listing reforms, has secured commitment from Singapore sovereign wealth manager GIC to become a cornerstone investor. [SCMP]
- **Xiaomi Says Overallotment of 326.9M Shares Fully Exercised.** The shares represent 15% of total offer shares initially available under its Hong Kong initial public offering, according to statement to Hong Kong stock exchange. They are being offered at HK\$17 apiece, same as the IPO price. [Bloomberg]

- **Tencent-Backed Koolearn Technology Files Hong Kong IPO.** Koolearn Technology Holding, controlled by New Oriental Education & Technology Group, filed pre-listing documents with the Hong Kong stock exchange, according to the filing dated July 17. [Bloomberg]
- **Qilu Expressway Says Hong Kong IPO Retail Portion 0.14X Covered.** Qilu Expressway prices 500m Hong Kong IPO shares at HK\$2.50 apiece, according to statement to Hong Kong stock exchange, the low end of its marketed range of HK\$2.50-HK\$3.10. [Bloomberg]
- **HKEX, China Agree on Special Trading Period for Dual-Class Shrs.** HKEX, and Shanghai and Shenzhen stock exchanges agree to set an initial special stability trading period for Hong Kong-listed companies with weighted voting right structures before they are allowed to be included in southbound trading, HKEX says in statement. [Bloomberg]
- **BHP Targets Boost to Iron Ore Output as China Churns Out Steel.** BHP Billiton Ltd., the No. 3 iron ore exporter, set a target to lift output as much as 3 percent in fiscal 2019 after reporting record full-year production in Australia that's meeting robust demand from steel mills in China. [Bloomberg]
- **China Energy Investment Posts 40B Yuan First-Half Profit.** China Energy Investment Corp., created from a merger of Shenhua and Guodian, posts 40.2b yuan first-half profit, Ningxia Daily reports, citing data out of co.'s local event in Ningxia. The company sold 340m tons of coal in 1H18, and generated 450.9b kwh of electricity. [Bloomberg]
- **E-House (China) to Price HK\$4.64B Hong Kong IPO at Low End.** E-House (China) Enterprise Holdings to price HK IPO shares at HK\$14.38 apiece, bottom end of its marketed range, HK Economic Journal reports. The real estate services co. counts Country Garden, China Evergrande and China Vanke among its substantial shareholders, a preliminary prospectus shows. [Bloomberg]
- **Temasek Expands U.S. Footprint With a Wary Eye on Trade Tensions.** Temasek Holdings Pte. , whose S\$308bn portfolio (\$226bn) includes stakes in companies such as Alibaba, is still betting on the U.S., even as it grows more circumspect in deploying capital amid trade tensions and an increased likelihood of a global economic slowdown. [Bloomberg]
- **Unshackled ZTE Is Said to Need Weeks to Get Business on Track.** ZTE Corp. will take several weeks to get its business back on track after gaining its freedom from a game-ending U.S. technology ban. The telecommunications equipment maker is dealing with a worker shortage as it awaits shipments of key components from U.S. suppliers like Qualcomm Inc. [Bloomberg]
- **GAC plans Michigan R&D center.** Guangzhou Automobile Group Co Ltd, or GAC, received a \$500,000 grant from the Michigan Strategic Fund in June to build a research-and-development (R&D) center in the Detroit suburb of Farmington Hills. GAC expects to create 62 jobs at the \$4.45 million facility. [China Daily]
- **Volvo ramps up automation efforts in self-driving technologies.** Volvo Group is ramping up resources to explore how to better tap the China market's growing enthusiasm toward self-driving technologies, with its focus on the application of autonomous trucks in harbors, a senior official said. [China Daily]
- **XIAOMI-W Reportedly Taps into S Korea, Works with 2 Local Big Telecoms.** XIAOMI-W mounted cooperation with SK Telecom and KT, the two major telecoms in South Korea, media reported, marking an official entry into the country's cellphone market. [AASocks]
- **China Shenhua Jun Commercial Coal Production Down 0.4% YoY, Sales Up 2.1%.** China Shenhua announced that commercial coal production in June fell 0.4% yearly to 25 million tonnes; whereas coal sales added 2.1% yearly to 39.1 million tonnes. [AASocks]
- **Shimao Property Buys Back 5M Shares.** Shimao Property announced that it repurchased 5 million shares through the Stock Exchange today (17 July), involving \$107 million. [AASocks]
- **China Merchants Land predicts 30pc rise in net on investment gains.** China Merchants Land (0978) said today the company expects to "record a substantial increase in profits and an at least 30 percent jump in net profit," for the six months ended June 30. [The Standard]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,810	11.1	0.4	0.6	1.3	3.7	0.4	14.2	5.1
	Dow Jones	25,120	55.5	0.2	0.8	0.5	1.5	(3.5)	16.4	1.6
	Nasdaq Composite	7,855	49.4	0.6	1.2	1.4	7.7	7.7	23.8	13.8
	Russell 2000	1,687	8.7	0.5	(0.5)	(0.3)	6.5	7.0	18.2	9.9
	VIX Index	12.06	(0.8)	(6.0)	(4.6)	(2.0)	(22.7)	(1.3)	21.9	9.2
Europe Equity	Euro Stoxx 50	3,458	8.4	0.2	(0.5)	(0.3)	(1.0)	(4.5)	(0.6)	(1.3)
	DAX	12,662	100.5	0.8	0.4	(1.3)	0.6	(4.7)	1.9	(2.0)
	CAC	5,423	13.1	0.2	(0.2)	(0.5)	0.8	(1.3)	4.8	2.1
	FTSE 100	7,626	25.9	0.3	(0.9)	(0.1)	4.2	(1.0)	3.2	(0.8)
APAC Equity	HSI	28,182	(358.0)	(1.3)	(1.7)	(7.0)	(6.9)	(12.3)	6.2	(5.8)
	HSCEI	10,592	(112.5)	(1.1)	(2.2)	(10.8)	(11.6)	(19.1)	(1.5)	(9.5)
	HSI VIX	19.42	1.2	6.5	1.7	21.6	4.0	20.5	50.8	33.0
	CSI 300	3,449	(22.7)	(0.7)	(0.5)	(8.1)	(8.4)	(19.2)	(5.9)	(14.4)
	SH Composite	2,798	(15.9)	(0.6)	(1.0)	(7.4)	(9.5)	(19.5)	(12.2)	(15.4)
	SZ Composite	1,600	(2.8)	(0.2)	0.9	(5.4)	(11.3)	(16.8)	(11.7)	(15.8)
	Nikkei 225	22,697	100.0	0.4	2.9	1.1	3.5	(3.5)	14.6	0.7
Commodities (USD)	KOSPI	2,298	(4.1)	(0.2)	0.2	(2.8)	(6.9)	(8.2)	(4.8)	(6.4)
	Brent (Future)	72.16	0.3	0.5	(8.5)	(4.7)	(2.3)	3.6	47.0	7.4
	WTI (Future)	68.08	0.0	0.0	(8.1)	3.0	(0.9)	6.1	46.2	12.3
	Gold	1,228	(13.4)	(1.1)	(2.2)	(4.0)	(9.0)	(7.5)	(1.2)	(5.8)
	Copper (Future)	6,152	(40.0)	(0.6)	(2.9)	(12.4)	(10.5)	(12.5)	2.6	(15.1)
FX	Baltic Dry Index	1,695.00	29.0	1.7	9.0	17.5	50.8	48.8	81.9	24.1
	Dollar Index	94.99	0.5	0.5	0.9	0.3	6.0	5.0	0.5	3.2
	EUR	1.17	(0.0)	(0.4)	(0.7)	0.3	(5.8)	(4.7)	0.9	(2.9)
	JPY	112.88	0.6	0.5	1.7	(2.2)	(5.1)	(1.7)	(0.8)	(0.3)
	CNY	6.71	0.0	(0.2)	(1.1)	(4.0)	(6.3)	(4.1)	0.9	(3.0)
CDS	CNH	6.72	0.0	0.3	1.1	(4.0)	(6.8)	(4.5)	0.4	(3.1)
	ChinaGov CDS	63.77	(0.3)	(0.5)	(6.4)	13.9	9.2	33.3	(3.6)	27.3
	CDX Emerging Market	96.67	0.0	0.0	(0.2)	0.9	(1.6)	(2.9)	1.0	(2.5)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.01	0.0	1.6	2.0	1.9	1.8	1.4	1.1	1.4
	2-Year Treasury Yield	2.62	0.0	0.7	2.6	2.5	2.4	2.0	1.3	1.9
	5-Year Treasury Yield	2.76	0.0	0.4	2.8	2.8	2.7	2.4	1.8	2.2
	10-Year Treasury Yield	2.86	0.0	0.1	2.8	2.9	2.9	2.6	2.3	2.4
	2-10 Spread	24.06	(1.9)	(7.3)	26.7	36.3	44.1	54.3	90.7	51.8
China rates	O/N China Repo Rate	2.00	(0.6)	(22.2)	2.4	2.6	3.0	2.8	2.8	3.0
	1-Week China Repo Rate	2.90	0.3	12.8	2.8	2.8	3.6	3.5	2.8	3.1
	O/N SHIBOR	2.59	0.0	1.3	2.4	2.6	2.7	2.8	2.7	2.8
	1-Week SHIBOR	2.70	0.0	0.1	2.7	2.8	2.9	2.9	2.8	3.0

Source: Bloomberg

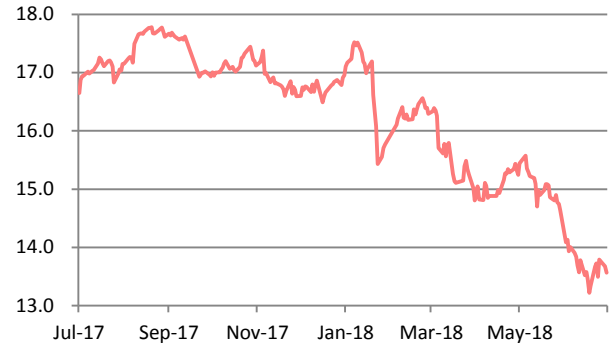
VI. Key Indicators

Hang Seng Index PE Ratio



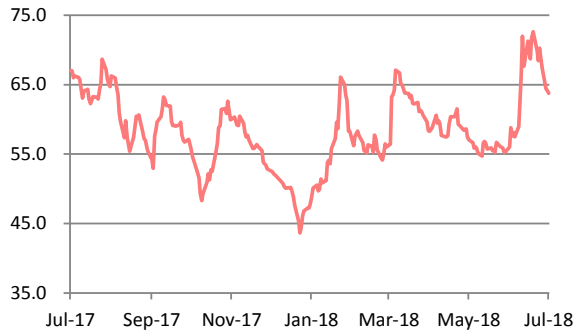
Source: Bloomberg

Shanghai Composite Index PE Ratio



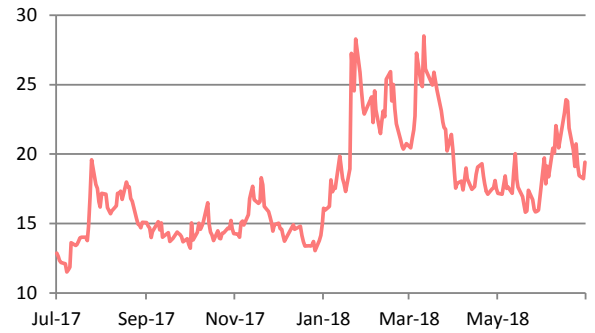
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China 5Y CDS Index_USD



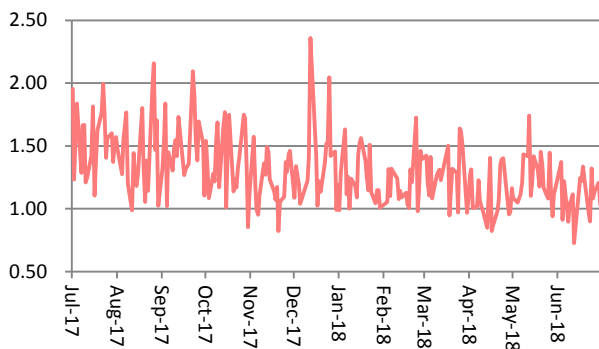
Source: Bloomberg

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