



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Advance Goods Trade Balance	Nov	-\$76.1bn	-\$77.2bn
Eurozone: Current Account Balance	Nov	N/A	-0.17bn
U.K.: Retail Price Index	Dec	286.0	284.6
China: New Home Prices MoM	Dec	N/A	0.98%

Source: Bloomberg

## II. Macro News

- **China Dec Trade Slumps as Trade War, Economic Slowdown Bite.** Chinese trade slumped in December, with the unexpected fall in both exports and imports underlining the impact of the trade war and economic slowdown. Exports in dollar terms fell 4.4% YoY, while imports dropped 7.6%. Both were the worst result since 2016, and left a trade balance of \$57.1bn. [Bloomberg]
- **China Doubles QFII Quota to \$300B As It Opens Market Further.** China says it has decided to double quota for qualified foreign institutional investors to \$300b from current \$150b, State Administration of Foreign Exchange says in a statement. [Bloomberg]
- **China's Big Banks Throw a \$22B Test at Hybrids Market.** Four lenders are due to sell as much as 146bn yuan (\$22bn) of the hybrid securities by the end of June after the regulator approved the deals in recent weeks. That includes what could be the largest such offering China's domestic market has ever seen: Bank of Communications Co.'s 60bn yuan issue. [Bloomberg]

## III. Industry News

- **China Official Wants to Scrap First-Day Trading Cap for IPOs.** A top official at China's securities regulator recommended removing a limit on how much a stock can gain on its trading debut, days after authorities pledged to further open up the financial sector. [Bloomberg]
- **China Coal Buying Slumps to 7-Year Low as Beijing Caps Imports.** Coal imports by China, the world's biggest user, shrank for a fifth month to the lowest since March 2011 as the government sought to cap annual shipments at around the same level as last year. [Bloomberg]
- **China's Iron Ore Imports Decline for First Time in 8 Years.** China's iron ore imports fell last year for the first time since 2010 as economic headwinds build and steel mills increased the use of scrap and higher-grade cargoes. Imports fell 1 percent to 1.06 billion tons in 2018. [Bloomberg]

## IV. Corporate News

- **CapitaLand CEO Puts Stamp on Developer With \$4.4 Billion Deal.** CapitaLand Ltd.'s new chief Lee Chee Koon has wasted no time putting his mark on the Singapore developer, striking a S\$6bn(\$4.4bn) deal with Temasek Holdings Pte to create what he says will be Asia's largest diversified real estate company. [Bloomberg]
- **Unhappy With Ford's Performance, CEO Looks to Rival for Relief.** Ford Motor Co.'s Jim Hackett isn't pleased with how things are going at the automaker he took charge of a year and a half ago. To afford the costly overhaul he's embarking on, he's on the verge of broadening an alliance with Volkswagen AG. [Bloomberg]

- **Telecom Italia Is Said to Bid for BT's Scandal-Plagued Business.** Telecom Italia SpA made a takeover offer for BT Group Plc's Italian business, giving momentum to an asset sale that would help the U.K. telecommunications giant move on from an accounting scandal on the continent, according to people familiar with the matter. [Bloomberg]
- **Samsung Targets Indian Millennials With Cheaper Smartphones.** Samsung Electronics Co. unveiled a new range of inexpensive smartphones for India, seeking to win back customers in the world's fastest-growing smartphone market and regain ground lost to Xiaomi Corp. and other Chinese rivals. [Bloomberg]
- **Chow Tai Fook 3-Month H.K., Macau Same-Store Sales Drop 6% YoY.** Retail sales value in Hong Kong and Macau for three months ended Dec. 31 fell 1% from year ago, the company says in a filing to stock exchange. Same-store sales in China declined 7% year on year. [Bloomberg]
- **Sinopec gets nod for retail unit's IPO.** Sinopec won approval from the cabinet for a long-awaited IPO of the retail unit that runs its chain of service stations and convenience stores, sources with knowledge of the matter said. Sinopec aimed to sell shares of the business in Hong Kong this year, though it had not set a definitive timetable for when preparations would start, they said. [SCMP]
- **Chinese smartphone maker Coolpad seeks to reverse losses, eyes expansion in US, Europe.** Loss-making Chinese smartphone maker Coolpad Group was once a leading player in the domestic market before intense competition forced it to seek greener pastures elsewhere. That turned out to be the US, where the Shenzhen-based company now derives about 90 per cent of its revenue. [SCMP]
- **Greenland Hong Kong expands into China's US\$1.9tn aged care sector as property market slumps.** Mainland property developer Greenland Hong Kong has set its eyes in major Chinese cities to expand its elderly care services as a way to accelerate the company's diversification into non-property businesses amid China's real estate market slump. [SCMP]
- **China Life Posted 2018 Premium Income Increased 4.7% to RMB536.2 Billion.** China Life announced that the accumulated premium income of the company for 2018 was about RMB536.2 billion, up 4.67% year on year. [AASocks]
- **China Southern Airs Dec 2018 Passenger/ Cargo Capacity +10.9%/ +12.2% YoY.** China Southern Air announced that in December 2018, passenger capacity of the group increased by 10.91% year-on-year. In terms of cargo operations, in December 2018, cargo capacity increased by 12.19% year-on-year. [AASocks]
- **Xiaomi-W Clarifies: Awarded Shares Not for Chairman Lei Jun.** Xiaomi-W, in response to the report that the company had issued 776 million shares to the Chairman Lei Jun under the share award scheme for pre-listing employees, said the report is misleading and that the company has not issued any shares to Lei in this round. [AASocks]
- **HKEX Said to Approve New Penny Stocks More Cautiously.** HKEX has recently "educated" certain mid-to-small-cap investment banks in a softer manner, Ming Pao citing sources. Regarding new stock approval, HKEX aims to focus on "new economy" stocks and those with larger amount of fundraising this year. Thus, HKEX will reportedly approve new penny stocks more cautiously. [AASocks]
- **Chinese vehicle maker FAW unveils new models in Ecuador.** FAW Group Corporation showcased its range of models for the Ecuadorian market over the weekend. A leader in heavy-duty vehicle sales in Asia, FAW is looking to expand exports to Ecuador, where it unveiled four tractor trailers and dump trucks at Quito's Expo Center. [China Daily]
- **Wanda 2018 revenue dips while cultural businesses dominate.** Conglomerate Wanda Group saw dipping revenue as well as a rising contribution of its cultural businesses in 2018. The group's cultural branch was the top revenue contributor, pocketing 69.24bn yuan, followed by the real estate and commercial management divisions. [China Daily]
- **Future of Volkswagen lies with China, says executive.** Volkswagen AG expects China, which accounts for around 40 percent of its annual sales, to play an even more important role as cars are becoming smart, electric and connected, saying the country will replace Europe as the source of its technologies. [China Daily]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,583	(13.7)	(0.5)	1.3	(0.7)	(6.1)	(7.8)	(7.3)	3.0
	Dow Jones	23,910	(86.1)	(0.4)	1.6	(0.8)	(5.3)	(4.4)	(7.3)	2.5
	Nasdaq Composite	6,906	(65.6)	(0.9)	1.2	(0.1)	(7.1)	(11.8)	(4.9)	4.1
	Russell 2000	1,433	(14.6)	(1.0)	2.0	1.6	(7.7)	(15.1)	(10.0)	6.2
	VIX Index	19.07	0.9	4.8	(10.9)	(11.8)	(10.5)	56.6	87.7	(25.0)
Europe Equity	Euro Stoxx 50	3,055	(14.9)	(0.5)	0.7	(1.2)	(4.8)	(11.6)	(15.4)	1.8
	DAX	10,856	(31.6)	(0.3)	1.0	(0.1)	(6.5)	(13.4)	(17.8)	2.8
	CAC	4,763	(18.6)	(0.4)	0.9	(1.9)	(6.5)	(12.3)	(13.6)	0.7
	FTSE 100	6,855	(63.2)	(0.9)	0.6	0.1	(2.5)	(10.5)	(11.8)	1.9
APAC Equity	HSI	26,298	(368.9)	(1.4)	1.6	0.8	3.4	(7.8)	(16.1)	1.8
	HSCEI	10,292	(162.5)	(1.6)	1.6	(0.6)	1.5	(4.2)	(17.5)	1.7
	HSI VIX	20.26	0.6	3.2	(8.7)	(7.5)	(19.5)	9.8	47.0	(19.1)
	CSI 300	3,068	(27.0)	(0.9)	0.7	(3.1)	(1.9)	(12.2)	(27.4)	1.9
	SH Composite	2,536	(18.1)	(0.7)	0.4	(2.2)	(1.3)	(10.4)	(25.6)	1.7
	SZ Composite	1,304	(9.6)	(0.7)	0.3	(1.8)	1.8	(18.7)	(31.9)	2.8
	Nikkei 225	20,360	195.9	1.0	4.1	(4.6)	(10.1)	(9.7)	(13.8)	1.9
Commodities (USD)	KOSPI	2,065	(11.1)	(0.5)	1.4	0.8	(2.8)	(9.7)	(16.7)	2.2
	Brent (Future)	58.99	(1.5)	(2.5)	2.9	(1.0)	(26.2)	(20.8)	(15.1)	10.9
	WTI (Future)	50.51	(1.1)	(2.1)	4.1	(0.4)	(28.9)	(28.2)	(20.7)	12.3
	Gold	1,292	1.5	0.1	0.2	3.7	5.2	4.1	(3.6)	0.7
	Copper (Future)	5,897	(45.0)	(0.8)	(0.4)	(3.8)	(6.4)	(5.5)	(17.1)	(1.1)
FX	Baltic Dry Index	1,169.00	(20.0)	(1.7)	(6.3)	(16.6)	(26.2)	(29.8)	(7.5)	(8.0)
	Dollar Index	95.61	(0.1)	(0.1)	(0.1)	(1.9)	0.5	1.0	5.1	(0.6)
	EUR	1.15	-	-	(0.0)	1.1	(0.9)	(2.0)	(6.4)	0.1
	JPY	108.16	(0.3)	(0.3)	(0.5)	4.1	3.1	3.6	2.0	1.2
	CNY	6.77	0.0	(0.1)	1.2	2.1	2.2	(1.1)	(4.9)	1.6
CDS	CNH	6.76	0.0	0.0	(1.2)	2.2	2.5	(0.7)	(4.8)	1.7
	ChinaGov CDS	63.85	2.2	3.6	(4.8)	(1.0)	(2.8)	(0.9)	35.1	(4.5)
	CDX Emerging Market	95.84	0.1	0.1	(0.2)	0.2	0.5	(0.9)	(3.7)	0.6

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.41	(0.0)	(0.1)	2.4	2.4	2.3	2.0	1.4	2.4
	2-Year Treasury Yield	2.53	(0.0)	(0.2)	2.6	2.7	2.9	2.6	2.0	2.5
	5-Year Treasury Yield	2.52	(0.0)	(0.2)	2.6	2.7	3.0	2.8	2.3	2.5
	10-Year Treasury Yield	2.70	0.0	0.1	2.7	2.9	3.2	2.9	2.5	2.7
	2-10 Spread	16.54	1.0	6.2	13.8	15.4	29.4	24.1	54.4	19.2
China rates	O/N China Repo Rate	2.25	0.4	20.3	1.4	2.6	2.4	2.0	3.2	1.0
	1-Week China Repo Rate	2.65	0.6	26.2	2.2	2.7	2.6	2.9	3.5	3.5
	O/N SHIBOR	1.88	0.2	10.0	1.4	2.7	2.4	2.6	2.8	2.6
	1-Week SHIBOR	2.63	0.1	2.9	2.4	2.7	2.6	2.7	2.9	2.9

Source: Bloomberg

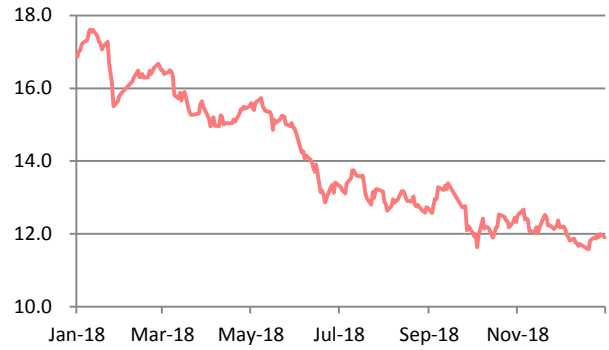
## VI. Key Indicators

**Hang Seng Index PE Ratio**



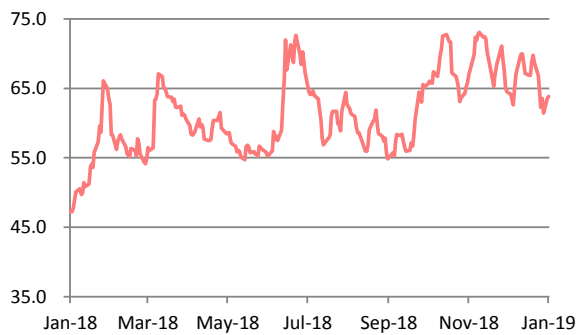
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



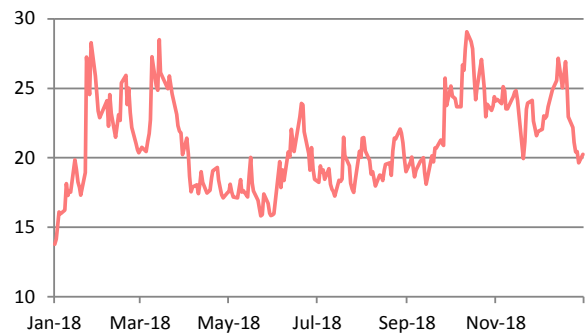
Source: Bloomberg

**China 5Y CDS Index\_USD**



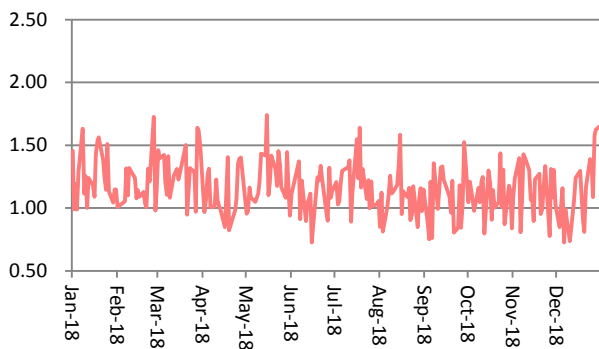
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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