



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Existing Home Sales	Jul	5.45mn	5.38mn
Mexico: Retail Sales YoY	Jul	N/A	2.50%
S. Korea: Short-Term External Debts	2Q18	N/A	USD120.5bn
S. Africa: CPI YoY	Jul	5.10%	4.60%

Source: Bloomberg

## II. Macro News

- **China to exceed growth target.** China's growth this year will probably exceed its annual target of about 6.5%, Ning Jizhe, head of the NBS, said in an interview, adding that this feat will be based on accurate data. China's industrial power consumption rose 4.5% in July YoY to 449bn KWH, data from National Energy Administration showed. [Bloomberg]
- **U.K. Government Posts Biggest July Budget Surplus in 18 Years.** The U.K. budget surplus in July surged to the biggest since 2000 for the month as tax receipts picked up. The surplus on the month was 2bn pounds, more than 1.1bn pounds predicted by economists, Office for National Statistics said on Tuesday. [Bloomberg]
- **CCI dips, but still stays positive.** China's Consumer Confidence Index, dropped two points in the second quarter but remained at a high level of 113 points, Nielsen revealed. Data from the National Bureau of Statistics showed China's gross domestic product expanded 6.7% YoY, slightly lower than the 6.8% from the first three months. [China Daily]

## III. Industry News

- **China cuts retail fuel prices. China will reduce the retail prices of gasoline and diesel from Tuesday.** Based on changes in int'l oil prices, the retail prices of gasoline and diesel will be cut by 50 yuan (\$7.3) per ton, according to the NDRC. The NDRC has asked major Chinese oil companies, incl. China National Petroleum, China Petrochemical, and China National Offshore Oil, to ensure stable supply and implement the pricing policy. [China Daily]
- **China's first court specialising in handling finance-related cases opened in financial hub of Shanghai.** The Shanghai Financial Court will be responsible for commercial cases such as disputes involving securities, futures, insurance, bills and financial lending, according to a document by the Supreme People's Court earlier this month. [China Daily]
- **Sri Lanka Seeks Investors for Airline With \$1 Billion of Debt.** Sri Lanka has revived the process of privatizing the state-run carrier that is saddled with at least \$1bn of debt, a year after talks with sole bidder TPG Capital collapsed following due diligence of the struggling airline. [Bloomberg]

## IV. Corporate News

- **HSBC eyes Greater Bay Area's 27 million people in China insurance push.** Global bank HSBC plans to set up an insurance office in the southern Chinese city of Shenzhen in October to complement one in nearby Guangzhou as it eyes a potential market of 27mn people in China's planned "Greater Bay Area" economic region. [SCMP]
- **Ping An Good Doctor to expand medical services platform in Southeast Asia this year.** Ping An Good Doctor, China's biggest online health care platform, aims to expand its services in Southeast Asia later this year to cater the growing demand from the region and mainlanders travelling for medical tourism. [SCMP]

- **Union Medical, Tencent Doctorwork to Set Up Care Clinics in H.K.** Union Medical Healthcare and Tencent Doctorwork entered agreement to jointly establish primary care clinics in Hong Kong, co-invest and develop IT system to connect medical services across China and Hong Kong, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Wuxi Biologics Aims for Over 50% Revenue Growth Next Few Years.** The company wants to continue to grow more than 50% on top line in next couple of years as biotech is "incredibly" fast growing industry, CEO Chris Chen says in Bloomberg TV interview with Yvonne Man and Ramy Inocencio. [Bloomberg]
- **Mining Giant BHP Hits Out at Trade Curbs as Trump Takes on China.** The world's largest miner says the increase in global trade protectionism is hurting economic growth, raising the price of goods, and is likely to eventually prompt consumers to push back against the restrictions as they become aware of the "true economic costs." [Bloomberg]
- **Hsin Chong Unit Loses HK\$5.9B Contract to Build Hong Kong Museum.** West Kowloon Cultural District Authority terminated the contract for M+ construction project with Hsin Chong Construction Co. Ltd., according to statement on the authority's website. [Bloomberg]
- **Ant Financial Puts off Listing Plan Again.** Ant Financial puts off its listing schedule again and expects not to go listing by end of next year, with some even saying it will only come true years after, Financial Times reported. The further delay comes as the group faces stiff competition with Tencent 's WeChat Pay. [AASocks]
- **Haidilao Listing Hearing on Thu, Food Safety Issue Under Concern.** As reported by Chinese media, Mainland hotpot chain restaurant Haidilao will have its listing hearing on 23 August and is expected to be listed in HK on 10 Sep. However, the company has not made any official response. According to the report, Haidilao's food safety issue is in public question in the recent two years. [AASocks]
- **Ping An, Dapeng New District Jointly Develop Shenzhen International Bio-Valley.** As reported by Shanghai Securities News, Ping An Group entered into a contract with the Regulatory Commission of Dapeng New District yesterday (20 August), in relation to cooperation on the launch of consultation service and integrated operation in Shenzhen International Bio-Valley. [AASocks]
- **China Post, China Tower Mount Strategic Tie-up.** China Post entered into a strategic cooperation agreement with China Tower on 20 August, under which both parties will press ahead deep cooperation in business and resources sharing, Xinhua News Agency reported. [AASocks]
- **China Telecom Lifts Mobile, Broadband Net Addition Targets for 2018.** China Telecom's Chairman cum CEO Yang Jie said the company's capital expenditure has been continuously declining with the 2018 budget being RMB75 billion. Capital expenditure will continue to fall next year if the factor of 5G investment is taken out, he mentioned. [AASocks]
- **China Telecom: Speed Upgrade, Tariff Cut Pressure Income, Profit; Large Data Traffic Package Not Price War Product.** China Telecom's Chairman and CEO Yang Jie disclosed that the implementation of Speed Upgrade and Tariff Reduction has resulted in pressures on its income and profit. The company will strive for health growth in income and profit through cost saving and efficiency enhancing, as well as expanding information consumption. [AASocks]
- **Anta eyes cooperation with major global brands.** Anta is looking for possible collaboration with a global sports brand to explore int'l markets. President Zheng Jie said. "We are expecting a global brand that is complementary to Anta's current multiple brand portfolio," said Zheng, adding that each of its existing brands has unique market positions. [China Daily]
- **BYD speeds up monorail mass transit system.** BYD is speeding up to expand the market for its SkyRail monorail mass transit system to solve problems such as traffic congestion and air pollution. The company has signed several domestic and international deals, including in the Philippines, Egypt, Brazil, Morocco and Cambodia. [China Daily]
- **Glassmaker's income up 35pc.** Fuyao Glass Industry reported a 1.87bn yuan (HK\$2.14bn) net profit for the six months ended June 28, 2018, up 34.8 percent year on year. Basic earnings per share was 0.74 yuan and an interim dividend of 0.4 yuan was recommended. [The Standard]

## V. Overnight Market Recap

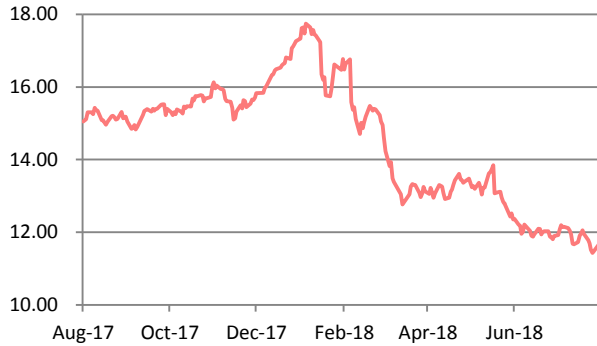
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,863	5.9	0.2	0.8	2.2	5.1	5.9	16.7	7.1
	Dow Jones	25,822	63.6	0.2	2.1	3.0	4.0	3.4	17.9	4.5
	Nasdaq Composite	7,859	38.2	0.5	(0.1)	0.5	6.5	9.0	24.8	13.8
	Russell 2000	1,718	19.4	1.1	1.5	1.3	5.7	12.3	25.3	11.9
	VIX Index	12.86	0.4	3.0	(3.4)	-	(2.7)	(31.3)	13.3	16.5
Europe Equity	Euro Stoxx 50	3,412	18.0	0.5	0.1	(1.4)	(4.9)	(0.6)	(1.3)	(2.6)
	DAX	12,384	53.2	0.4	0.2	(1.4)	(6.0)	(0.6)	1.3	(4.1)
	CAC	5,409	29.0	0.5	0.1	0.2	(4.1)	1.9	5.4	1.8
	FTSE 100	7,566	(25.6)	(0.3)	(0.6)	(1.5)	(4.0)	4.3	2.5	(1.6)
APAC Equity	HSI	27,753	154.8	0.6	(0.0)	(1.7)	(11.1)	(10.4)	1.3	(7.2)
	HSCEI	10,738	105.3	1.0	(0.1)	0.5	(13.1)	(14.3)	(2.0)	(8.3)
	HSI VIX	18.83	(1.0)	(4.9)	(6.0)	2.0	10.1	(23.3)	16.7	29.0
	CSI 300	3,327	59.4	1.8	(1.4)	(4.8)	(14.8)	(17.9)	(11.3)	(17.5)
	SH Composite	2,734	35.4	1.3	(1.7)	(3.4)	(14.9)	(16.4)	(16.9)	(17.3)
	SZ Composite	1,471	20.2	1.4	(2.8)	(7.7)	(20.7)	(17.0)	(22.9)	(22.5)
	Nikkei 225	22,220	20.7	0.1	(0.6)	(2.1)	(3.2)	2.2	14.7	(2.4)
Commodities (USD)	KOSPI	2,270	22.2	1.0	1.0	(0.5)	(7.7)	(5.7)	(3.7)	(7.7)
	Brent (Future)	72.63	0.4	0.6	0.2	(0.4)	(8.5)	9.7	40.4	8.9
	WTI (Future)	65.84	0.9	1.4	0.5	(6.2)	(8.3)	5.3	38.8	9.4
	Gold	1,196	5.5	0.5	0.2	(2.3)	(7.3)	(10.2)	(6.9)	(8.2)
	Copper (Future)	6,045	53.5	0.9	0.0	(1.7)	(12.1)	(15.1)	(8.2)	(16.6)
FX	Baltic Dry Index	1,727.00	4.0	0.2	0.1	2.2	44.0	48.0	38.3	26.4
	Dollar Index	95.26	(0.6)	(0.7)	(1.5)	0.7	1.7	6.1	1.7	3.3
	EUR	1.16	0.0	0.8	2.0	(1.0)	(1.7)	(6.1)	(1.6)	(3.6)
	JPY	110.31	0.2	0.2	(0.8)	1.1	0.7	(3.1)	(0.5)	2.3
	CNY	6.85	(0.0)	0.2	0.5	(0.7)	(6.8)	(7.4)	(2.6)	(5.0)
CDS	CNH	6.83	(0.0)	(0.1)	(1.0)	(0.4)	(7.0)	(7.3)	(2.4)	(4.6)
	ChinaGov CDS	58.91	(1.4)	(2.3)	(5.0)	(7.2)	4.0	1.7	(10.7)	17.6
	CDX Emerging Market	#N/A N/A	0.0	0.0	(0.1)	(1.5)	(1.7)	(3.5)	(0.6)	(3.7)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.06	0.0	1.4	2.1	2.0	1.9	1.6	1.0	1.4
	2-Year Treasury Yield	2.60	0.0	0.4	2.6	2.6	2.5	2.3	1.3	1.9
	5-Year Treasury Yield	2.71	0.0	0.5	2.7	2.8	2.8	2.7	1.8	2.2
	10-Year Treasury Yield	2.83	0.0	0.4	2.9	3.0	3.0	3.0	2.2	2.4
	2-10 Spread	23.02	(0.2)	(0.7)	25.0	32.1	45.9	68.0	88.7	51.8
China rates	O/N China Repo Rate	2.00	(0.7)	(25.4)	2.3	2.4	2.5	2.4	2.8	3.0
	1-Week China Repo Rate	2.66	0.0	0.4	2.5	2.7	2.5	2.4	3.2	3.1
	O/N SHIBOR	2.64	0.0	0.4	2.3	2.4	2.5	2.7	2.8	2.8
	1-Week SHIBOR	2.68	0.0	0.3	2.6	2.7	2.8	2.9	2.9	3.0

Source: Bloomberg

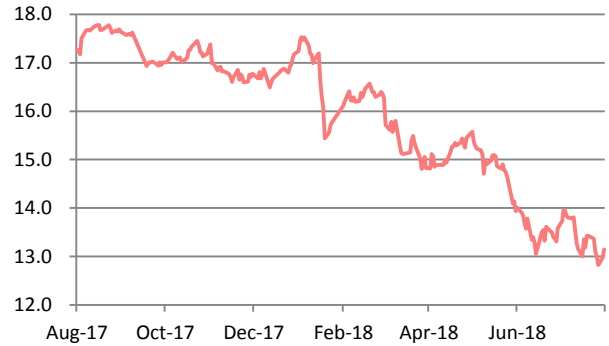
## VI. Key Indicators

**Hang Seng Index PE Ratio**



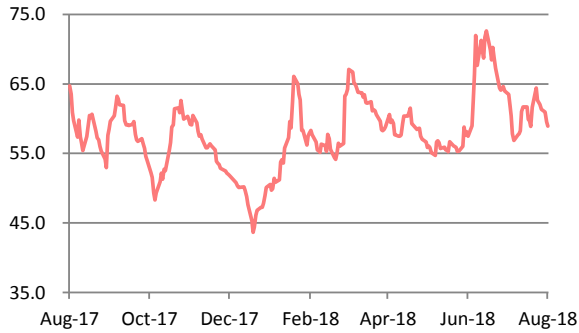
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



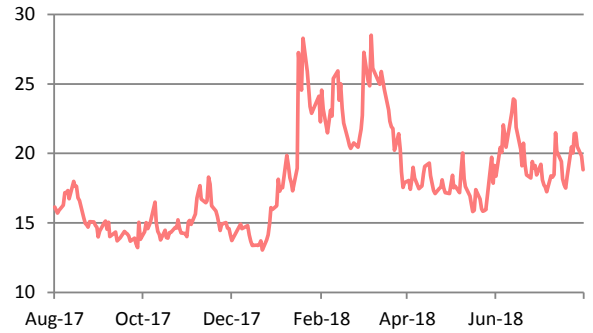
Source: Bloomberg

**China 5Y CDS Index\_USD**



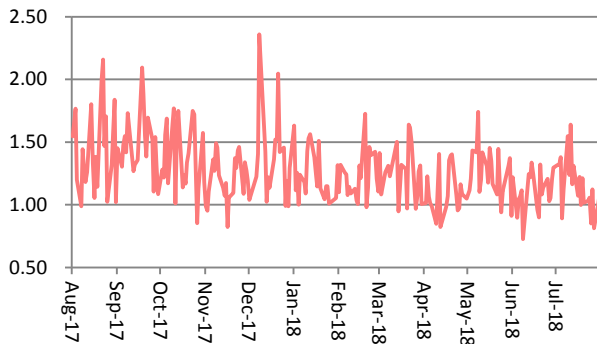
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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