



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Housing Starts / Building Permits	Aug	1225k/1300k	1168k/1311k
Japan: Exports / Imports YoY	Aug	5.4%/14.2%	3.9%/14.6%
New Zealand: Westpac Consumer Confidence	3Q18	N/A	108.6
Malaysia: CPI YoY	Aug	0.40%	0.90%
Russia: Real Wages YoY	Aug	7.50%	8.00%

Source: Bloomberg

II. Macro News

- **China Fires Back at Trump With New Tariffs on \$60 Billion.** The U.S.-China trade war deepened as Beijing announced retaliatory tariffs on \$60 billion of U.S. goods and the Trump administration threatened duties on virtually all Chinese imports. China's retaliatory tariffs to take effect from Sept. 24 at 12:01 p.m., MOF says in a statement. [Bloomberg]
- **India to Merge Lenders to Create Bank With \$88 Billion Loan Book.** India is considering merging three state-run lenders as it seeks to strengthen the debt-laden banking system in Asia's third-largest economy. The merged entity will become the third-largest bank by loans and the government would ensure there are no job losses. [Bloomberg]
- **Jamaica Sets 5% Growth Goal as China Pumps Billions Into Economy.** Jamaica's government sees economic growth accelerating in the coming years as China dumps billions of dollars into the Caribbean nation to expand metal and energy production. [Bloomberg]

III. Industry News

- **PBOC May Announce Targeted RRR Cut Around Oct.** PBOC may cut reserve requirement ratio for some banks again around Oct., Citic Securities analyst Ming Ming says, citing large amounts of local government bonds issue in that month and MLF maturities in 4Q, according to a front-page report of China Securities Journal. [Bloomberg]
- **People's Bank of China lowers yuan fix to three-week low after fresh tariff salvo by Washington.** China's central bank lowered the daily yuan reference rate to its weakest level in over three weeks on Tuesday after US President Donald Trump announced overnight that America will impose a graduated tariff hike, starting with 10% on about US\$200bn worth of Chinese imports before moving to 25% at the start of 2019. [SCMP]
- **European firms mull relocating mainland production to Southeast Asia amid escalating US-China trade war.** European companies operating in China are extremely worried about getting caught in the US-China trade war crossfire and some are considering relocating to Southeast Asia as punitive tariffs slapped by the world's two largest economies take a toll on multinational firms, according to the European Union Chamber of Commerce in China. [SCMP]

IV. Corporate News

- **Meituan Dianping Says H.K. IPO Retail Portion 1.5X Subscribed.** Meituan Dianping prices 480.27m Class B shares at HK\$69 apiece in Hong Kong initial public offering, according to statement published in South China Morning Post. Shares were offered at HK\$60-HK\$72 apiece. [Bloomberg]
- **Qatar Fund Said to Near Investment in China's Top Online Lender.** The Qatar Investment Authority is in advanced talks about an investment in Lufax, China's biggest online lender, as the sovereign wealth fund seeks to tap into the world's second-largest economy. [Bloomberg]

- **Qinghai State-Owned Assets Plans NDR in Hong Kong From Sept. 18.** Qinghai State-owned Assets Investment Management Co. has arranged a series of non-deal roadshows with fixed income investors in Hong Kong from Sept. 18. [Bloomberg]
- **Beijing Capital Land Withdraws A Share Offering Application.** Withdrawal of application is subject to acceptance by Chinese authorities, according to statement to Hong Kong stock exchange. “In view of the needs of business development of the company, after due consideration and discussion with the professional parties involved in the proposed A share offering”, co. submitted application Sept. 17 to withdraw its application from CSRC. [Bloomberg]
- **HSBC Plans Wealth Hiring Spree in CEO’s Bet on Asia’s Rich.** HSBC Holdings Plc is planning to increase its wealth-management staff in Asia as Chief Executive Officer John Flint bets on growth in the region. The bank plans to add more than 1,300 positions, split roughly between retail and private banking, by 2022, according to the heads of the two divisions, which between them currently employ just over 32,000 people in the region. [Bloomberg]
- **Alibaba uses advanced tech to fight counterfeiters.** E-commerce giant Alibaba said on Tuesday that 97 percent of complaints over intellectual property infringements on its platform could be solved within 24 hours under its increasing efforts in recent years against counterfeiters. [China Daily]
- **VW to build 10m electric vehicles based on new 'MEB' propulsion platform.** Volkswagen will build 10 million electric vehicles on the basis of a new modular e-propulsion assembly kit (MEB), the German carmaker announced. In the first wave alone around 10 million cars will be based on this platform. [China Daily]
- **Alibaba invests in clothes sharing platform Ycloset.** YCloset, a leading Chinese garment sharing platform, has completed an undisclosed strategic fundraising round from e-commerce giant Alibaba Group Holding Ltd, to better cater to female users' beauty and fashion requirements. [China Daily]
- **Audi gets license to test autonomous vehicles in China.** German premium carmaker Audi AG has received a license to test autonomous vehicles on public roads in China, which is expected to facilitate its efforts in the technology that is believed to be the future of the automotive industry. [China Daily]
- **China Vanke to launch 231 units in Tuen Mun project.** China Vanke show flats in its Tuen Mun project is expected to open with the price list offering over 231 units this week. The company's HK branch Vanke HK's operations department VP Zhou Mingxi said the pricing will refer to new flats in the same district and outside the district. [The Standard]
- **Xinyi Glass passes on US tariffs costs to customers.** Xinyi Glass executive director Lee Shing-kan said its products were on the latest US list of tariffs and the co has negotiated with clients and would shift additional costs to them. About 70% of orders are from domestic market, while 30% is exported. US accounts for 7-8% of total orders. [The Standard]
- **BMW, Daimler, and Volkswagen exhaust cheating collusion investigated.** European Union regulators have opened an in-depth investigation into whether automakers BMW, Daimler and Volkswagen colluded to limit the development and roll-out of car emission control systems. [The Standard]
- **ND PAPER Annual Net Profit RMB7.848B, Up 79%; Div RMB40 Fen.** Nine Dragons Paper announced annual result ended June 2018. The turnover rose 34.8% year on year to RMB52.782 billion. The net profit amounted to RMB7.848 billion, up 79% yearly. EPS was RMB1.679. A final dividend of RMB40 fen was declared, vs. RMB25 fen a year ago. [AASocks]
- **Esprit Hldgs Forms Internal Team To Collect Consumer Opinions; Not to Give Up CN Mk.** Esprit Holdings's CEO Anders Christian Kristiansen has taken up the helm in June. He said he has appointed an internal team with 15 members which would focus on collecting consumer opinions in markets including Germany, China, France and Sweden. The company emphasised it will not give up the Chinese market though it's not practical to rely on this market for profit. [AASocks]
- **Zijin Mining Proposes USD350M Capital Increase of Serbia RTB Bor Group.** Zijin Mining announced it has entered into the agreement on strategic partnership with Serbia. The company, being the strategic partner, has proposed to invest a total amount of USD350mn in cash (RMB2.398bn) for the capital increase of RTB Bor group in Serbia. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,904	15.5	0.5	0.6	1.9	5.1	7.1	15.9	8.6
	Dow Jones	26,247	184.8	0.7	1.1	2.3	6.3	6.6	17.3	6.2
	Nasdaq Composite	7,956	60.3	0.8	(0.2)	1.8	3.0	8.3	23.1	15.2
	Russell 2000	1,711	7.4	0.4	(0.4)	1.1	1.0	8.9	18.8	11.4
	VIX Index	12.79	(0.9)	(6.5)	(3.3)	1.2	(4.2)	(32.8)	25.6	15.9
Europe Equity	Euro Stoxx 50	3,358	12.4	0.4	1.4	(0.4)	(2.2)	(1.1)	(4.9)	(4.2)
	DAX	12,158	61.3	0.5	1.6	(0.4)	(4.1)	(0.5)	(3.2)	(5.9)
	CAC	5,364	14.9	0.3	1.5	0.4	(0.5)	2.7	2.4	1.0
	FTSE 100	7,300	(1.9)	(0.0)	0.4	(3.4)	(4.0)	3.7	0.3	(5.0)
APAC Equity	HSI	27,085	151.8	0.6	2.5	(0.5)	(8.1)	(14.1)	(3.4)	(9.5)
	HSCEI	10,557	94.9	0.9	2.2	0.4	(8.1)	(16.6)	(5.1)	(9.8)
	HSI VIX	20.05	0.4	2.0	(8.0)	(2.1)	1.6	(1.9)	35.2	37.3
	CSI 300	3,269	64.5	2.0	1.4	1.2	(9.7)	(19.8)	(14.7)	(18.9)
	SH Composite	2,700	48.2	1.8	1.3	1.2	(7.1)	(17.7)	(19.6)	(18.4)
	SZ Composite	1,404	23.2	1.7	(0.4)	(2.7)	(11.9)	(24.8)	(29.6)	(26.1)
	Nikkei 225	23,421	325.9	1.4	4.7	5.2	5.1	9.0	15.4	2.9
Commodities (USD)	KOSPI	2,309	6.0	0.3	1.1	2.8	(1.3)	(6.7)	(4.4)	(6.4)
	Brent (Future)	79.03	1.0	1.3	(0.0)	10.0	4.9	19.4	42.4	18.2
	WTI (Future)	69.85	0.9	1.4	0.9	5.9	7.3	12.5	41.1	15.5
	Gold	1,198	(3.1)	(0.3)	(0.0)	0.7	(5.9)	(8.9)	(8.5)	(8.0)
	Copper (Future)	5,945	(28.0)	(0.5)	0.6	0.3	(15.3)	(13.7)	(8.6)	(18.0)
FX	Baltic Dry Index	1,357.00	(9.0)	(0.7)	(5.7)	(21.2)	(5.9)	18.7	(2.9)	(0.7)
	Dollar Index	94.64	0.1	0.2	(0.6)	(1.5)	(0.1)	4.9	2.8	2.7
	EUR	1.17	(0.0)	(0.1)	0.5	1.7	0.8	(5.3)	(2.6)	(2.7)
	JPY	112.36	0.5	0.5	0.7	(2.0)	(2.0)	(5.5)	(0.7)	0.3
	CNY	6.86	0.0	(0.1)	0.2	(0.1)	(6.2)	(7.7)	(4.2)	(5.2)
CDS	CNH	6.86	(0.0)	(0.1)	(0.2)	(0.4)	(5.6)	(7.9)	(4.0)	(5.0)
	ChinaGov CDS	55.73	0.3	0.5	(3.0)	(8.6)	(5.2)	(1.2)	5.2	11.3
	CDX Emerging Market	95.51	(0.1)	(0.1)	1.0	0.1	(0.4)	(3.6)	(1.2)	(3.6)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.16	0.0	0.6	2.1	2.0	1.9	1.7	1.0	1.4
	2-Year Treasury Yield	2.80	0.0	0.8	2.7	2.6	2.6	2.3	1.4	1.9
	5-Year Treasury Yield	2.94	0.1	1.9	2.9	2.7	2.8	2.7	1.8	2.2
	10-Year Treasury Yield	3.06	0.1	2.3	3.0	2.8	2.9	2.9	2.2	2.4
	2-10 Spread	25.21	4.5	22.0	21.0	23.2	36.9	57.5	84.1	51.8
China rates	O/N China Repo Rate	2.66	0.2	6.4	2.4	2.7	2.8	2.5	2.2	3.0
	1-Week China Repo Rate	2.71	0.1	3.4	2.5	2.7	2.8	2.8	2.9	3.1
	O/N SHIBOR	2.65	0.2	7.6	2.6	2.6	2.6	2.6	2.8	2.8
	1-Week SHIBOR	2.69	0.0	1.7	2.7	2.7	2.8	2.9	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



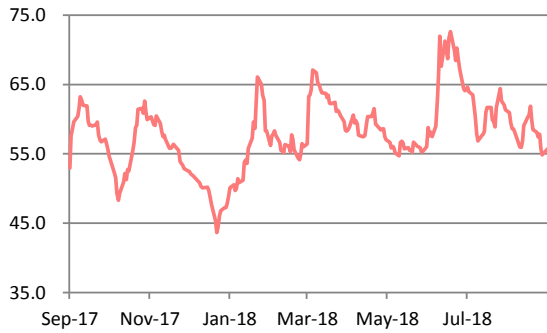
Source: Bloomberg

Shanghai Composite Index PE Ratio



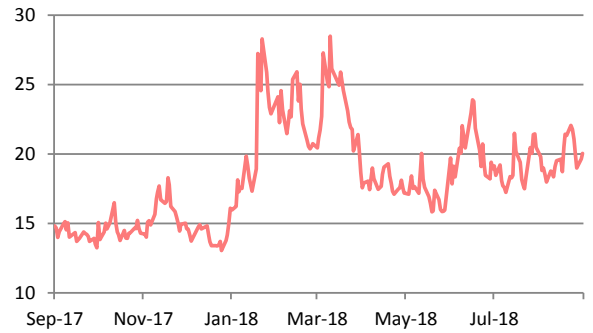
Source: Bloomberg

China 5Y CDS Index_USD



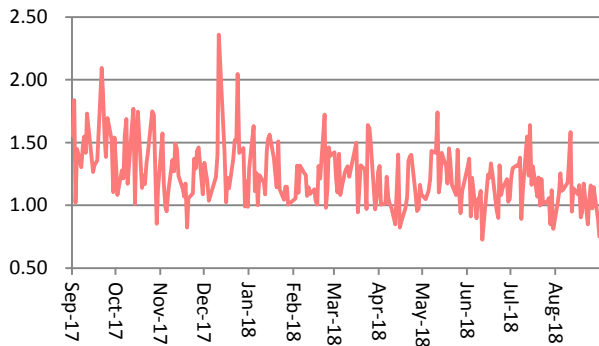
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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