



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: FX Net Settlement - Clients	Jul	N/A	USD47.3bn
U.S.: U of Mich. Sentiment	Aug	97.9	97.9
S. Korea: Unemployment Rate	Jul	N/A	3.70%
Russia: Unemployment Rate	Jul	4.70%	4.70%
Russia: Real Wages YoY	Jul	7.00%	7.20%

Source: Bloomberg

## II. Macro News

- **U.S. Says Turkey Tariffs to Stay as Qatar Comes to Erdogan's Aid.** The U.S. and Turkey remained locked in a stalemate that has jolted global markets, as the White House said new tariffs on Turkish goods would remain and President Recep Tayyip Erdogan received a financial lifeline from Qatar that should buy him time in the standoff. [Bloomberg]
- **China to Send Group to U.S. for First Trade Talks Since June.** China said Thursday that Vice Commerce Minister Wang Shouwen will be traveling to the U.S. for trade talks in late August, the first official exchanges since earlier negotiations broke down in June. [Bloomberg]
- **Norway Keeps Rates Unchanged on Path to Tightening Next Month.** Norway's central bank kept its key interest rates unchanged, setting policy makers up for the first tightening in seven years next month. The bank on Thursday held its benchmark at a record low of 0.5 percent, as anticipated by all analysts surveyed by Bloomberg. [Bloomberg]

## III. Industry News

- **Commercial banks to help ease economic slowdown pressure.** Commercial banks are expected to pump funds more proactively to support China to achieve the annual growth target. However, they need to be cautious under the tight scrutiny requiring lending activities to be "out of the shadows", they said. [China Daily]
- **BOJ May Allow Yield to Rise to Around 0.4%.** The Bank of Japan may allow long-term interest rates to rise to around 0.4% under the new guidance introduced last month, Reuters reports, citing an interview with former BOJ executive Hideo Hayakawa. [Bloomberg]
- **China Cut Coal Capacity by About 80m Tons in Jan.-July.** China has completed more than half of 150m tons full-year target in first seven months, Zhao Chenxin, spokesman at National Development and Reform Commission says. China has cut 24.7m tons of crude steel capacity in Jan.-July, compared with full-year target of 30m tons. [Bloomberg]

## IV. Corporate News

- **Lenovo Earnings Beat Estimates as PC Market Warms Up.** Lenovo Group reported profit that topped estimates after the global PC market recovered and the bleeding in its smartphone unit slowed. It reported a net income of \$77mn, surpassing the \$66.2mn average of estimates. Revenue jumped 19% to \$11.9bn, vs \$11.2bn projected. [Bloomberg]
- **Ping An Bank's 'Pleasant' Revenue Beat May Be China Bellwether.** Ping An Bank Co. posted better-than-expected profit that helped snap a four-day decline in its shares. Net income rose 6.9 percent in the three months ended June 30, the Shenzhen-based bank said in an exchange filing. Profit growth accelerated from the previous quarter. [Bloomberg]

- **Chalco to Rejigger Aluminum Operations, Secure Mine Supply.** Aluminum Corp. of China Ltd. says it will focus on optimizing midstream operations in the 2H. Chalco is to shut down less competitive capacity and build in areas that have “energy and resource advantages to achieve cluster development,” co. says. [Bloomberg]
- **China Bets on \$3.8 Billion Gas Links to Break From Winter Crunch.** China National Petroleum Corp. is spending 26 billion yuan (\$3.8 billion) to connect its pipelines with terminals owned by China National Offshore Oil Corp. and China Petrochemical Corp. to deliver gas from the country’s south all the way up north. [Bloomberg]
- **Amazon Is Said to Be in Running to Acquire Landmark Movie Chain.** Amazon.com Inc. is in the running to acquire Landmark Theatres, a move that would vault the e-commerce giant into the brick-and-mortar cinema industry. The company is vying with other suitors to acquire the business from Wagner/Cuban Cos. [Bloomberg]
- **Tesla Is Said to Receive Subpoena Over Musk’s Take-Private Tweet.** Tesla Inc. has received a subpoena from the U.S. Securities and Exchange Commission regarding Elon Musk’s effort to take the company private, indicating the regulatory scrutiny of his statements have reached a more serious stage. [Bloomberg]
- **Beijing Capital Land to Meet Shareholders for 3b Yuan Debt Plan.** Beijing Capital Land will meet its shareholders in Beijing on August 30 to discuss a proposal for a 3b yuan debt financing plan, the proceeds of which will be used to repay loans, it said in a filing on the Hong Kong stock exchange. [Bloomberg]
- **Toyota Seeks to Ramp Up China Output in Race to Catch VW, GM.** Toyota Motor Corp. plans to make an additional 120,000 vehicles a year in China as it tries to bridge a sales gap with leader Volkswagen AG and Japanese rivals including Nissan Motor Co. [Bloomberg]
- **Ant Financial unit plans ahead.** Ant Financial Services Group has invited some younger residents to address their pension options through its wealth management service, just one week after the country’s target-date retirement funds received the green light from securities regulators. [China Daily]
- **Huawei banks on technology to bridge gap with Apple and Samsung.** Chinese telecommunications and networking firm Huawei is banking on technology to reduce the gap with peers like Apple and Samsung in the highly competitive global smartphone market. [China Daily]
- **China Resources Power Interim Net Profit Up 59.6%; Div 12.5 Cents.** China Resources Power announced interim result ended June 2018. Turnover rose 15.3% year on year to HK\$39.308bn. Net profit amounted to HK\$2.959 billion, up 59.6% year on year. EPS was HK61.92 cents. A dividend of HK12.5 cents was declared. [AASocks]
- **Sands China: Visitor Flow in Summer Vacation Period Logs Significant YoY Growth.** Sands China President Wong Ying Wai disclosed that the visitor flow during the summer vacation period logged significant YoY growth. The occupancy rate of their hotels has remained high at over 90% in 2Q, while rooms are even fully booked in peak season Aug. [AASocks]
- **Techtronic Industries: Able to Cope With Trade War Impacts, Expects GPM to Keep Improving.** Techtronic Industries CEO Joseph Galli stated that the group has plants all over the world, including America, Germany and Vietnam, which provides it with an elastic global supply chain, likely to offset the shockwave from trade battles. [AASocks]
- **Sunac Reportedly Buys HNA’s Hainan Project at RMB981M.** had earlier acquired 100% equity interest in a project in Hainan of HNA Infrastructure at subscribed capital contribution of RMB981 million, Cailian Press cited sources. HNA responded that any transaction will be based on official announcement. [AASocks]
- **Lenovo Group Already Passes Turning Pt, Hopes Mobile Biz to Swing into Profit Asap.** Lenovo Group Chairman and CEO Yang Yuanqing declared that the company, which has passed the turning point, is heading to strategic transformation at an accelerated pace. He believes results will stay on track of improvements in the coming few quarters. [AASocks]

## V. Overnight Market Recap

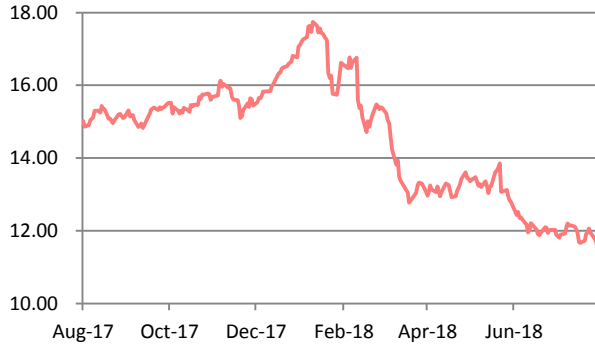
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,841	22.3	0.8	(0.5)	1.1	4.4	4.0	16.9	6.2
	Dow Jones	25,559	396.3	1.6	0.2	1.7	3.4	1.3	17.5	3.4
	Nasdaq Composite	7,807	32.4	0.4	(1.1)	(0.6)	5.7	7.8	25.5	13.1
	Russell 2000	1,686	15.1	0.9	(0.3)	(0.1)	3.7	9.2	24.0	9.8
	VIX Index	13.45	(1.2)	(8.1)	19.3	11.5	0.1	(30.9)	(13.5)	21.8
Europe Equity	Euro Stoxx 50	3,378	18.5	0.6	(3.3)	(2.3)	(6.0)	(1.4)	(2.4)	(3.6)
	DAX	12,237	74.2	0.6	(3.5)	(3.4)	(6.7)	(1.7)	0.3	(5.3)
	CAC	5,349	43.8	0.8	(2.8)	(1.4)	(4.9)	1.3	3.9	0.7
	FTSE 100	7,556	58.5	0.8	(2.4)	(0.9)	(3.0)	3.6	2.3	(1.7)
APAC Equity	HSI	27,100	(223.5)	(0.8)	(5.3)	(3.8)	(12.4)	(12.9)	(0.9)	(9.4)
	HSCEI	10,480	(55.5)	(0.5)	(4.9)	(1.1)	(14.6)	(16.4)	(3.0)	(10.5)
	HSI VIX	21.46	0.1	0.2	22.6	10.5	22.3	(6.2)	32.6	47.0
	CSI 300	3,277	(15.2)	(0.5)	(3.6)	(5.0)	(15.2)	(17.4)	(11.9)	(18.7)
	SH Composite	2,705	(18.1)	(0.7)	(3.2)	(3.3)	(14.2)	(15.4)	(17.2)	(18.2)
	SZ Composite	1,467	(14.7)	(1.0)	(2.6)	(8.3)	(19.5)	(15.6)	(23.2)	(22.8)
	Nikkei 225	22,192	(12.2)	(0.1)	(1.8)	(2.2)	(2.8)	2.2	12.6	(2.5)
Commodities (USD)	KOSPI	2,241	(18.1)	(0.8)	(2.6)	(2.5)	(8.5)	(7.5)	(5.1)	(9.2)
	Brent (Future)	71.43	0.7	1.0	(0.9)	(0.6)	(9.9)	10.2	42.1	6.8
	WTI (Future)	65.46	0.5	0.7	(2.0)	(3.9)	(8.5)	6.0	38.9	8.3
	Gold	1,174	(0.7)	(0.1)	(3.2)	(4.3)	(9.0)	(12.7)	(8.8)	(9.8)
	Copper (Future)	5,938	137.0	2.4	(4.6)	(4.1)	(13.0)	(17.9)	(9.1)	(18.1)
FX	Baltic Dry Index	1,727.00	2.0	0.1	1.9	0.3	32.3	59.3	38.5	26.4
	Dollar Index	96.65	(0.1)	(0.1)	1.2	2.3	3.5	8.5	3.3	4.9
	EUR	1.14	0.0	0.3	(1.3)	(2.5)	(3.6)	(8.3)	(3.0)	(5.3)
	JPY	110.90	0.2	0.1	(0.2)	1.7	(0.2)	(3.9)	(1.3)	1.6
	CNY	6.89	(0.0)	0.7	(0.9)	(2.8)	(7.5)	(7.9)	(2.8)	(5.5)
CDS	CNH	6.86	(0.1)	(1.2)	0.3	(2.1)	(7.4)	(8.1)	(2.6)	(5.1)
	ChinaGov CDS	62.02	(0.3)	(0.5)	5.3	(3.2)	7.9	10.3	(4.2)	23.8
	CDX Emerging Market	95.53	0.2	0.2	(1.0)	(1.2)	(1.6)	(3.6)	(0.4)	(3.6)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.05	(0.0)	(0.4)	2.0	2.0	1.9	1.6	1.0	1.4
	2-Year Treasury Yield	2.62	0.0	0.3	2.6	2.6	2.5	2.2	1.3	1.9
	5-Year Treasury Yield	2.74	0.0	0.2	2.7	2.8	2.9	2.6	1.7	2.2
	10-Year Treasury Yield	2.87	0.0	0.1	2.9	2.9	3.1	2.9	2.2	2.4
	2-10 Spread	24.55	(0.5)	(1.8)	26.5	25.8	50.5	68.1	88.4	51.8
China rates	O/N China Repo Rate	2.51	0.2	7.3	1.8	2.5	2.5	2.4	2.9	3.0
	1-Week China Repo Rate	2.60	0.1	4.0	2.3	2.7	2.7	2.4	3.4	3.1
	O/N SHIBOR	2.51	0.2	7.1	1.8	2.5	2.6	2.7	2.8	2.8
	1-Week SHIBOR	2.64	0.0	1.0	2.4	2.7	2.8	2.9	2.9	3.0

Source: Bloomberg

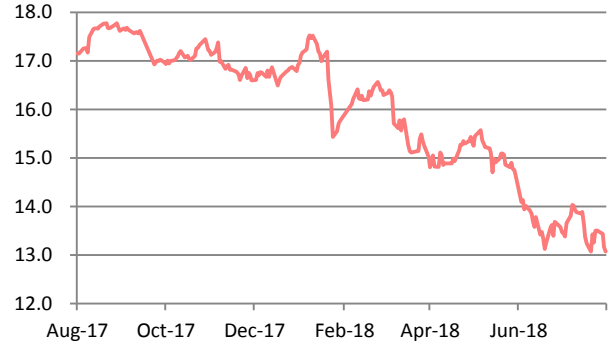
## VI. Key Indicators

**Hang Seng Index PE Ratio**



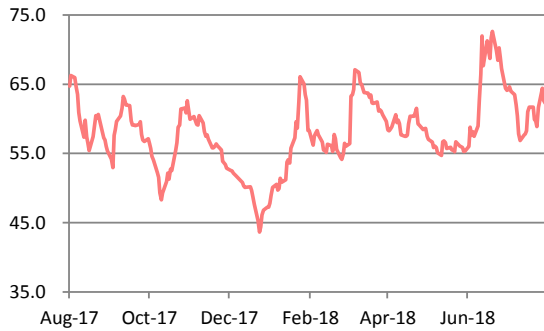
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



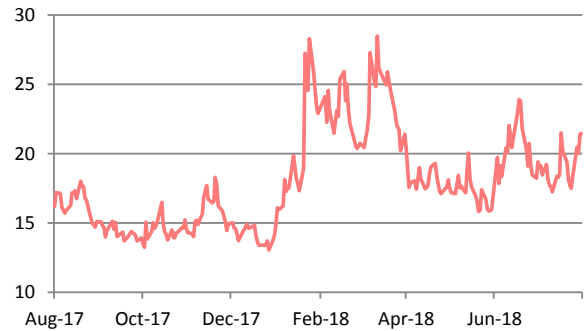
Source: Bloomberg

**China 5Y CDS Index\_USD**



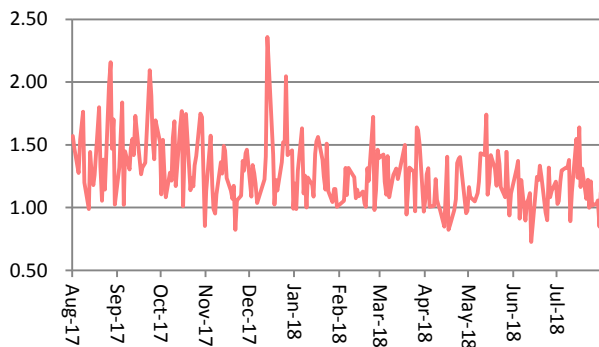
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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