



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Industrial Production MoM	Dec	0.2%	0.6%
Eurozone: Consumer Confidence Index	Jan	N/A	-5.0
U.K.: Jobless Claims Change	Jan	N/A	Ec21.9k
China: Fixed Assets Ex Rural YTD YoY	Dec	6.6%	5.9%

Source: Bloomberg

II. Macro News

- **Chinese Vice-Premier Liu He to hold trade talks in Washington on January 30-31.** Chinese Vice-Premier Liu He will travel to Washington at the end of the month for the latest round of trade talks with the US, Beijing said on Thursday. Liu will hold two days of meetings on January 30 and 31 with US Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer, commerce ministry spokesman Gao Feng said at a press briefing. [SCMP]
- **Bank Indonesia Vows to Remain Vigilant as It Leaves Rate on Hold.** Indonesia's central bank left its benchmark interest rate unchanged for a second month, while keeping the door open for more policy action if needed. After hiking by 175 basis points since May, Bank Indonesia kept its seven-day reverse repurchase rate at 6 percent on Thursday, as predicted by all 26 economists surveyed by Bloomberg. [Bloomberg]
- **Fed Says Student Debt Has Hurt the U.S. Housing Market.** The Federal Reserve has linked rising student debt to a drop in homeownership among young Americans and the flight of college graduates from rural areas, two big shifts that have helped reshape the U.S. economy. The effect of student debt on the economy has been debated in recent years, as the total has soared to \$1.5tn, surpassing Americans' credit-card and car-loan bills. [WSJ]

III. Industry News

- **Hong Kong stock exchange plans to scrap paper IPO applications in a bid to be more competitive.** Hong Kong's stock exchange is aiming to cement its position as the world's leading IPO market by cutting out the paperwork, sources revealed. It plans to take a major step towards becoming an entirely paperless bourse by shifting to a fully electronic subscription process for initial public offerings, according to two people familiar with the situation. [SCMP]
- **China Pledges to Further Open Bond Market to Foreign Investors.** China vowed to push ahead with opening its bond market to foreign investors, with a senior central bank official saying it was crucial for the development of the nation's financial markets. "We have some thoughts about how to further open up the bond market", PBOC Deputy Governor Pan Gongsheng said at a forum on Thursday. [Bloomberg]
- **China's rail freight volume grows by 9.1% in 2018.** China's rail freight volume, an indicator of broad economic activity, rose 9.1% YoY in 2018, according to the China Railway Corporation. Railways carried 4.02bn tonnes of freight last year, 334mn tonnes more than the previous year, data from the company showed. [China Daily]

IV. Corporate News

- **Fosun Int'l, Stanchart Strike Strategic Cooperation Deal.** Fosun Int'l announced the company and Standard Chartered Bank have signed a strategic cooperation agreement. Through this partnership, Fosun can leverage Standard Chartered Bank's vast network and resources in the Belt and Road countries and regions to continuously support and accelerate the global growth of Fosun and its subsidiaries. [AASocks]

- **HK Kicks Off Bond Connect, Projects PRC's Rules to World.** HKEX CEO Charles Li expressed in a forum that Bond Connect is actually the biggest risk control measure in the Chinese bond market, which enables it to connect with the global market under its own norm, standard and requirement in Hong Kong, Sina Finance reported. [AASocks]
- **US to Prosecute Huawei on Trade Secret Theft; Congress Bill to Ban Component Export to Huawei, ZTE.** US Justice Dept will launch a criminal litigation against Huawei on alleged trade secret theft, involving T-Mobile's smartphone-testing device called "Tappy", reported Wall Street Journal. Besides, Senators and Democrats put forward a bill to ban the component export to any enterprises in violation of US sanctions or export control, specifically citing Huawei and ZTE. [AASocks]
- **Apple plans to cut back on hiring.** Apple will cut back on hiring for some divisions after selling fewer iPhones than expected and missing its revenue forecast for the holiday quarter, according to people familiar with the matter. Tim Cook said he is yet to fully determine which divisions would cut back on hiring, but said that key groups such as Apple's artificial intelligence team would continue to add new employees at a strong pace. [SCMP]
- **KPMG launches law firm in Hong Kong, unveils plans for another in Shanghai.** Accounting and consulting firm KPMG has launched an affiliated law firm in Hong Kong and has plans to debut another in Shanghai at the end of this year to meet increasing client demand for legal services, according to its senior executives. [SCMP]
- **Germany Mulls Law Amendment to Deter Huawei from 5G Network Build-out.** The German govt is proactively considering harsher security requirements and other means to exclude Huawei from its 5G network build-out, Handelsblatt citing sources. The govt is reportedly in discussions to deter the Chinese telecom company from partaking in Germany's 5G construction, if the latter fails to achieve relevant security standards. [China Daily]
- **Suning to add 80,000 jobs this year.** Suning Holdings Group Ltd, China's largest omni-channel retailer by sales revenue, announced it will add 80,000 jobs in 2019, mainly in retail, modern supply chain and digital areas to support the real economy, said its top executive. [China Daily]
- **Ford eyes better performance in China's auto market.** Ford pledged to create a solid foundation for turnaround in the Chinese market with "right leadership and right products." "We are now beginning to see the results of our capital shift away from traditional sedans to trucks and SUVs with new utility nameplates globally, including Territory in China," Jim Farley, Ford president for global markets, told an industry conference in Detroit. [China Daily]
- **GAC looks to carve a global niche.** Guangzhou Automobile Group Co is poised to enter the U.S. auto market, setting its sights on becoming a truly global brand, according to the carmaker's president. The co's innovative US product lineup will help to defy the odds and herald its emergence as a global enterprise, said Yu Jun, president of GAC. [China Daily]
- **China Eastern carried 9.3% more passengers in 2018.** China Eastern Airlines Co Ltd. was projected to have carried 121.1mn passengers in 2018, an annual increase of 9.3%. The passenger load factor reached 82.26% last year, 1.2ppts higher than a year ago, it said in its unaudited preliminary operating data. [China Daily]
- **Grab and ZhongAn team up for insurance joint venture in Southeast Asia.** Chinese online insurer ZhongAn and online-to-offline platform Grab will set up a joint venture in Southeast Asia to sell insurance products to users through the latter's mobile app. [SCMP]
- **SHKP, CK Asset Pay HK\$1.7B Land Premium for Hong Kong Site.** Sun Hung Kai Properties and CK Asset reached land-premium agreement with government late last year, Hong Kong Economic Journal reports, citing Lands Department data. The companies have held Tuen Mun site for years and plan residential development. [Bloomberg]
- **Home Credit Group Plans HK IPO This Yr.** Home Credit Group plans to float on the HK stock market this year, raising c.US\$1bn, Reuters' IFRAsia said. Founded in 1997, the company is a financial services provider for consumption and has operation in ten countries, incl. China, India, Indonesia, the U.S. and Russia, with HQ in Holland. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,636	19.9	0.8	1.5	3.5	(4.8)	(6.4)	(5.8)	5.2
	Dow Jones	24,370	162.9	0.7	1.5	2.9	(4.0)	(3.3)	(6.3)	4.5
	Nasdaq Composite	7,084	49.8	0.7	1.4	4.4	(5.4)	(9.8)	(2.9)	6.8
	Russell 2000	1,467	12.6	0.9	1.5	6.5	(6.0)	(13.3)	(6.9)	8.8
	VIX Index	18.06	(1.0)	(5.1)	(7.4)	(29.4)	(10.0)	49.3	47.8	(29.0)
Europe Equity	Euro Stoxx 50	3,069	(7.9)	(0.3)	(0.2)	1.0	(4.4)	(11.9)	(15.2)	2.3
	DAX	10,919	(12.6)	(0.1)	(0.0)	1.7	(5.8)	(14.5)	(17.8)	3.4
	CAC	4,794	(16.4)	(0.3)	(0.2)	0.8	(6.3)	(12.0)	(12.7)	1.3
	FTSE 100	6,835	(27.8)	(0.4)	(1.6)	2.0	(2.7)	(11.0)	(11.2)	1.6
APAC Equity	HSI	26,756	(146.5)	(0.5)	0.3	3.6	5.1	(4.8)	(16.7)	3.5
	HSCEI	10,512	(43.4)	(0.4)	0.5	2.8	3.7	(0.6)	(19.7)	3.8
	HSI VIX	19.30	0.1	0.5	(5.6)	(16.2)	(20.5)	1.8	19.8	(22.9)
	CSI 300	3,111	(17.2)	(0.6)	0.5	(0.5)	2.2	(9.3)	(27.2)	3.3
	SH Composite	2,560	(10.8)	(0.4)	0.2	(0.7)	2.9	(8.2)	(26.3)	2.6
	SZ Composite	1,309	(12.4)	(0.9)	(0.3)	(0.3)	6.3	(17.6)	(32.0)	3.3
	Nikkei 225	20,402	(40.5)	(0.2)	(0.1)	(2.6)	(9.2)	(9.8)	(13.4)	2.8
KOSPI	2,107	1.0	0.1	2.1	2.7	(1.4)	(7.5)	(15.8)	3.8	
Commodities (USD)	Brent (Future)	61.18	(0.1)	(0.2)	(0.8)	9.4	(22.3)	(15.5)	(11.2)	14.4
	WTI (Future)	52.07	(0.2)	(0.5)	(1.0)	13.6	(23.5)	(23.6)	(17.9)	15.7
	Gold	1,292	(1.6)	(0.1)	0.4	3.4	5.4	5.2	(2.7)	0.7
	Copper (Future)	5,992	22.0	0.4	1.0	(2.1)	(3.7)	(2.6)	(14.8)	0.5
	Baltic Dry Index	1,055.00	(41.0)	(3.7)	(11.3)	(24.4)	(32.6)	(37.5)	(7.4)	(17.0)
FX	Dollar Index	96.07	0.0	0.0	0.6	(1.1)	0.2	1.0	6.2	(0.1)
	EUR	1.14	(0.0)	(0.0)	(1.0)	0.3	(0.5)	(2.1)	(6.9)	(0.6)
	JPY	109.26	0.2	0.2	0.8	2.9	2.6	3.2	1.6	0.3
	CNY	6.78	0.0	(0.3)	0.2	1.8	2.2	(1.0)	(5.0)	1.5
	CNH	6.78	0.0	0.2	(0.3)	1.7	2.3	(0.5)	(5.3)	1.3
CDS	ChinaGov CDS	60.01	(0.2)	(0.4)	(4.5)	(6.4)	(8.8)	(6.4)	25.5	(10.2)
	CDX Emerging Market	96.23	0.2	0.2	0.3	0.6	0.8	(0.5)	(3.3)	1.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.40	(0.0)	(0.4)	2.4	2.4	2.3	2.0	1.4	2.4
	2-Year Treasury Yield	2.56	0.0	0.9	2.5	2.6	2.9	2.6	2.0	2.5
	5-Year Treasury Yield	2.57	0.0	1.3	2.5	2.6	3.0	2.8	2.4	2.5
	10-Year Treasury Yield	2.75	0.0	1.0	2.7	2.8	3.2	2.9	2.6	2.7
	2-10 Spread	18.46	0.8	4.4	15.6	10.7	28.4	29.8	57.8	19.2
China rates	O/N China Repo Rate	2.15	(0.2)	(6.9)	1.7	2.5	2.4	2.3	2.8	1.0
	1-Week China Repo Rate	2.65	0.3	12.8	1.8	2.7	2.6	2.3	2.9	3.5
	O/N SHIBOR	2.26	(0.0)	(2.0)	1.7	2.7	2.4	2.3	2.8	2.6
	1-Week SHIBOR	2.61	(0.0)	(1.1)	2.6	2.7	2.6	2.7	2.9	2.9

Source: Bloomberg

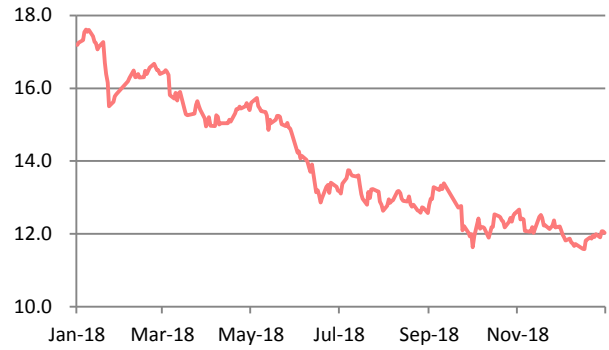
VI. Key Indicators

Hang Seng Index PE Ratio



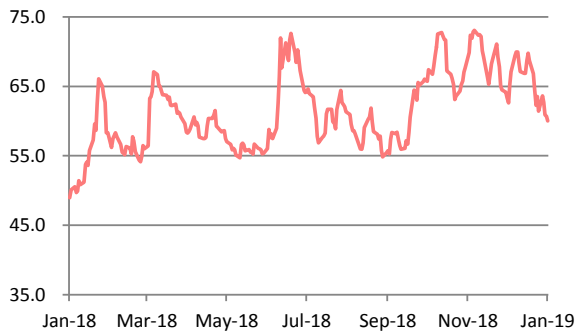
Source: Bloomberg

Shanghai Composite Index PE Ratio



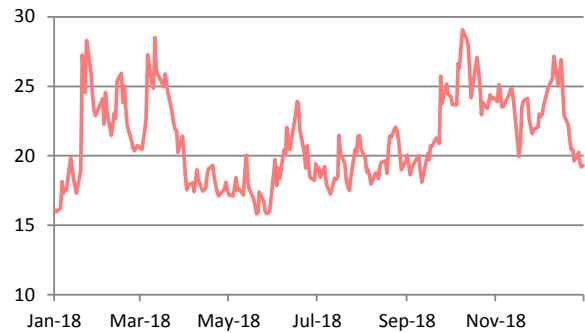
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China 5Y CDS Index_USD



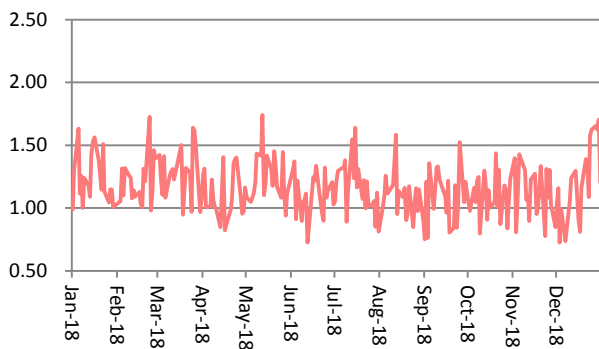
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495