



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Personal Income / Spending MoM	Jul	0.4%/0.4%	0.4%/0.4%
Japan: Consumer Confidence	Aug	43.3	43.5
Germany: GfK Consumer Confidence	Sep	10.6	10.6
France: GDP YoY	2Q18	1.70%	1.70%
Brazil: Personal Loan Default Rate	Jul	N/A	5.00%

Source: Bloomberg

## II. Macro News

- **China, Greece ink MOU to promote Belt and Road Initiative.** Chinese and Greek foreign ministers on Monday signed a Memorandum of Understanding to jointly advance the construction of the Belt and Road Initiative, a Foreign Ministry spokesperson said on Tuesday. [China Daily]
- **U.S. Consumer Confidence Surged in August to Near 18-Year High.** A measure of economic confidence among American households rose in August to its highest level since October 2000. The Conference Board on Tuesday said its index of U.S. consumer confidence climbed to 133.4 in Aug from 127.9 in Jul. [WSJ]
- **U.S. Trade Deficit in Goods Widened to \$72.2 Billion in July.** A preliminary report on international trade for the month of July showed the U.S. trade deficit in goods widened last month to \$72.2 billion from \$67.9 billion in June. The trade deficit in goods had narrowed slightly from February to May. [WSJ]

## III. Industry News

- **New Zealand's Stock Market Trading Halted After NZX Outage.** New Zealand's stock market was halted after little more than an hour's trading Tuesday and failed to resume after a fault at its national stock exchange. Live prices and indexes stopped updating at 11:15 a.m. in Wellington and the market was unable to reopen by normal 5p.m. close. [Bloomberg]
- **India Is Said to Plan to Fill Gap Left by U.S. Exports to China.** India has drawn a list of goods it can export to China, replacing U.S. exports that have become costlier in light of the trade spat between the world's two biggest economies. The South Asian nation has identified more than 40 products, where it's in a position of advantage to replace or capture U.S. trade market share with China. [Bloomberg]
- **3 Major CN Telecoms See 5G Spectrum Sharing Plan Done Initially.** The sharing plan of 5G spectrum in Mainland China is now tentatively like this: China Telecom and China Unicom (will be granted around 100MHz spectrum at about 3.5GHz; while China Mobile will be given 100MHz spectrum at about 2.6GHz, Securities Times reported. [AASocks]

## IV. Corporate News

- **Tencent Is Said Planning to Invest \$400m in Meituan's H.K. IPO.** Tencent Holdings is planning to buy about \$400m of stock in Meituan Dianping's Hong Kong IPO as a cornerstone investor. Terms of the investment are expected to be finalized soon. [Bloomberg]
- **China's Meituan Is Said to Start Gauging Demand for \$4b-Plus IPO.** Meituan Dianping, the Chinese food-delivery giant, has started gauging investor demand for its planned Hong Kong initial public offering. IFR Asia reported Meituan started gauging investor interest earlier Tuesday. [Bloomberg]

- **Temasek, Bank of China Buy Stakes in 27 Banks in RMB 1.6b Deal.** Temasek subsidiary Fullerton Financial Holdings and Bank of China jointly acquire stakes in 27 community banks from China Construction Bank Co. Ltd. in deal valued at RMB1.606b, Fullerton says in statement. [Bloomberg]
- **Berkshire Hathaway Invests in India's One97 Communications.** Berkshire Hathaway Inc. bought a stake in the company behind Paytm, India's biggest digital-payments brand, in the conglomerate's first foray into the country's startups. Berkshire is set to acquire 3% to 4% of One97 in a deal that values the target at more than \$10bn. [Bloomberg]
- **Toyota Deepens Bet on Self-Driving Cars by Raising Uber Stake.** Toyota Deepens Bet on Self-Driving Cars by Raising Uber Stake. As part of the accord announced Tuesday, Toyota will manufacture Sienna minivans equipped with Uber's self-driving technology. [Bloomberg]
- **Italy's Snam Is Said to Sign Partnership With China's State Grid.** Italy's gas pipeline operator Snam SpA signed a memorandum of understanding with State Grid International Development as part of Finance Minister Giovanni Tria's mission in the country. [Bloomberg]
- **Google Teams With Banks to Launch Digital Lending for India.** Alphabet Inc's Google is teaming with HDFC Bank Ltd., ICICI Bank Ltd., Kotak Mahindra Bank Ltd. and Federal Bank Ltd. to offer instant, pre-approved loans to customers "right within Google Pay in a matter of seconds," it said in a statement. [Bloomberg]
- **Developer Evergrande delivers whopping 101pc rise in half-time profit.** China Evergrande posted a thumping 101.5 per cent surge in first-half core profit on Tuesday, and officials said they expect to easily top its annual sales targets, despite Beijing's measures to cool the still-overheating national housing market. [SCMP]
- **Yum China Rejects Private Buyout Offer at \$46 a Share.** Yum China Holdings Inc. has rejected a private buyout offer from a consortium of investors that valued the restaurant operator at more than \$17bn. A group led by investment firm Hillhouse Capital Group in recent months offered to take Yum China private at \$46 a share. [WSJ]
- **Huadian Power Interim Results Swing to RMB1.041B Profit; Nil Div.** Huadian Power announced the interim results ended June 2018. The company swung to profit of RMB1.041bn from a loss of nearly RMB181mn over a year ago. Basic EPS equaled 10.6 fen. No dividend was declared. [AASocks]
- **Angang Steel Interim Net Profit RMB3.499 Billion, Up 91.9% year on year.** Angang Steel announced interim results ended June 2018. Net profit amounted to RMB3.499 billion, up 91.9%. EPS equaled 48.4 fen. No dividend was declared. [AASocks]
- **Huawei Surpasses Apple as 2nd Largest Smart Phone Provider.** Information disclosed by research institute Gartner showed that, during the 2Q18, global smart phone sales climbed 2.11% year-on-year to 374 million units and meanwhile Huawei has overtaken Apple to become the world's second largest smart phone provider. [AASocks]
- **China Zheshang Bank replenishes capital in H1.** Zhejiang-based and HK-listed commercial lender China Zheshang Bank said funds raised through its A-share listing plan will be used to support the real economy, loans to small and medium-size enterprises, intelligent manufacturing and its three major platforms for liquidity services. [The Standard]
- **PICC continues transformation.** The People's Insurance Company of China Group will further its strategic transformation project in near future and aims to streamline its three subsidiaries, according to its top mgmt. "The group will focus on transformation to a high-quality development model," said Li Zhuyong, vice-president of the PICC group. [The Standard]
- **Fosun profit soars to record 6.8b yuan.** Chinese conglomerate Fosun Int'l posted a 17% rise in January-June net profit, setting a first-half record due to growth in its core businesses. Fosun said profit reached 6.86bn yuan (HK\$7.92bn), from 5.86bn yuan a year earlier. Revenue increased 20% to 43.51bn yuan. [The Standard]

## V. Overnight Market Recap

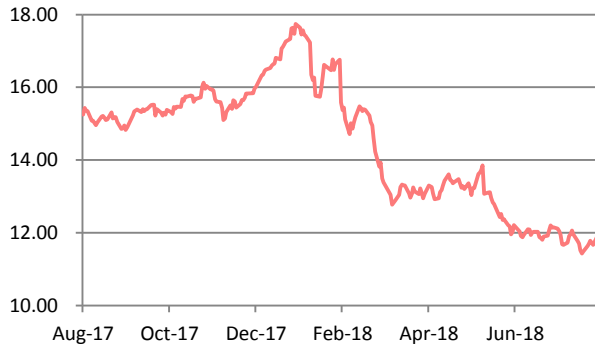
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,898	0.8	0.0	1.2	2.8	7.7	6.8	18.4	8.4
	Dow Jones	26,064	14.4	0.1	0.9	2.4	7.0	4.1	19.2	5.4
	Nasdaq Composite	8,030	12.1	0.2	2.2	3.8	8.6	10.4	27.4	16.3
	Russell 2000	1,728	0.0	0.0	0.6	3.9	6.5	14.3	24.9	12.6
	VIX Index	12.50	0.3	2.8	(2.8)	(4.1)	(26.6)	(37.0)	6.8	13.2
Europe Equity	Euro Stoxx 50	3,448	(8.4)	(0.2)	1.1	(2.3)	0.6	0.3	1.8	(1.6)
	DAX	12,527	(10.9)	(0.1)	1.2	(2.6)	(1.1)	0.7	4.9	(3.0)
	CAC	5,485	5.9	0.1	1.4	(0.5)	0.9	3.1	9.0	3.2
	FTSE 100	7,617	39.7	0.5	0.3	(1.1)	(0.2)	5.3	3.8	(0.9)
APAC Equity	HSI	28,352	80.4	0.3	2.2	(1.6)	(7.0)	(8.1)	2.1	(5.2)
	HSCEI	11,098	48.5	0.4	3.4	0.5	(7.2)	(10.4)	(1.8)	(5.2)
	HSI VIX	18.71	(0.1)	(0.3)	(0.6)	8.5	(0.2)	(19.0)	9.0	28.2
	CSI 300	3,400	(6.4)	(0.2)	2.2	(3.4)	(10.6)	(15.5)	(11.3)	(15.6)
	SH Composite	2,778	(2.9)	(0.1)	1.6	(3.3)	(11.0)	(14.8)	(17.5)	(16.0)
	SZ Composite	1,498	1.0	0.1	1.8	(6.3)	(16.2)	(17.3)	(22.5)	(21.1)
	Nikkei 225	22,813	13.8	0.1	2.7	0.4	2.0	3.4	17.8	0.2
Commodities (USD)	KOSPI	2,303	3.8	0.2	1.5	0.4	(6.3)	(5.1)	(2.6)	(6.7)
	Brent (Future)	75.95	(0.3)	(0.3)	4.6	2.2	0.9	15.5	46.4	13.6
	WTI (Future)	68.53	(0.3)	(0.5)	1.8	(0.2)	2.8	11.2	47.7	13.5
	Gold	1,201	(10.4)	(0.9)	0.4	(1.6)	(7.5)	(8.8)	(8.2)	(7.7)
	Copper (Future)	6,147	42.0	0.7	2.6	(2.4)	(10.7)	(11.3)	(7.8)	(15.2)
FX	Baltic Dry Index	1,697.00	(12.0)	(0.7)	(1.7)	1.3	60.5	42.4	41.1	24.2
	Dollar Index	94.72	(0.1)	(0.1)	(0.6)	0.1	0.5	4.5	2.7	2.8
	EUR	1.17	0.0	0.1	1.1	(0.1)	1.3	(4.1)	(2.3)	(2.6)
	JPY	111.19	0.1	0.1	0.8	(0.1)	(2.2)	(4.1)	(1.3)	1.3
	CNY	6.80	(0.0)	0.2	0.6	0.2	(5.9)	(6.9)	(2.8)	(4.4)
CDS	CNH	6.80	0.0	0.1	(0.4)	0.4	(5.5)	(6.9)	(2.8)	(4.2)
	ChinaGov CDS	55.97	(0.6)	(1.0)	(6.0)	(2.9)	(1.2)	1.0	(6.4)	11.7
	CDX Emerging Market	95.37	(0.1)	(0.1)	(0.1)	(1.8)	(1.6)	(3.7)	(0.9)	(3.8)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.11	0.0	0.6	2.1	2.0	1.9	1.7	1.0	1.4
	2-Year Treasury Yield	2.67	0.0	0.9	2.6	2.7	2.4	2.3	1.3	1.9
	5-Year Treasury Yield	2.77	0.0	1.2	2.7	2.8	2.7	2.6	1.7	2.2
	10-Year Treasury Yield	2.88	0.0	1.2	2.8	3.0	2.9	2.9	2.1	2.4
	2-10 Spread	21.10	1.0	5.2	22.4	30.7	43.9	60.7	80.8	51.8
China rates	O/N China Repo Rate	2.40	(0.0)	(0.8)	2.5	2.2	2.9	2.9	2.9	3.0
	1-Week China Repo Rate	2.53	(0.1)	(4.2)	2.5	2.3	3.0	3.2	2.9	3.1
	O/N SHIBOR	2.43	(0.0)	(0.6)	2.5	2.2	2.9	2.7	2.9	2.8
	1-Week SHIBOR	2.65	0.0	0.2	2.7	2.7	2.9	2.9	2.9	3.0

Source: Bloomberg

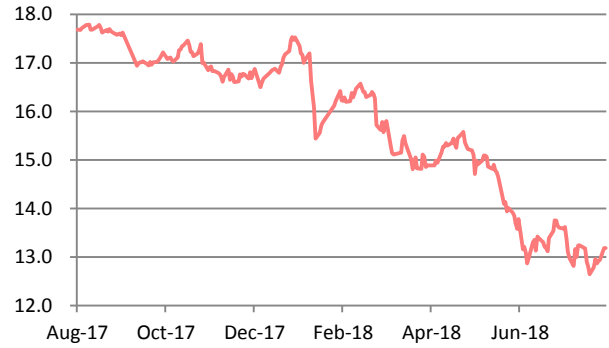
## VI. Key Indicators

**Hang Seng Index PE Ratio**



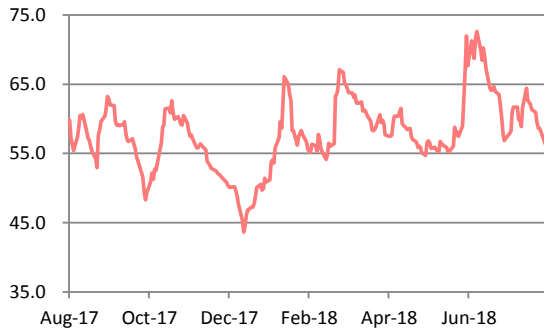
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



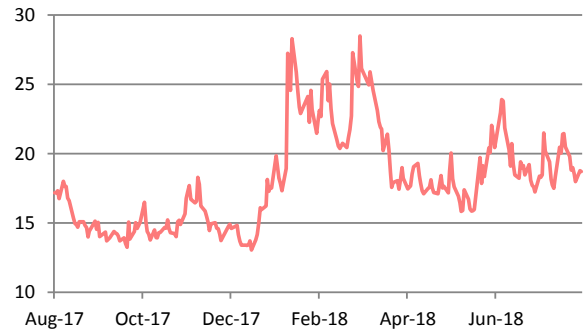
Source: Bloomberg

**China 5Y CDS Index\_USD**



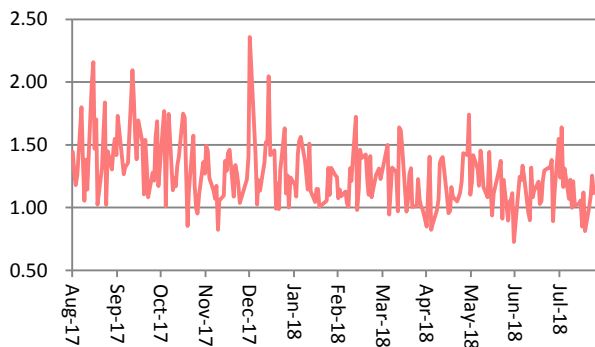
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

## 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  
tianyang@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