



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Germany: Factory Orders YoY	Jun	N/A	4.40%
Indonesia: GDP YoY	2Q18	5.11%	5.06%
Indonesia: Consumer Confidence Index	Jul	N/A	128.10
Eruozone: Sentix Investor Confidence	Aug	N/A	12.1
UK: New Car Registration YoY	Jul	N/A	- 3.50%

Source: Bloomberg

## II. Macro News

- **China Threatens to Impose Tariffs on \$60B of U.S. Products.** After President Donald Trump raised the ante on China by threatening to more than double proposed duties on Chinese imports, the State Council, China's cabinet, on Friday released a list of \$60bn worth of U.S. goods to hit with tariffs. [WSJ]
- **Growth forecast to remain solid this year.** The Chinese economy is forecast to see solid growth in the second half of the year, bolstered by buoyant consumption, the nation's top economic regulator said. The prediction is expected to soothe concerns about the escalating trade dispute with the United States. [China Daily]
- **China to Expand Opening up of Forex Market.** China will orderly realize yuan capital account convertibility and protect interests of foreign investors, State Administration of Foreign Exchange says in a statement. SAFE will improve supervision system for cross-border capital flow. [Bloomberg]

## III. Industry News

- **Vanishing boss of China's US\$5.1 billion hedge fund casts financial regulations in harsh light.** Regulation in mainland China's financial markets has come under the spotlight again after the disappearance last month of the head of a Shanghai-based hedge fund that has put at risk some 35bn yuan (US\$5.1bn) of investors' money.
- **Hong Kong Braces for Biggest Quarter for IPOs Since 2010.** Hong Kong's equity market, which has sunk to the lowest in 10 months, faces its biggest quarter for IPOs in nearly eight years. The value of new listings since the start of July is already \$8.99bn, Bloomberg data show, and that should expand to \$16.3bn after a couple more make their debut. [Bloomberg]
- **Analysts Say PBOC May Cut RRR for Some Banks in 2H.** The Chinese central bank may cut reserve requirement ratio for some banks once to twice in the second half, to achieve reasonable and ample liquidity, China Securities Journal reports. Liquidity will be more loose in the second half than now. [Bloomberg]

## IV. Corporate News

- **Shares of Chinese solar panel maker GCL expected to face selling pressure after asset-sale talks collapse.** HK-listed shares of GCL Poly Energy could face selling pressure on Monday after talks to sell 51% of its principal subsidiary to Shanghai Electric Group for up to 12.75bn yuan (US\$1.9bn) collapsed. [SCMP]
- **Apple hits US\$1 trillion stock market valuation.** Apple Inc became the first US\$1 trillion publicly listed US company on Thursday, crowning a decade-long rise fuelled by its ubiquitous iPhone that transformed it from a niche player in personal computers into a global powerhouse spanning entertainment and communications. [SCMP]

- **BAIC Motor Expects 1H Net to Increase More Than 180% on Year.** BAIC Motor cites continuous increase in Beijing Benz results and recovery in results of Beijing Hyundai and proprietary products, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Sinopec Is Said to Delay U.S. Oil Purchases Amid Tariff Concerns.** China's largest refiner, Sinopec, will hold off on buying U.S. crude as an escalating trade war between Beijing and Washington threatens to make American imports more expensive. [Bloomberg]
- **Huawei Declares Ambition to Be No.1 After Dethroning Apple.** Huawei Technologies Co., which just edged past Apple Inc. to become the world's second-largest smartphone maker, wants to be top of the heap before end 2019. Consumer division chief Richard Yu on Friday said he wants Huawei to be No. 1 in smartphones by 4Q of next year, with a market share of more than 20%, despite acknowledging its virtual absence in a pivotal U.S. market. [Bloomberg]
- **Coal India in Talks to Buy Australia, Canada Coking Coal Mines.** State-run miner Coal India Ltd. has identified "several" coking coal assets in Australia's Bowen Basin for buying stakes, an Indian parliament panel reviewing the coal and steel industries said in a report. [Bloomberg]
- **China Eastern Extends Overseas Reach With Japan Air Venture.** China Eastern Airlines Corp. made a fresh move to stitch up its foreign network ahead of rivals on the mainland. The airline agreed to set up a joint venture with Japan Airlines Co. that would see the two carriers share revenue on routes between the two countries. [Bloomberg]
- **China's Legend Said to Consider Bid for Seafood Seller Iberconsa.** Legend Holdings Corp. is among companies considering bids for a majority stake in Spanish frozen-seafood seller Grupo Iberconsa. Pamplona Capital Management is also weighing a bid for Iberconsa, which could be valued at about 600 million euros (\$698 million). [Bloomberg]
- **Heineken Partners With China Resources in \$3 Billion Tie-Up.** Heineken NV is partnering with China Resources Beer Holdings Co. through a transaction valued at more than \$3 billion, as the Amsterdam-based brewer looks for more growth in the world's largest beer market. [Bloomberg]
- **China's ICBC Is Said to Plan More Lending to Businesses.** Industrial & Commercial Bank of China has decided to issue more loans to businesses, especially those in govt-driven infrastructure, Caixin reports. ICBC has asked its branches to be prepared to offer loans to corporate customers in "key areas," particularly in infrastructure, shantytown renovation or major projects under construction. [Bloomberg]
- **HNA's Great Unwinding Ramps Up as Buyers Circle Jets, Hotels.** HNA Group Co. is pushing ahead with unwinding the binge. The group is weighing options for its Avolon Holdings Ltd. plane-leasing arm, which had a \$7.3 billion book value at the end of last year. [Bloomberg]
- **House of Fraser Seeks Lifeline as Chinese Rescuer Ends Talks.** House of Fraser Ltd. needs a new lifeline after a Chinese retailer pulled its plan to buy a majority stake, leaving the U.K. department-store chain on the brink of collapse and threatening about 17,000 jobs. [Bloomberg]
- **BAIC revs up presence in South Africa.** Beijing Automotive Industry Corp. is expected to have an annual production capacity of 50,000 vehicles at its South Africa plant by end of 2019, said its top executive. The plant is a JV between BAIC and South Africa's state-owned Industrial Development Corp, with planned investment of \$800mn. [China Daily]
- **China Tower Reportedly Sued for Rights Infringement.** The claimant stated that China Tower has used a design of wireless signal street light station for which the claimant has obtained patent rights from authorities. He requested China Tower stop the infringement right away and compensate for his economic loss and legal fees. [AASocks]
- **JD Sets 1st SE Asia Cashier-free Supermarket in Jakarta.** JD announced to establish the first cashier-free supermarket, in floor area 270 sq.m., in Southeast Asia region in Jakarta, which will be managed by its Indonesia e-commerce platform JD.ID. [AASocks]
- **Hope Education: To Steadily Continue with M&A.** Hope Education's COO Jiang Lin expressed during the listing ceremony that he is delighted of the stock price set at the upper limit of the offer price range, which reflected the market recognition on the company's management. [AASocks]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,840	13.1	0.5	0.8	2.9	6.6	5.4	14.7	6.2
	Dow Jones	25,463	136.4	0.5	0.0	4.1	4.9	2.2	15.3	3.0
	Nasdaq Composite	7,812	9.3	0.1	1.0	1.6	8.4	9.8	23.0	13.2
	Russell 2000	1,673	(8.7)	(0.5)	0.6	(1.2)	6.9	11.0	18.5	9.0
	VIX Index	11.64	(0.6)	(4.5)	(10.7)	(12.9)	(21.2)	(61.2)	16.1	5.4
Europe Equity	Euro Stoxx 50	3,482	13.2	0.4	(1.3)	1.0	(1.9)	2.6	(0.7)	(0.6)
	DAX	12,616	69.4	0.6	(1.9)	1.0	(1.6)	1.8	2.6	(2.3)
	CAC	5,479	18.0	0.3	(0.6)	1.9	(0.7)	6.1	5.3	3.1
	FTSE 100	7,659	83.2	1.1	(0.5)	0.5	1.2	7.2	2.0	(0.4)
APAC Equity	HSI	27,676	(38.2)	(0.1)	(3.9)	(2.3)	(7.5)	(9.5)	0.4	(7.5)
	HSCEI	10,694	(39.4)	(0.4)	(3.2)	0.7	(10.1)	(15.7)	(2.8)	(8.7)
	HSI VIX	20.17	(1.3)	(6.1)	17.0	(7.8)	5.8	(26.0)	43.9	38.2
	CSI 300	3,315	(55.7)	(1.7)	(5.8)	(1.5)	(12.2)	(20.1)	(10.6)	(17.8)
	SH Composite	2,740	(27.6)	(1.0)	(4.6)	(1.7)	(11.3)	(18.7)	(16.0)	(17.1)
	SZ Composite	1,486	(26.0)	(1.7)	(7.1)	(6.8)	(16.9)	(13.9)	(20.0)	(21.8)
	Nikkei 225	22,525	12.7	0.1	(0.8)	3.4	0.2	4.2	12.9	(1.1)
KOSPI	2,288	17.5	0.8	(0.3)	0.7	(7.1)	(6.8)	(4.5)	(7.3)	
Commodities (USD)	Brent (Future)	73.21	(0.2)	(0.3)	(1.5)	(5.1)	(2.2)	9.5	39.6	9.5
	WTI (Future)	68.49	(0.5)	(0.7)	(0.3)	(7.1)	(1.7)	8.1	38.3	13.5
	Gold	1,215	7.1	0.6	(0.8)	(3.3)	(7.6)	(8.3)	(3.5)	(6.8)
	Copper (Future)	6,206	66.5	1.1	(1.4)	(4.4)	(9.1)	(11.9)	(2.3)	(14.4)
	Baltic Dry Index	1,773.00	17.0	1.0	4.1	9.3	28.1	61.9	71.8	29.8
FX	Dollar Index	95.16	(0.0)	(0.0)	0.5	1.4	2.9	6.3	1.8	3.4
	EUR	1.16	(0.0)	(0.1)	(0.8)	(1.5)	(3.0)	(6.6)	(2.0)	(3.7)
	JPY	111.25	(0.4)	(0.4)	0.2	(0.7)	(1.9)	(1.5)	(0.4)	1.3
	CNY	6.83	(0.0)	0.2	(0.2)	(2.7)	(6.9)	(7.8)	(1.6)	(4.7)
	CNH	6.85	(0.0)	(0.5)	0.4	(2.7)	(7.1)	(8.2)	(1.7)	(4.9)
CDS	ChinaGov CDS	61.70	0.7	1.1	8.5	(15.0)	2.2	3.6	(2.3)	23.2
	CDX Emerging Market	97.02	0.2	0.2	(0.2)	0.4	(0.4)	(2.1)	0.7	(2.1)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.00	(0.0)	(0.0)	2.0	1.9	1.8	1.5	1.1	1.4
	2-Year Treasury Yield	2.64	(0.0)	(0.8)	2.7	2.5	2.5	2.0	1.4	1.9
	5-Year Treasury Yield	2.81	(0.0)	(1.5)	2.8	2.7	2.8	2.4	1.8	2.2
	10-Year Treasury Yield	2.95	(0.0)	(1.2)	3.0	2.8	2.9	2.7	2.3	2.4
	2-10 Spread	30.15	(1.9)	(5.9)	30.7	28.1	44.9	67.7	90.7	51.8
China rates	O/N China Repo Rate	1.87	(0.1)	(4.1)	2.2	1.9	2.6	2.5	2.7	3.0
	1-Week China Repo Rate	2.20	(0.0)	(2.2)	2.3	3.5	2.5	2.7	2.8	3.1
	O/N SHIBOR	1.85	(0.1)	(6.1)	2.2	2.0	2.6	2.5	2.7	2.8
	1-Week SHIBOR	2.53	(0.1)	(2.3)	2.7	2.6	2.8	2.8	2.9	3.0

Source: Bloomberg

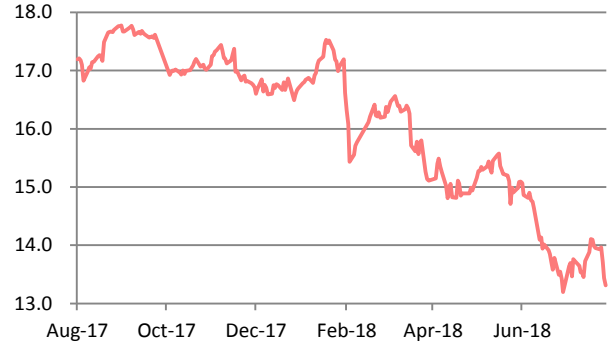
## VI. Key Indicators

**Hang Seng Index PE Ratio**



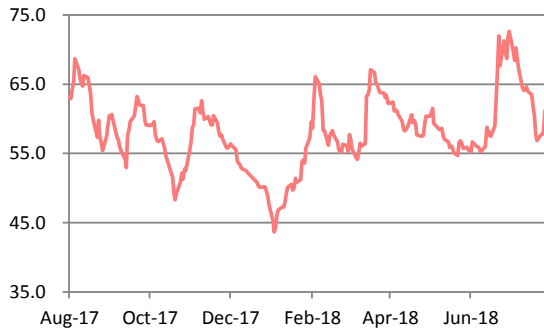
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



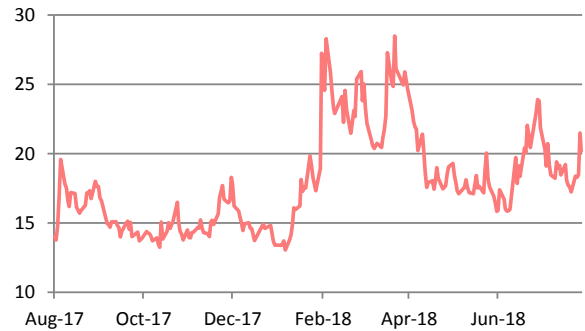
Source: Bloomberg

**China 5Y CDS Index\_USD**



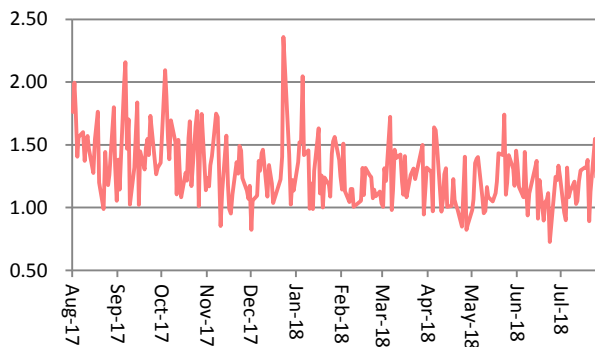
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

## 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