



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
New Zealand: Credit Card Spending YoY	Jul	N/A	5.70%
S. Korea: PPI YoY	Jul	N/A	2.60%
Thailand: Customs Exports / Imports YoY	Jul	10.9%/10.65%	8.19%/10.83%
S. Africa: Leading Indicator	Jul	N/A	105.9
Hong Kong: CPI Composite YoY	Jul	N/A	2.40%

Source: Bloomberg

II. Macro News

- **China Ready to Raise Imports From Malaysia, Especially Palm Oil.** China is ready to increase imports of Malaysian goods to “large extent,” especially for palm oil products, Premier Li Keqiang tells reporters in Beijing after meeting Malaysian Prime Minister Mahathir Mohamad. [Bloomberg]
- **Thailand’s Economy Grows More Than Forecast in Second Quarter.** Thailand’s economy grew more than forecast in the second quarter, underpinned by solid export and investment gains. Gross domestic product rose 4.6 percent from a year ago, the National Economic and Social Development Board said on Monday. [Bloomberg]
- **China Is Said to Lower Local Debt’s Risk Weight.** China is expected to lower risk weight of banks’ local debt investment to 0% from the previous 20%, which will largely boost appeal of such bonds, China Securities Journal reports. Lowering of risk weight means banks could invest more in local debt under current regulations. [Bloomberg]

III. Industry News

- **Chinese Vice Premier Says to Increase Financial Support for SMEs.** China should ease problems of costly loans and financing difficulties for small- and medium-sized enterprises, Vice Premier Liu He says at State Council work group meeting held in Beijing Monday. [Bloomberg]
- **China fast-tracks release of favorable policies for NEVs.** China is releasing a package of policies more swiftly to enhance the competitiveness of its new energy vehicle sector, Economic Information Daily reported. Policymakers are considering a new regulation on auto industry investment, the newspaper cited sources with NDRC as saying. [Bloomberg]
- **HKEx Says SFC Approves Changes to Stock Connect Trading Rules.** Hong Kong’s Securities and Futures Commission has approved amendments including the introduction of an investor ID for northbound trading via the stock connect link, Hong Kong Exchanges & Clearing says in statement. [Bloomberg]

IV. Corporate News

- **Sunny Optical Buys Back 150,300 Shares for HK\$12.6M Aug. 20.** Sunny Optical paid HK\$83.30-HK\$84.00 apiece for the shares, representing ~0.0137% of issued share capital, according to statement to Hong Kong stock exchange dated Aug.20. [Bloomberg]
- **Shanghai, Tencent to Increase Cooperation Over AI.** The Shanghai municipal government will increase cooperation with Tencent over artificial intelligence, big data, cloud computing and other areas, Shanghai Observer reports, citing a framework agreement signed Monday. [Bloomberg]

- **China Telecom Raises 2018 Mobile, Broadband User Targets.** China Telecom raises its 2018 target of net mobile subscribers to 50m from 40m and net broadband subscribers to 12m from 10m after strong performance in 1H, Hong Kong Economic Journal reports. [Bloomberg]
- **Evergrande Expects to Restore Annual Dividend in Future.** China Evergrande is expected to restore annual dividend in the future after it has completed the introduction of strategic investors, according to co.'s emailed statement. [Bloomberg]
- **Evergrande Proposes 2016, 2017 Dividend Per Share of 1.13 Yuan.** Board resolved to recommend of a dividend of 1.130 yuan per share for 2016 and 2017 financial years, Evergrande says in Hong Kong stock exchange filing. Payment is subject to shareholder approval on Sept. 19. [Bloomberg]
- **China Aluminum Intl to Raise 1.02b Yuan in A Share Listing.** China Aluminum Intl decides to issue 295.9m A shares at 3.45 apiece, it says in filing to Hong Kong stock exchange. That compares with Friday's closing price of HK\$3.54 in Hong Kong. [Bloomberg]
- **China Chunlai Education Starts Gauging H.K. IPO Demand.** China Chunlai Education Group Co. has started gauging investor demand for a planned Hong Kong IPO, according to terms for the deal obtained by Bloomberg. The company plans to use 50% of the proceeds to acquire land use rights and build facilities for current colleges. [Bloomberg]
- **Xiaomi Unit Plans to Apply for H.K. Virtual Bank License.** Xiaomi's Insight Fintech HK plans to apply for virtual bank license in Hong Kong, Hong Kong Economic Journal reports. The company hopes to submit its application before the deadline to apply for the first batch of licenses in end-August. [Bloomberg]
- **CR Power to Sell Indebted Coal Units, Resume Trade.** China Resources Power has agreed to sell coal mining assets for 11bn yuan in repayments on loans it made to the subsidiaries. It will sell China Resources Coal Co. and three of its coal entities for 1 yuan plus 11bn yuan in loan repayments to Guoyuan Shidai Coal Asset Mgmt Co. [Blomberg]
- **HNA Chairman's Family Tightens Grip After Death of Key Executive.** HNA Group Co. Chairman Chen Feng promoted two family members as key lieutenants this month, tightening his family's control over the embattled Chinese conglomerate after the sudden death of a top executive. [Bloomberg]
- **Anbang Said to Have Decided to Sell Entire Hotel Portfolio.** China's Anbang Insurance Group is looking to sell a portfolio of luxury hotels that it acquired for \$5.5b two years ago, the Wall Street Journal reports. An unidentified Anbang spokesman said an effort to sell the hotels was "pure market speculation," WSJ reports. [Bloomberg]
- **Logan Property Proposes Issue of USD Senior Fixed Rate Notes.** Principal amount, interest rate, payment date and other terms and conditions aren't finalized yet, according to statement to Hong Kong stock exchange. Proceeds to be used to refinance existing debts. [Bloomberg]
- **China Telecom reports 13.5b yuan interim profit.** China Telecom Corp said net profit attributable for the first half grew by 8.1% to 13.57bn yuan. The basic earnings per share 0.168 fen. For the six months ended June 30, operating revenues increased by 4.7% YoY to 193.02bn. Service revenues was 177.58bn, up by 7% YoY. [The Standard]
- **Nine Dragons Paper predicts 60pc rise in annual profit.** Chinese packaging paperboard producer, Dragons Paper Holdings, said it expects net profit for the year ended June 30, to increase by not less than 60 percent compared with the year before, due to higher product prices and a better profit margin. [The Standard]
- **Geely in Proton deal.** Chinese automaker Geely has signed an agreement to extend its existing partnership with Proton Holdings Berhad to upgrade the Malaysia carmaker's line-up of cars and power Proton go beyond Malaysia, part of an ongoing effort to help Proton establish a presence in China and other international markets. [The Standard]
- **China Telecom 4G Net Addition Decelerates to 5.35M in July.** China Telecom announced that the number of 4G customers delivered a net addition of 5.35 million in July, decelerating from 5.67 million in June. 4G clients added to 222.66 million. [AASocks]

V. Overnight Market Recap

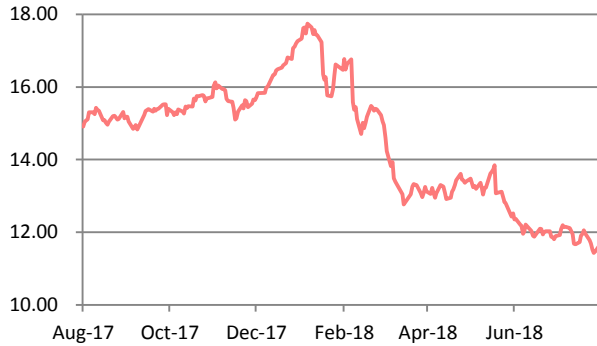
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,857	6.9	0.2	1.2	2.0	4.5	5.8	17.7	6.9
	Dow Jones	25,759	89.4	0.3	2.3	2.8	3.0	3.9	18.7	4.2
	Nasdaq Composite	7,821	4.7	0.1	0.0	0.0	5.8	8.4	25.9	13.3
	Russell 2000	1,699	5.7	0.3	1.4	0.1	3.7	10.9	25.2	10.6
	VIX Index	12.49	(0.2)	(1.2)	(15.5)	(2.9)	(4.5)	(37.6)	(5.3)	13.1
Europe Equity	Euro Stoxx 50	3,394	20.7	0.6	(0.5)	(1.9)	(5.0)	(1.1)	(0.9)	(3.1)
	DAX	12,331	120.8	1.0	(0.2)	(1.8)	(5.7)	(1.1)	2.2	(4.5)
	CAC	5,380	34.7	0.6	(0.6)	(0.3)	(4.6)	1.5	5.7	1.3
	FTSE 100	7,591	32.7	0.4	(0.7)	(1.1)	(3.4)	4.3	3.7	(1.3)
APAC Equity	HSI	27,598	384.6	1.4	(1.2)	(2.2)	(11.6)	(12.2)	1.6	(7.8)
	HSCEI	10,632	118.5	1.1	(1.2)	(0.5)	(13.9)	(16.2)	(1.1)	(9.2)
	HSI VIX	19.81	(0.7)	(3.3)	(3.2)	7.3	15.8	(11.0)	15.7	35.7
	CSI 300	3,267	37.6	1.2	(3.6)	(6.5)	(16.7)	(17.6)	(12.7)	(18.9)
	SH Composite	2,698	29.5	1.1	(3.1)	(4.6)	(16.0)	(15.7)	(17.9)	(18.4)
	SZ Composite	1,451	8.7	0.6	(4.6)	(8.9)	(21.5)	(16.6)	(24.3)	(23.6)
	Nikkei 225	22,199	(71.4)	(0.3)	1.6	(2.8)	(4.0)	0.5	13.8	(3.0)
KOSPI	2,248	0.8	0.0	(1.5)	(1.5)	(8.6)	(7.2)	(4.3)	(8.7)	
Commodities (USD)	Brent (Future)	72.21	0.4	0.5	(0.6)	(1.1)	(8.7)	10.5	39.9	8.1
	WTI (Future)	66.43	0.5	0.8	(1.2)	(5.3)	(7.6)	8.2	40.8	10.4
	Gold	1,190	6.2	0.5	(0.3)	(2.5)	(7.6)	(9.9)	(7.6)	(8.3)
	Copper (Future)	5,992	65.5	1.1	(2.6)	(2.5)	(12.6)	(15.5)	(7.6)	(17.3)
	Baltic Dry Index	1,723.00	3.0	0.2	0.8	2.0	39.1	50.3	36.1	26.1
FX	Dollar Index	95.90	(0.2)	(0.2)	(0.5)	1.1	1.9	6.1	2.6	3.6
	EUR	1.15	0.0	0.4	0.6	(1.4)	(2.3)	(6.2)	(2.5)	(4.0)
	JPY	110.07	(0.4)	(0.4)	(0.6)	1.3	1.1	(1.9)	(0.8)	2.6
	CNY	6.86	(0.0)	0.3	0.5	(1.3)	(6.9)	(7.5)	(2.8)	(5.1)
	CNH	6.84	(0.0)	(0.0)	(0.9)	(0.4)	(6.9)	(7.2)	(2.3)	(4.6)
CDS	ChinaGov CDS	60.79	(0.4)	(0.6)	(5.4)	(5.0)	7.4	5.7	(7.8)	21.4
	CDX Emerging Market	95.40	(0.1)	(0.1)	0.6	(1.4)	(1.7)	(3.6)	(0.6)	(3.7)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.03	(0.0)	(0.0)	2.1	2.0	1.9	1.6	1.0	1.4
	2-Year Treasury Yield	2.59	(0.0)	(0.8)	2.6	2.6	2.6	2.2	1.3	1.9
	5-Year Treasury Yield	2.70	(0.0)	(1.6)	2.8	2.8	2.9	2.6	1.8	2.2
	10-Year Treasury Yield	2.82	(0.0)	(1.5)	2.9	2.9	3.1	2.9	2.2	2.4
	2-10 Spread	23.18	(2.1)	(8.2)	25.7	29.8	49.0	66.7	87.6	51.8
China rates	O/N China Repo Rate	2.68	0.1	3.9	2.4	2.3	2.5	2.4	3.3	3.0
	1-Week China Repo Rate	2.65	0.0	0.8	2.4	2.3	2.7	2.4	3.4	3.1
	O/N SHIBOR	2.63	0.0	1.7	2.3	2.3	2.5	2.7	2.8	2.8
	1-Week SHIBOR	2.67	0.0	0.9	2.6	2.7	2.8	2.9	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



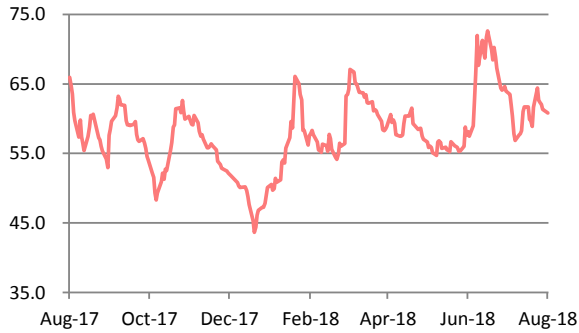
Source: Bloomberg

Shanghai Composite Index PE Ratio



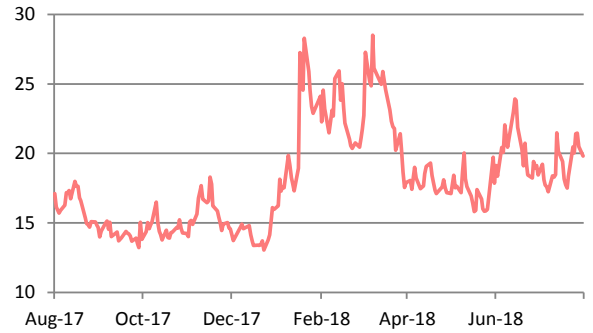
Source: Bloomberg

China 5Y CDS Index_USD



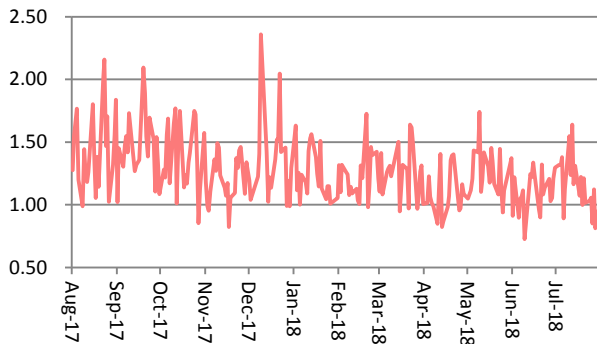
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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