

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit Manufacturing PMI	Jul	55.3	55.4
Japan: Nikkei Manufacturing PMI	Jul	N/A	53.0
Germany: Markit Manufacturing PMI	Jul	55.7	55.9
France: Business Confidence	Jul	107	106.0
Eurozone: Markit Manufacturing PMI	Jul	54.7	54.9

Source: Bloomberg

II. Macro News

- **China Unveils New Measures to Aid Growth Amid Trade Uncertainty.** China unveiled a package of targeted policies to boost domestic demand as simmering trade tensions threaten to worsen the nation's economic slowdown. The measures announced late Monday are intended to form a more flexible response to "external uncertainties" than had been implied by budget tightening already in place for this year. [Bloomberg]
- **India's \$2 Billion Worth of Tax Cuts Renews Budget Gap Concerns.** India's move to slash levies on more than 50 goods will lower revenue by as much as 150bn rupees (\$2.2bn) each year and is raising the prospect of the country missing budget goals again this year. [Bloomberg]
- **Bank of Korea Sees Possible Impact From China Deleveraging Plan.** The economy of South Korea may see more adverse impact than previously expected from China's plan for deleveraging, the Bank of Korea said in a report. South Korea's GDP growth could be 0.3ppt less than expected in 2018 and maybe 1.2ppt less in 2020 because of China's plan to cut financial risks by deleveraging, the central bank said. [Bloomberg]

III. Industry News

- **PBOC Tackles Cash Crunch in Biggest-Ever Medium-Term Injection.** The PBOC made the biggest-ever injection of Medium-term Lending Facility funds, in a move that analysts described as further evidence of a shift to monetary easing. The PBOC skipped adding funds via seven-day reverse repurchase agreements on Monday while offering 502bn yuan (\$74.2bn) of its loans with one-year maturity to major banks in the open market. [Bloomberg]
- **China begin inquiry on steel from EU, Japan and Korea.** China's Ministry of Commerce decided to initiate anti-dumping investigations on imported stainless steel billets and hot-rolled stainless steel plates that originated from the European union, Japan, South Korea and Indonesia. [China Daily]
- **Auto industry pleads against new tariff threats on vehicle imports.** The auto industry pleaded recently with United States President Donald Trump's administration to reject tariffs on vehicle imports, which they say could cripple domestic manufacturing and cause job losses. [China Daily]

IV. Corporate News

- **China travel giant Ctrip wants to book a bigger seat in international markets with Trip.com brand.** Ctrip, China's largest online travel services provider, plans to boost the proportion of total revenue it makes from overseas customers from 2% to at least 20% over next 5yrs, using its recently-acquired Trip.com brand as a bridgehead for int'l expansion.[SCMP]

- **China Tower Seeks to Raise Up to \$8.7B in Hong Kong IPO.** China Tower Corp., the state-owned wireless infrastructure operator, is seeking as much as \$8.7 billion in its planned Hong Kong initial public offering. The company is offering 43.1bn shares at HK\$1.26 to HK\$1.58 each, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **China Huaneng Group 1H Profit Jumps 66.2% Y/y; Sales Rise 7.2%.** China Huaneng Group's first-half profit surged 66.2% y/y, Chairman Cao Peixi told an internal mid-year work conference in Beijing last week, according to statement on co.'s website. 1H revenue +7.2%; power generation +8.5%. [Bloomberg]
- **Sunac China Expects 1H Net to Rise More Than 200% on Year.** Sunac China cites "significant" increase in sales of properties, impact of Hong Kong Financial Reporting Standard 15, according to statement to Hong Kong stock exchange. 1H results expected to be published in late August. [Bloomberg]
- **Hope Education Seeks up to \$408M in Hong Kong IPO.** Hope Education Group offers 1.67b shares at HK\$1.52–HK\$1.92 apiece in its Hong Kong initial public offering, according to terms for the deal obtained by Bloomberg. Value Partners to invest \$55m as a cornerstone. [Bloomberg]
- **HSBC Keeps Top Spot for Asia Dollar Bond Sales But Share Shrinks.** HSBC Holdings Plc remains the top dollar bond arranger for Asia excluding Japan so far this year, but its dominance is decreasing. Despite staying in the number-one position for the eighth year-to-date period in 2018, HSBC's market share fell 1.5ppt points to 7.7% so far this year, amid rising competition from Chinese banks, according to data compiled by Bloomberg. [Bloomberg]
- **Yuzhou Properties Proposed Additional Sale of USD Notes Due 2021.** Aggregate principal amount and offer price will be determined through book building, Yuzhou Properties says in Hong Kong stock exchange filing. The company plans to use proceeds for refinancing existing debts. [Bloomberg]
- **Greentown China Plans to List House Building Unit in H.K.** Greentown China is planning to list its house building unit in an Hong Kong IPO that could raise ~\$300m, IFR Asia reports, citing unidentified people close to the deal. [Bloomberg]
- **China Tower Is Said to Draw Hillhouse, Alibaba to Hong Kong IPO.** China Tower Corp., the state-owned wireless infrastructure operator, has attracted Hillhouse Capital and a unit of Alibaba Group Holding Ltd. as investors in its planned Hong Kong initial public offering. [Bloomberg]
- **China's JD.com Will Begin Operations in Europe.** Chinese online retailer JD.com wants to sell products in Europe and Germany, its founder Richard Liu tells Handelsblatt newspaper in an interview. JD.com should finalize its strategy to enter European market by the end of this year and is expected to open its office in Germany this year. [Bloomberg]
- **FAW-Volkswagen launches online sales platform to meet digital demands.** FAW-Volkswagen Automotive Co unveiled its official e-commerce platform in Beijing on Friday, with the aim of meeting the digital demands of its customers. The one-stop service platform allows customers to browse, select, buy and even sell cars. [China Daily]
- **Chinese automaker BAIC eyes top 100 of Fortune 500 list.** BAIC Group climbed 13 places to No 124 in the latest Fortune Global 500 list released on July 19, 2018, with sales revenue of \$69.59 billion last year. Xu Heyi, chairman of BAIC Group, said the company is aiming for the top 100 in 2020 at a corporate news conference. [China Daily]
- **SAIC Motor sees 10.9% vehicle sales growth in H1.** SAIC Motor said it sold 3.5 million vehicles in the first six months of the year, up 10.9 percent year-on-year. In June alone, 554,100 units were sold, a growth of 7.2 percent than the same period last year, according to the company. [China Daily]
- **GAC Group and CATL to jointly set up two subsidiaries.** GAC Group reached an agreement with CATL, or Contemporary Amperex Technology Ltd, a Chinese company focusing on research and development, production, and sales of EV battery and energy storage battery systems, to jointly set up two subsidiaries. [China Daily]
- **JD Plans Debut in European Market.** JD plans expansion into Europe with hope to finalize the strategy plan by the end of the year, JD CEO Liu Qiangdong said, according to German newspaper Handelsblatt. Liu said he mulls a debut in the market through acquisitions, and that he will seize any opportunity if there is a good one. [AASocks]

V. Overnight Market Recap

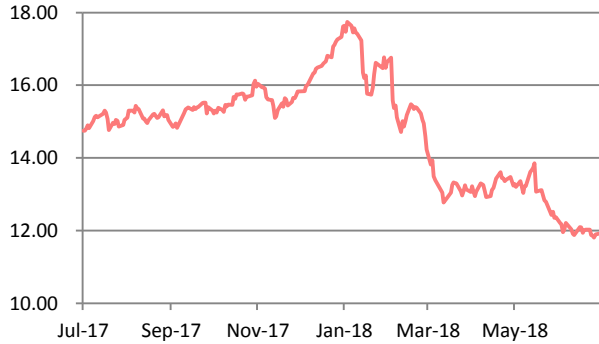
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,807	5.2	0.2	0.3	1.9	6.5	(1.1)	13.6	5.0
	Dow Jones	25,044	(13.8)	(0.1)	(0.1)	1.9	4.2	(4.6)	16.4	1.3
	Nasdaq Composite	7,842	21.7	0.3	0.5	1.9	11.9	5.8	22.3	13.6
	Russell 2000	1,698	1.6	0.1	1.2	0.8	9.3	6.2	18.1	10.6
	VIX Index	12.62	(0.2)	(1.9)	(1.6)	(8.4)	(30.0)	10.0	33.8	14.3
Europe Equity	Euro Stoxx 50	3,454	(6.0)	(0.2)	0.1	0.4	(1.6)	(5.2)	0.0	(1.4)
	DAX	12,549	(12.9)	(0.1)	(0.1)	(0.2)	(0.0)	(6.5)	2.8	(2.9)
	CAC	5,378	(20.1)	(0.4)	(0.6)	(0.2)	(1.2)	(2.1)	4.9	1.2
	FTSE 100	7,656	(23.0)	(0.3)	0.7	(0.3)	3.1	0.2	3.8	(0.4)
APAC Equity	HSI	28,256	31.6	0.1	(1.0)	(3.7)	(7.8)	(14.3)	5.2	(5.6)
	HSCEI	10,731	48.7	0.5	0.3	(5.4)	(12.4)	(21.2)	(0.8)	(8.4)
	HSI VIX	19.22	0.8	4.1	5.4	4.7	10.3	11.2	58.6	31.6
	CSI 300	3,526	32.9	0.9	1.5	(2.3)	(8.3)	(19.7)	(5.8)	(12.5)
	SH Composite	2,860	30.3	1.1	1.6	(1.0)	(8.6)	(19.7)	(12.0)	(13.5)
	SZ Composite	1,602	8.4	0.5	(0.1)	0.3	(11.2)	(18.3)	(13.6)	(15.7)
	Nikkei 225	22,397	(300.9)	(1.3)	(0.9)	(0.5)	0.5	(6.4)	12.1	(1.6)
KOSPI	2,269	(19.9)	(0.9)	(1.4)	(3.7)	(7.9)	(10.6)	(7.4)	(8.0)	
Commodities (USD)	Brent (Future)	73.06	(0.0)	(0.0)	1.7	(3.3)	(2.2)	4.4	52.0	9.3
	WTI (Future)	67.89	(2.6)	(3.7)	(0.3)	(1.1)	0.2	3.4	46.4	12.3
	Gold	1,225	(5.0)	(0.4)	(1.3)	(3.3)	(8.0)	(9.9)	(2.5)	(6.0)
	Copper (Future)	6,130	(17.5)	(0.3)	(1.0)	(9.7)	(11.7)	(11.5)	2.1	(15.4)
	Baltic Dry Index	1,689.00	32.0	1.9	(0.4)	26.0	27.0	40.8	72.9	23.6
FX	Dollar Index	94.63	0.2	0.2	0.1	0.1	4.1	5.0	0.8	2.7
	EUR	1.17	(0.0)	(0.3)	(0.2)	(0.1)	(4.4)	(5.8)	0.4	(2.6)
	JPY	111.35	(0.1)	(0.1)	(0.8)	(1.5)	(2.4)	(2.0)	(0.3)	1.1
	CNY	6.80	0.0	(0.4)	(1.6)	(3.8)	(7.1)	(5.8)	(0.7)	(4.3)
	CNH	6.81	0.0	0.4	1.5	(4.1)	(7.7)	(6.9)	(1.0)	(4.5)
CDS	ChinaGov CDS	63.50	(0.5)	(0.7)	(1.4)	7.7	6.8	27.2	(3.9)	26.8
	CDX Emerging Market	96.88	0.1	0.1	0.2	0.9	(1.2)	(2.5)	1.1	(2.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.96	(0.0)	(0.7)	2.0	1.9	1.8	1.4	1.2	1.4
	2-Year Treasury Yield	2.63	0.0	1.4	2.6	2.5	2.5	2.0	1.4	1.9
	5-Year Treasury Yield	2.82	0.1	1.9	2.8	2.8	2.8	2.4	1.8	2.2
	10-Year Treasury Yield	2.95	0.1	2.1	2.9	2.9	3.0	2.6	2.3	2.4
	2-10 Spread	32.12	2.3	7.8	24.1	35.0	52.3	57.1	89.4	51.8
China rates	O/N China Repo Rate	2.35	0.0	1.3	2.0	2.0	3.0	2.6	2.9	3.0
	1-Week China Repo Rate	2.70	0.4	17.4	2.9	2.9	3.0	2.8	3.4	3.1
	O/N SHIBOR	2.36	0.0	0.7	2.6	2.6	2.7	2.6	2.7	2.8
	1-Week SHIBOR	2.66	(0.0)	(0.6)	2.7	2.8	2.9	2.9	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



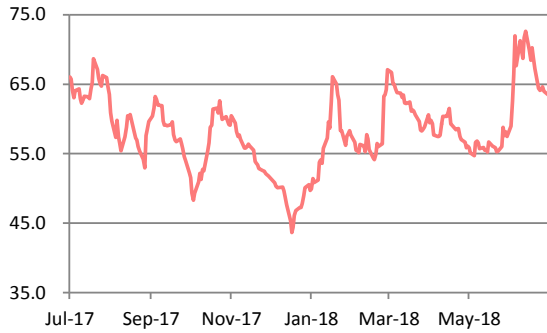
Source: Bloomberg

Shanghai Composite Index PE Ratio



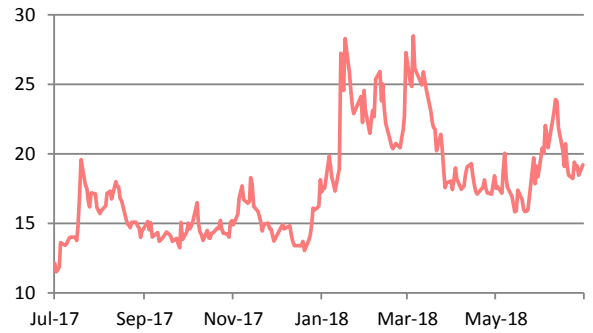
Source: Bloomberg

China 5Y CDS Index_USD



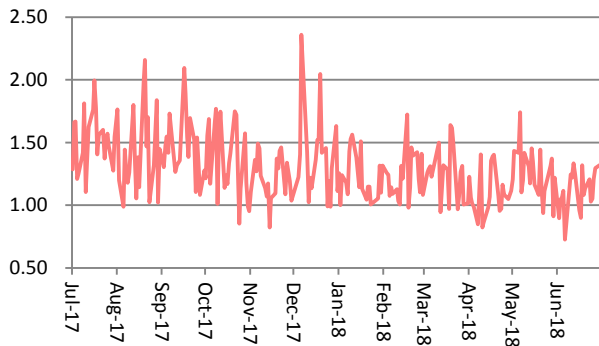
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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