



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Composite PMI	Jul	N/A	53.0
US: Change in Private Payrolls	Jul	185k	213k
US: Unemployment Rate	Jul	3.90%	4.00%
US: Average Hourly Earnings YoY	Jul	2.70%	2.70%
Eurozone: Retail Sales YoY	Jun	N/A	1.40%

Source: Bloomberg

II. Macro News

- **China Central Bank Is Said to Step Up Effort to Spur Lending.** China's central bank has started actively encouraging banks to extend more credit by taking a softer stance on loan quotas, people familiar with the matter said, as authorities ratchet up efforts to bolster a cooling economy. [Bloomberg]
- **U.S. to Analyze Higher Tariff on \$200 Billion of China Goods.** The Trump administration said it's weighing whether to increase the proposed tariff on \$200 billion of Chinese goods to 25 percent from 10 percent, stepping up pressure on Beijing to change its trade practices. [Bloomberg]
- **UK July manufacturing sinks to three-month low.** UK's manufacturing continued to remain in a soft patch in July, data show today. The IHS Markit/Chartered Institute of Procurement & Supply UK manufacturing purchasing managers index was at 54 in July, compared with 54.3 in June. [The Standard]

III. Industry News

- **Singapore, Malaysia Indexes Face Temporary FTSE Disruption.** Real-time values of Singapore and Malaysia's market benchmarks were temporarily disrupted on Thursday due to technical glitches at index provider FTSE Russell. The issue became apparent when Singapore's benchmark Straits Times Index was largely unchanged in the first hour of trading. [Bloomberg]
- **Congress Toughens Foreign Deal Reviews With China in Crosshairs.** Congress sent President Donald Trump legislation that broadens national-security scrutiny of foreign investments in U.S. firms, imposing new hurdles for technology and real-estate transactions. [Bloomberg]
- **Germany Blocks Takeover by Chinese Investor for First Time.** Merkel's Cabinet voted to block the potential purchase of German machine tool manufacturer Leifeld Metal Spinning AG by a Chinese investor. The govt. took the precautionary measure even though Yantai Taihai Group indicated at the last minute that it'll withdraw its offer. [Bloomberg]

IV. Corporate News

- **HNA Group reshuffles managers as it unwinds its asset acquisition spree after co-founder's death.** HNA Group has reshuffled its senior management team following the death of a co-founder, as it continues a process of unwinding its acquisitive business strategy to align with Chinese government priorities. [SCMP]
- **Starbucks, Alibaba's Ele.me forge coffee delivery tie-up in China to take on growing competition.** Starbucks Corp on Thursday launched a partnership with Alibaba Group's Chinese food delivery platform Ele.me, in a move to shore up sales in its second-largest market and to battle aggressive competition from local coffee start-ups. [SCMP]

- **Apple warns trade war could raise costs, damp consumer confidence.** Apple Inc. warned that global trade tensions could hurt its business if countries raise tariffs and adopt protectionist measures. “Tariffs could increase the cost of the company’s products and the components and raw materials that go into making them. [SCMP]
- **China’s largest oil group CNPC refutes subsidiary’s role in 1MDB money-laundering scandal.** China Petroleum Pipeline Engineering, a unit of China National Petroleum Corp, had refuted a media report that money paid for its pipeline projects in Malaysia was diverted to third-party Cayman Islands companies involved in money laundering. [SCMP]
- **BeiGene Said to Guide Pricing Above Midpt for Up to \$933m Offer.** BeiGene is telling prospective investors it plans to price its HK offering at c.HK\$106-HK\$108/shr, above the midpoint of a marketed range. The biotech firm, which already trades in the U.S., is offering 65.6mn shares at HK\$94.40-HK\$111.60 apiece in secondary listing in HK. [Bloomberg]
- **Ascleitis Pharma Says China Accepts Hepatitis Drug Application.** Ascleitis Pharma received acceptance letter for its second Category 1 hepatitis C virus drug, Ravidasvir, from China FDA Aug. 1, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Jin Jiang Is Said to Weigh Bid for \$2 Billion Hotelier Radisson.** Chinese hospitality provider Jin Jiang International Holdings Co. is weighing a bid for Radisson Hotel Group, the global chain owned by HNA Group Co. Jin Jiang, which is controlled by the Shanghai government, is in the early stages of considering a potential offer. [Bloomberg]
- **Greentown China CEO Cao Resigns; Zhang Yadong Named Successor.** Cao Zhounan resigned as CEO effective Aug. 1, according to statement to Hong Kong stock exchange. Cao confirms he has no disagreement with board; no other matter in relation to his resignation that needs to be brought to attention of shareholders. [Bloomberg]
- **Prada Finally Catches China Luxury Wave in Return to Growth.** Prada SpA returned to growth in the first six months of the year as a turnaround push began to bear fruit after three years of sliding sales. Retail sales rose 9.7 percent at constant exchange rates, pushing revenue to 1.54 billion euros. [Bloomberg]
- **Google Is Said to Bow to Beijing With Censored China Search App.** Google is preparing a version of its search engine for China that blocks results Beijing considers sensitive, according to people familiar with the situation. The initiative is code-named Dragonfly and is one of several options the company is pursuing for returning to China. [Bloomberg]
- **DBS Quarterly Net Misses Estimate as Trading Income Declines.** DBS Group Holdings Ltd., Southeast Asia’s biggest lender, posted higher second-quarter profit but failed to meet analysts’ expectations on a 32 percent drop in other non-interest income. [Bloomberg]
- **Tesla Plans to Fund New Shanghai Car Factory With Local Debt.** Tesla Inc. said it plans to use mostly local debt to fund a new factory in Shanghai, its first outside of the U.S. The facility, known as the Gigafactory 3, is expected to churn out about 250,000 vehicles and battery packs per year initially, capacity that will double over time. [Bloomberg]
- **Las Vegas Sands And Sands China Announce Pricing Of \$5.5B Of Senior Unsecured Notes.** Las Vegas Sands Corp. announced that its majority-owned subsidiary, Sands China Ltd. has priced \$1.8bn of 4.60% senior notes due 2023, \$1.8bn of 5.125% senior notes due 2025 and \$1.9bn of 5.40% senior notes due 2028. [Bloomberg]
- **Wynn Macau 2Q Net Profit Lifts 55% YoY to US\$160M.** Wynn Macau announced the results for the second quarter ended 30-Jun, 2018. It reported a net profit of US\$160mn, up 55.3% YoY. Total operating revenues reached US\$1.164bn, up 12.5% yearly, among which operating revenues of casino amounted to US\$998mn, up 10.8% YoY. [AASocks]
- **Alibaba Seeking US\$3B Financing for Ele.me, Report Says.** Alibaba obtained the controlling stake in a Mainland delivery platform Ele.me in May 2018. Foreign media reported that Alibaba is seeking a US\$3bn (approx.. HK\$23.5bn) financing for Ele.me with an aim to seize market shares by expanding investment in Ele.me. [AASocks]

V. Overnight Market Recap

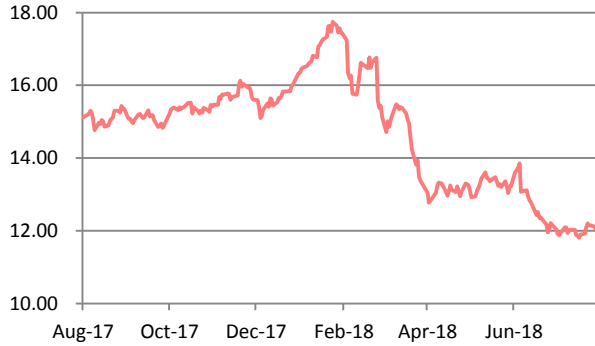
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,827	13.9	0.5	(0.4)	4.2	7.5	2.4	14.4	5.7
	Dow Jones	25,326	(7.7)	(0.0)	(0.8)	4.8	5.8	(0.8)	15.0	2.5
	Nasdaq Composite	7,803	95.4	1.2	(0.6)	4.0	10.1	7.8	23.1	13.0
	Russell 2000	1,682	12.8	0.8	(0.8)	1.3	8.8	8.7	19.7	9.5
	VIX Index	12.19	(1.0)	(7.3)	0.4	(24.5)	(23.3)	(29.6)	16.8	10.4
Europe Equity	Euro Stoxx 50	3,469	(40.0)	(1.1)	(1.1)	1.8	(1.7)	(1.5)	0.1	(1.0)
	DAX	12,546	(190.7)	(1.5)	(2.1)	1.6	(1.1)	(1.9)	3.2	(2.9)
	CAC	5,461	(37.4)	(0.7)	(0.4)	2.7	(0.7)	1.8	6.4	2.8
	FTSE 100	7,576	(77.0)	(1.0)	(1.1)	(0.2)	1.0	1.8	1.4	(1.5)
APAC Equity	HSI	27,715	(626.2)	(2.2)	(3.7)	(2.9)	(8.6)	(15.0)	0.7	(7.4)
	HSCEI	10,733	(239.9)	(2.2)	(2.6)	(1.3)	(10.7)	(20.7)	(2.4)	(8.3)
	HSI VIX	21.49	3.0	16.4	22.1	(6.4)	15.9	24.1	53.8	47.2
	CSI 300	3,371	(76.4)	(2.2)	(4.7)	(1.1)	(11.1)	(21.1)	(9.6)	(16.4)
	SH Composite	2,768	(56.5)	(2.0)	(4.0)	(0.7)	(10.7)	(20.0)	(15.4)	(16.3)
	SZ Composite	1,512	(37.2)	(2.4)	(6.1)	(5.2)	(15.7)	(17.0)	(19.1)	(20.4)
	Nikkei 225	22,513	(234.2)	(1.0)	(0.3)	3.3	0.2	(3.3)	12.4	(1.1)
Commodities (USD)	KOSPI	2,270	(36.9)	(1.6)	(0.8)	(0.1)	(8.7)	(10.1)	(4.9)	(8.0)
	Brent (Future)	73.45	1.1	1.5	(1.5)	(5.0)	0.1	7.1	40.3	9.8
	WTI (Future)	68.96	1.3	1.9	(0.9)	(7.1)	0.7	5.3	40.5	14.0
	Gold	1,208	(8.1)	(0.7)	(1.2)	(3.4)	(7.8)	(9.7)	(4.7)	(7.2)
	Copper (Future)	6,140	(32.5)	(0.5)	(2.4)	(5.9)	(10.0)	(12.9)	(3.3)	(15.3)
FX	Baltic Dry Index	1,760.00	13.0	0.7	3.0	19.2	27.9	60.7	72.0	28.8
	Dollar Index	95.17	0.5	0.5	0.4	0.3	2.9	6.7	2.5	3.3
	EUR	1.16	(0.0)	(0.6)	(0.5)	(0.6)	(3.3)	(6.3)	(2.4)	(3.5)
	JPY	111.66	(0.1)	(0.1)	0.4	(0.9)	(2.2)	(2.3)	(1.4)	0.9
	CNY	6.84	0.0	(0.3)	(0.7)	(2.6)	(7.0)	(7.9)	(1.8)	(4.9)
CDS	CNH	6.88	0.1	0.8	0.8	(3.1)	(7.8)	(8.3)	(2.2)	(5.3)
	ChinaGov CDS	61.01	2.7	4.7	5.5	(12.5)	2.9	6.5	(2.7)	21.8
	CDX Emerging Market	96.78	(0.2)	(0.2)	(0.4)	0.7	(0.8)	(2.2)	0.6	(2.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.00	(0.0)	(0.8)	2.0	2.0	1.8	1.5	1.1	1.4
	2-Year Treasury Yield	2.66	(0.0)	(0.5)	2.7	2.5	2.5	2.1	1.3	1.9
	5-Year Treasury Yield	2.85	(0.0)	(0.7)	2.8	2.7	2.8	2.6	1.8	2.2
	10-Year Treasury Yield	2.99	(0.0)	(0.7)	3.0	2.8	2.9	2.8	2.2	2.4
	2-10 Spread	32.05	(0.4)	(1.3)	28.1	30.3	44.7	69.6	87.8	51.8
China rates	O/N China Repo Rate	1.95	(0.1)	(2.5)	2.0	2.1	2.5	2.5	2.8	3.0
	1-Week China Repo Rate	2.25	(0.2)	(8.9)	2.6	2.3	2.7	2.8	2.9	3.1
	O/N SHIBOR	1.97	(0.1)	(2.9)	2.3	2.2	2.6	2.5	2.8	2.8
	1-Week SHIBOR	2.58	(0.0)	(1.4)	2.7	2.7	2.8	2.8	2.9	3.0

Source: Bloomberg

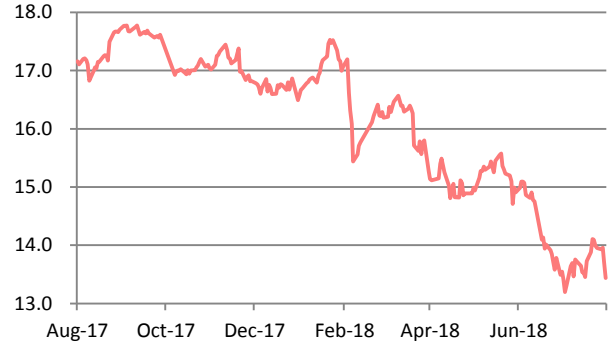
VI. Key Indicators

Hang Seng Index PE Ratio



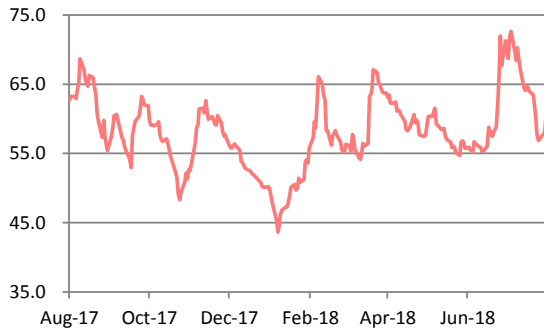
Source: Bloomberg

Shanghai Composite Index PE Ratio



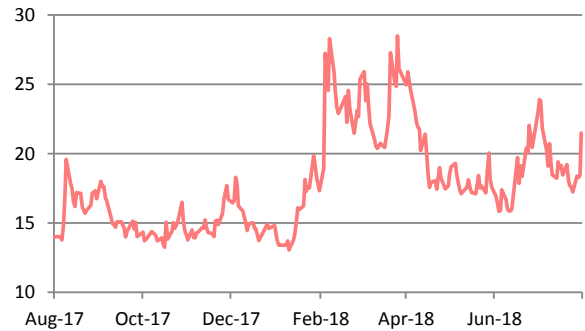
Source: Bloomberg

China 5Y CDS Index_USD



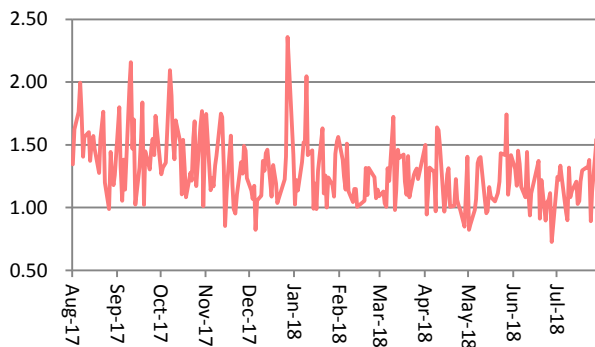
Source: Bloomberg

Hang Seng Index VIX



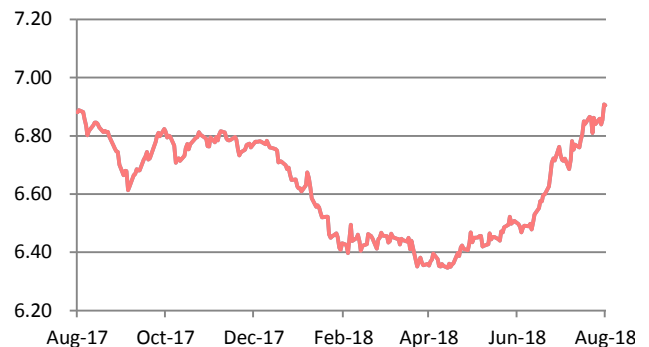
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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