



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD Exports / Imports YoY	Jul	N/A	11.3%/14.3%
China: Trade Balance	Jul	N/A	USD41.61bn
US: Consumer Credit	Jun	USD16bn	USD24.559bn
Philippines: Exports / Imports YoY	Jun	N/A	-3.80%/11.4%
S. Africa: SACCI Business Confidence	Jul	N/A	93.7

Source: Bloomberg

## II. Macro News

- **Russia Hits Back at U.S. by Imposing Extra Tariffs.** Russia has imposed additional 25-40% tariffs on certain U.S. imports with effect from 5 Aug to retaliate the latter's tariffs of 25% and 10% on steel and aluminum, Xinhua News Agency reported. The tax amount involves US\$87.6mn. [AASocks]
- **US Conference Board's Employment Trends Increased in July.** The U.S. Conference Board Employment Trends Index increased in July, marking a second consecutive month of increases. The index grew to 109.89 in July from 108.72 in June. The July reading was 5.4% higher than it was a year earlier. [WSJ]
- **U.S. to Reimpose Sanctions Targeting Iranian Economy.** The U.S. moved to reimpose punishing sanctions on Iran and threatened even-tougher measures for later this year as the Trump administration sought to increase pressure on the Tehran regime to negotiate or step aside. [WSJ]

## III. Industry News

- **Australia Holds Key Rate as Central Bank Sounds Caution on China.** Australia held its interest rate at a record low as the central bank delivered a more sobering take on the global economy. Reserve Bank Governor Philip Lowe and his board kept the cash rate at 1.5 percent, where it has now been for two years, in Sydney on Tuesday. [Bloomberg]
- **China Is Said to Push for Arbitrage Limits on London Stock Link.** China wants to impose restrictions on the London-Shanghai Stock Connect that would help authorities curb capital outflows but may reduce the program's appeal to investors. [Bloomberg]
- **Australian Big Banks Face More Scrutiny.** Australia's securities regulator will embed supervisors in the big-four banks in a push to get tough on corporate misbehavior after a string of scandals. Australian Securities & Investments Commission staff will be placed inside Commonwealth Bank of Australia, Westpac Banking Corp., National Australia Bank Ltd., Australia & New Zealand Banking Group Ltd. and embattled wealth manager AMP Ltd. [Bloomberg]

## IV. Corporate News

- **Tencent-backed Weimob files for Hong Kong IPO as marketing solutions provider joins rush to go public.** Tencent Holdings-backed marketing and cloud services provider Weimob has filed an application for an initial public offering (IPO) in Hong Kong, joining a wave of technology companies looking to go public in the city in the near future. [SCMP]
- **Alibaba set to merge food delivery units as it looks to ramp up China competition with Meituan-Dianping.** Alibaba Group Holding will merge its food delivery units and raise funds for the combined group, as it looks to ramp up its fight against rival Meituan-Dianping for the lion's share of China's multibillion-dollar on-demand services industry, according to a report by Reuters. [SCMP]

- **HNA in talks to sell stake in jet lessor to Japanese firm.** HNA Group was in advanced talks to sell a minority stake in jet lessor Avolon Holdings to Japan's Orix, sources with knowledge of the matter said. Orix has been discussing the purchase of a stake of about 30 percent in Avolon from HNA's Shenzhen-listed arm, Bohai Capital Holding. [SCMP]
- **China Tower Giant IPO Leaves HK Retail Investors Cold.** The IPO of China Tower Corp. is also one of the least popular among retail investors in HK. The state-owned wireless infrastructure company has raised \$6.9bn in a share sale. Individual investors placed orders for only 1.36 times the offering's retail portion, the lowest subscription ratio for any Hong Kong IPO above \$3bn, according to data compiled by Bloomberg going back to 1999.
- **TSMC Seen Meeting Apple's Orders Even as Virus Hurts Production.** Taiwan chipmaker TSMC, reeling from a computer virus that shut down several plants over the weekend, is expected to be able to fill orders on time for Apple Inc. as it gears up to release new iPhones later this year. [Bloomberg]
- **China Railway Group to Wholly Own Units After Share Investment.** China Railway Group to buy stakes of four units by issuing equity to nine entities with 11.65b yuan in estimated total value of target assets, according to co.'s filing to Shanghai stock exchange. [Bloomberg]
- **Chinese Explorer Cnooc May Reward Investors Even If Oil Won't.** Chinese offshore oil giant Cnooc Ltd. may have more to offer equity investors betting on the recovery in global crude prices, even if the rally appears to be taking a bit of a breather. [Bloomberg]
- **Wynn Resorts Announces Phil Satre to Join Leadership Team.** Wynn Resorts' Board of Directors announced addition of Phil Satre as its newly-appointed vice chairman. D. Boone Wayson, current board chairman, also announced he will be stepping down as chairman at end of year, but will continue to serve as a board member. [Bloomberg]
- **Evergrande Expects 1H Net From Core Business to More Than Double.** The company cites improvement in product quality, expense reduction and increased floor area of properties delivered as reasons for profit increase, according to Hong Kong stock exchange filing. It expects 1H profit after-tax to increase more than 125% on year. [Bloomberg]
- **Geely Auto July Sales Increase About 32% Y/y to 120,277 Units.** July sales volume fell ~6% month-on-month, according to statement to Hong Kong stock exchange. January-July sales rose 43% y/y to 886,907 units, representing c.56% of co.'s full-year target of 1.58m vehicles. [Bloomberg]
- **Shandong JV Plans to Invest 15b Yuan on Semiconductor.** Shandong Guohui Investment and Amer International Group will invest combined 15b yuan in areas including semiconductor packaging and deep-sea equipment under an cooperation agreement, Xinhua News Agency reports. [Bloomberg]
- **Country Garden Says 1H Profit to Increase No Less Than 50% Y/Y.** Country Garden Holdings Co. net income for the six months ended June 30 is expected to increase no less than 50% over that of the previous period, according to a Hong Kong stock exchange filing. [Bloomberg]
- **Shanshui Cement to Issue \$210.9M of Convertible Bonds.** Initial conversion price is HK\$6.29 per share and proceeds will be used for paying costs for convertible bond transaction documents, partial redemption of 2020 notes and general corporate use, it says in filing to Hong Kong stock exchange. [Bloomberg]
- **Billionaire Paulson Said to Attract Chinese Suitor for Steinway.** Steinway Musical Instruments Inc., the legendary piano maker controlled by U.S. hedge fund billionaire John Paulson, has attracted takeover interest from China Poly Group Corp. [Bloomberg]
- **PBOC Fines Alipay, Two Others 42.7m Yuan Over Payment Violations.** PBOC Shanghai branch imposed 4.12m yuan fine on Alipay for payment rule breach, the Chinese central bank says in statement on website. PBOC Beijing branch fined gopay.com.cn and Union Mobile Financial combined 38.6m yuan due to payment services for illegal transactions and other violations including failing to check customers' identities. [Bloomberg]
- **China Shanshui Seeks 'Consensual Solution' Amid Bond Dispute.** China Shanshui Cement Group Ltd. plans to use proceeds from a new convertible debt sale to redeem part of its 2020 notes, potentially bringing a thaw to a nine-month legal spat with a Hong Kong-based hedge fund over an uncompleted debt buyback in 2016. [Bloomberg]

## V. Overnight Market Recap

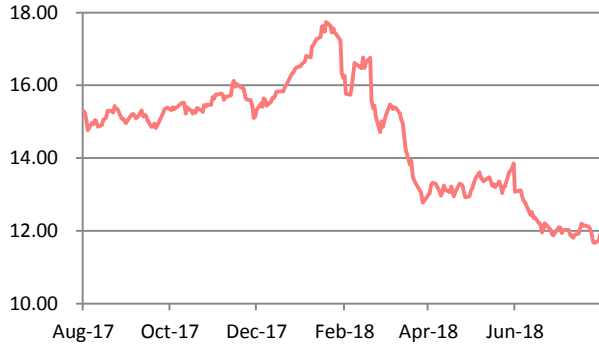
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,858	8.1	0.3	1.5	3.6	7.0	10.7	15.5	6.9
	Dow Jones	25,629	126.7	0.5	0.8	4.8	5.2	7.4	16.0	3.7
	Nasdaq Composite	7,884	24.0	0.3	2.8	2.5	8.5	16.3	23.8	14.2
	Russell 2000	1,688	4.0	0.2	1.0	(0.3)	6.4	15.3	19.7	10.0
	VIX Index	10.93	(0.3)	(3.0)	(14.8)	(18.2)	(25.7)	(67.3)	(0.3)	(1.0)
Europe Equity	Euro Stoxx 50	3,504	21.1	0.6	(0.6)	1.6	(1.5)	3.8	(0.3)	0.0
	DAX	12,648	50.0	0.4	(1.2)	1.2	(2.0)	3.2	2.9	(2.1)
	CAC	5,521	44.1	0.8	0.2	2.7	(0.0)	7.2	5.8	3.9
	FTSE 100	7,718	54.7	0.7	(0.4)	1.3	2.0	7.6	2.3	0.4
APAC Equity	HSI	28,249	429.3	1.5	(1.2)	(0.2)	(7.1)	(7.2)	1.4	(5.6)
	HSCEI	10,866	164.1	1.5	(1.4)	2.3	(10.5)	(12.2)	(1.9)	(7.2)
	HSI VIX	18.16	(1.3)	(6.4)	(0.7)	(17.0)	(1.3)	(26.1)	31.8	24.4
	CSI 300	3,369	95.6	2.9	(4.2)	0.1	(13.1)	(16.0)	(9.7)	(16.4)
	SH Composite	2,779	74.2	2.7	(3.4)	1.2	(12.1)	(14.8)	(15.3)	(16.0)
	SZ Composite	1,495	40.0	2.7	(5.2)	(2.7)	(18.6)	(13.8)	(20.4)	(21.3)
	Nikkei 225	22,663	155.4	0.7	0.5	4.0	0.7	3.5	13.3	(0.4)
Commodities (USD)	KOSPI	2,300	13.7	0.6	0.2	1.2	(6.1)	(4.5)	(3.9)	(6.8)
	Brent (Future)	74.65	0.9	1.2	0.5	(3.2)	(2.0)	14.0	42.5	11.6
	WTI (Future)	69.17	0.2	0.2	0.6	(6.3)	0.1	13.1	40.7	14.5
	Gold	1,211	3.3	0.3	(1.1)	(3.7)	(7.8)	(8.1)	(3.9)	(7.0)
	Copper (Future)	6,175	42.0	0.7	(2.0)	(1.7)	(9.5)	(10.2)	(3.7)	(14.8)
FX	Baltic Dry Index	1,773.00	-	-	1.5	9.3	23.8	60.3	70.8	29.8
	Dollar Index	95.19	(0.2)	(0.2)	0.7	1.3	2.6	5.5	1.9	3.3
	EUR	1.16	0.0	0.4	(0.8)	(1.3)	(2.2)	(5.3)	(1.3)	(3.4)
	JPY	111.38	(0.0)	(0.0)	(0.4)	(0.5)	(2.0)	(2.4)	(0.9)	1.2
	CNY	6.83	(0.0)	0.3	(0.2)	(3.2)	(6.8)	(8.1)	(1.6)	(4.8)
CDS	CNH	6.82	(0.0)	(0.7)	0.2	(2.8)	(6.6)	(6.6)	(1.5)	(4.4)
	ChinaGov CDS	59.90	(1.8)	(2.9)	3.6	(14.3)	(1.7)	(4.0)	(4.8)	19.6
	CDX Emerging Market	96.89	(0.0)	(0.0)	(0.2)	0.0	(0.3)	(1.8)	0.7	(2.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.04	0.0	1.8	2.0	2.0	1.9	1.5	1.0	1.4
	2-Year Treasury Yield	2.67	0.0	0.9	2.7	2.6	2.5	2.1	1.4	1.9
	5-Year Treasury Yield	2.84	0.0	1.3	2.9	2.7	2.8	2.6	1.8	2.2
	10-Year Treasury Yield	2.97	0.0	1.1	3.0	2.9	3.0	2.8	2.3	2.4
	2-10 Spread	29.92	0.9	3.1	32.5	29.5	47.0	71.0	90.7	51.8
China rates	O/N China Repo Rate	1.58	(0.1)	(7.1)	2.0	2.0	2.5	2.6	2.9	3.0
	1-Week China Repo Rate	2.10	(0.2)	(8.7)	2.5	2.6	2.7	2.7	2.9	3.1
	O/N SHIBOR	1.61	(0.2)	(11.3)	2.0	2.0	2.5	2.6	2.8	2.8
	1-Week SHIBOR	2.39	(0.1)	(3.4)	2.6	2.6	2.7	2.8	2.9	3.0

Source: Bloomberg

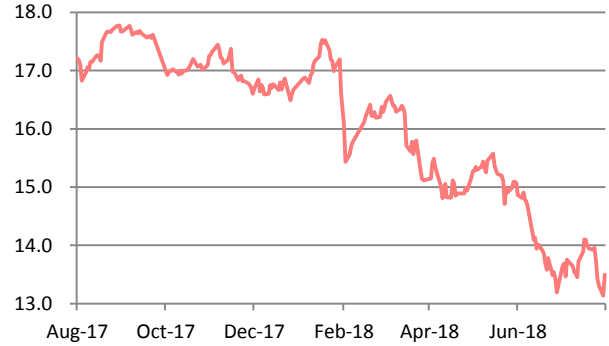
## VI. Key Indicators

**Hang Seng Index PE Ratio**



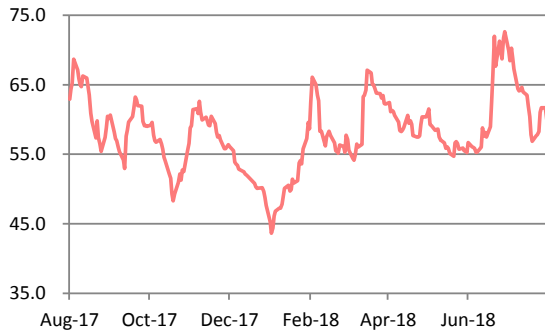
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



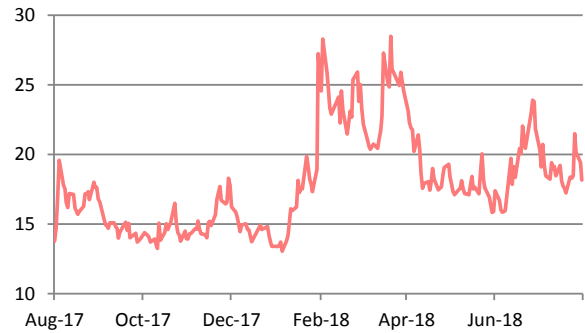
Source: Bloomberg

**China 5Y CDS Index\_USD**



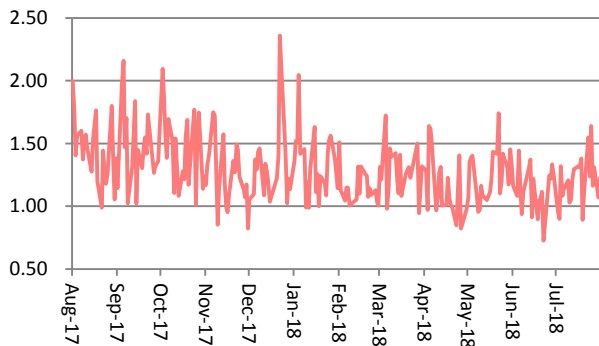
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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