

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Conf. Board Consumer Confidence	Jan	124.6	128.1
Eurozone: Current Account Balance	Nov	N/A	-204m
U.K.: Net Consumer Credit	Dec	0.8b	0.9b
Germany: Import Price Index MoM	Dec	-0.8%	-1.0%

Source: Bloomberg

## II. Macro News

- **China Slowed for an Eighth Month in January, Early Data Show.** China's economy slowed for an eighth straight month in January, as weaker global demand and decelerating factory inflation combined to undercut growth. That's the signal from a Bloomberg Economics gauge aggregating the earliest-available indicators on business conditions and market sentiment. [Bloomberg]
- **China consumer trend index grows in Q4.** An index measuring China's consumer confidence increased steadily in the fourth quarter of 2018 as the economy continued to see stable growth, a research report showed. The country's consumer trend index stood at 113 points in the fourth quarter, up one point from the previous quarter, according to the report by global measurement and data analytics company Nielsen. [China Daily]
- **China's Industrial Profits Continued to Shrink in December.** The profits of Chinese industrial companies fell for the second straight month as both factory inflation and economic growth slowed. Manufacturing companies' profits declined 1.9 percent last month from a year earlier, the National Bureau of Statistics said in a statement. [Bloomberg]

## III. Industry News

- **Charles Li: SH, SZ-HK Stock Connects with Wider Coverage, Enabling Deeper Foreign Partaking.** HKEX CEO Charles Li, during an interview with CCTV, said Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will have wider coverage in future which enables higher degree of foreign funds participation in A shares. [AASocks]
- **Thailand Plans New Trading Platform for Digital Assets.** Thailand's stock exchange plans to start trading digital assets, including companies' shares, to help private firms access funding alternatives and to expand investment options for domestic investors. [Bloomberg]
- **Singapore Exchange to Tighten Audit Rules, Business Times Says.** The Singapore Exchange will propose requiring a second auditor under exceptional circumstances, the Business Times reports, citing Tan Boon Gin, chief executive officer of the exchange's regulatory arm. [Bloomberg]

## IV. Corporate News<sup>5</sup>

- **US lifts sanctions on HK-listed aluminum producer Rusal.** The Treasury Department announced it was lifting sanctions on three companies including HK-listed Rusal, connected to Russian oligarch Oleg Deripaska. The move comes despite an effort in Congress to block the action with many lawmakers concerned that the Trump administration is not being tough enough on Russian President Vladimir Putin and his allies. [The Standard]
- **Maoyan Is Said Poised to Raise \$250 Million in Hong Kong IPO.** Maoyan Entertainment, China's top online movie ticketing platform, is poised to price its \$250 million Hong Kong initial public offering at the bottom end of a marketed range, people with knowledge of the matter said. [Bloomberg]

- **Flat Glass Group Plans to Raise 300m Yuan in Shanghai IPO.** Flat Glass Group sets IPO price at 2 yuan per share in initial public offerings in Shanghai, according to a statement to Shanghai Stock Exchange. Proceeds will be used for glass project. [Bloomberg]
- **GD Power Development Plans to Sell Power Assets in Ningxia.** The company plans to sell its solar power unit in Ningxia and a 60% stake in a power generator, according to a statement sent to Shanghai Stock Exchange. It will seek buyer with public posting on China Beijing Equity Exchange. [Bloomberg]
- **Malaysia to Terminate \$20B China-Backed Rail Project.** Malaysia will terminate a \$20bn rail project with contractor China Communications Construction Co., Economic Affairs Minister Mohamed Azmin Ali said. The Cabinet decided the East Coast Rail Link project was "beyond the government's financial capability," he told reporters. [Bloomberg]
- **Sinopec Net Misses; Trading Loss Less Than Feared.** China Petroleum & Chemical Corp., better known as Sinopec, revealed its Unipet trading unit took a 4.65b yuan operating loss in 2018. The refining giant also said net income for the year rose 22% to 62.4 billion yuan, below expectations. [Bloomberg]
- **Billionaire Cheng Family Eyes Europe Energy Push in Varo Pursuit.** Hong Kong's billionaire Cheng family, which controls a real estate and jewelry empire, is exploring a bid for European fuel supplier Varo Energy BV, people with knowledge of the matter said. [Bloomberg]
- **Deutsche Bank Said to Get Qatari Commitment for More Funds.** Deutsche Bank AG has secured a commitment for additional investment from Qatar as the troubled German lender seeks to bolster its finances, according to people with knowledge of the matter. [Bloomberg]
- **Despite declining auto market, FAW-VW remains confident.** Despite the bleak outlook for China's vehicle market, FAW-Volkswagen Automotive Co expects its sales momentum to continue in 2019, as the Sino-German joint venture is ready to launch 28 models this year, the largest product plan in its history. [China Daily]
- **Evergrande expands NEV sector share with purchase of battery maker.** Chinese property giant Evergrande Group's subsidiary Evergrande Health Industry Group paid 1.06bn yuan (\$157.12mn) for a 58.07% stake in Shanghai Cenat New Energy Co, a Sino-Japanese joint venture to produce lithium-ion rechargeable batteries and a supplier for SAIC Motor Corp, Dongfeng Motor and Changan Automobile. [China Daily]
- **Hyundai to cut jobs in China due to overcapacity.** Hyundai Motor Co will cut around 1,500 jobs at its Chinese joint venture in Beijing, following the South Korean carmaker's sales slump in the world's largest vehicle market. In the first quarter of this year, Beijing Hyundai expects to declare that 1,500 positions at its Beijing plants are redundant; those holding the positions will be laid off or moved to facilities elsewhere, according to Reuters. [China Daily]
- **Didi, BAIC set up new energy JV.** Chinese one-stop transportation platform Didi Chuxing has teamed up with new energy car maker BAIC to form a joint venture in its latest efforts to seek alliance with auto players, the company announced Monday. [China Daily]
- **Yixin, CRCC Sign Finance Lease Agreement.** Yixin announced that its subsidiary Shanghai Yixin, as the Lessee, and CRCC, as the Lessor, have entered into a finance lease agreement. The Lessee agreed to sell the Leased Assets to the Lessor at a total consideration of RMB200mn and the Lessor agreed to lease back the Leased Assets to the Lessee during the Lease Period. [AASocks]
- **HMV Digit China Mulls Consolidating 40 Shrs Into 1, Changing Board Lot Size to 10K Shrs.** HVM Digital China announced a proposed capital reorganisation, whereby forty issued existing shares of a par value of \$0.01 each in the issued share capital will be consolidated into one consolidated share of a par value of \$0.40 each in the issued share capital. [AASocks]
- **Huaneng Power Chairman Resigns.** Huaneng Power announced that Cao Peixi (the Chairman) has resigned from his position as the Chairman and executive Director of the Company. At the same time, he will also cease to act as the Chairman of the Strategy Committee of the board of directors of the Company. [AASocks]

## V. Overnight Market Recap

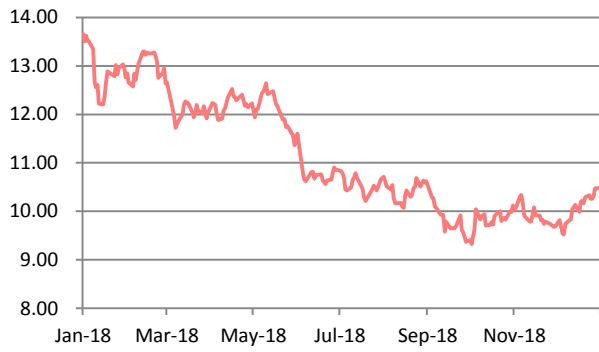
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,644	(20.9)	(0.8)	(1.0)	6.4	0.1	(6.2)	(7.3)	5.5
	Dow Jones	24,528	(209.0)	(0.8)	(0.7)	6.4	0.3	(3.6)	(7.2)	5.1
	Nasdaq Composite	7,086	(79.2)	(1.1)	(1.0)	7.6	0.5	(8.4)	(5.1)	6.8
	Russell 2000	1,474	(9.3)	(0.6)	(0.6)	10.1	(0.3)	(11.4)	(7.8)	9.3
	VIX Index	18.87	1.5	8.3	6.0	(33.4)	(23.6)	44.8	36.3	(25.8)
Europe Equity	Euro Stoxx 50	3,137	(26.0)	(0.8)	0.4	5.0	(0.6)	(11.1)	(13.9)	4.5
	DAX	11,210	(71.5)	(0.6)	0.7	6.2	(1.1)	(12.8)	(15.9)	6.2
	CAC	4,889	(37.2)	(0.8)	0.4	4.5	(2.0)	(11.3)	(11.5)	3.3
	FTSE 100	6,747	(62.1)	(0.9)	(3.2)	0.2	(4.0)	(12.4)	(12.1)	0.3
APAC Equity	HSI	27,577	7.8	0.0	1.4	8.1	11.1	(4.3)	(16.3)	6.7
	HSCEI	10,883	8.8	0.1	1.6	8.9	8.7	(1.5)	(20.3)	7.5
	HSI VIX	18.59	0.8	4.6	(2.8)	(31.6)	(34.4)	7.8	(6.3)	(25.7)
	CSI 300	3,184	(0.7)	(0.0)	(0.1)	5.8	3.5	(9.6)	(26.0)	5.8
	SH Composite	2,597	(4.7)	(0.2)	(0.5)	4.1	2.2	(9.6)	(26.3)	4.1
	SZ Composite	1,315	(5.0)	(0.4)	(1.1)	3.7	4.0	(17.8)	(31.5)	3.7
	Nikkei 225	20,649	(124.6)	(0.6)	(0.3)	2.1	(3.4)	(10.0)	(13.5)	2.1
Commodities (USD)	KOSPI	2,177	(0.4)	(0.0)	2.5	6.1	8.5	(5.6)	(16.6)	6.1
	Brent (Future)	59.93	(1.7)	(2.8)	(4.5)	14.8	(22.5)	(19.4)	(13.7)	11.4
	WTI (Future)	51.99	(1.7)	(3.2)	(3.4)	14.6	(22.5)	(24.4)	(20.7)	14.4
	Gold	1,303	(1.9)	(0.1)	1.8	1.7	6.1	6.8	(2.7)	1.7
	Copper (Future)	6,002	(54.0)	(0.9)	0.4	0.1	(2.6)	(4.7)	(15.3)	0.6
FX	Baltic Dry Index	905.00	(34.0)	(3.6)	(17.1)	(28.8)	(40.5)	(46.0)	(25.5)	(28.8)
	Dollar Index	95.75	(0.0)	(0.1)	(0.6)	(0.7)	(0.9)	1.1	7.2	(0.4)
	EUR	1.14	0.0	0.2	0.6	(0.4)	0.5	(2.4)	(7.7)	(0.4)
	JPY	109.35	(0.2)	(0.2)	(0.3)	0.4	2.9	1.7	(0.2)	0.4
	CNY	6.75	(0.0)	0.0	0.8	2.0	3.2	1.0	(6.0)	2.0
CDS	CNH	6.76	0.0	0.0	(0.7)	1.7	3.2	1.0	(6.2)	1.7
	ChinaGov CDS	59.38	0.2	0.4	0.2	(11.5)	(18.4)	3.0	15.9	(11.2)
	CDX Emerging Market	96.51	(0.1)	(0.1)	0.0	1.4	1.4	(0.6)	(2.8)	1.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.38	0.0	0.3	2.4	2.4	2.3	2.0	1.4	2.4
	2-Year Treasury Yield	2.59	(0.0)	(0.6)	2.6	2.5	2.9	2.7	2.1	2.5
	5-Year Treasury Yield	2.58	(0.0)	(0.7)	2.6	2.6	3.0	2.8	2.5	2.5
	10-Year Treasury Yield	2.74	(0.0)	(0.5)	2.7	2.7	3.1	3.0	2.7	2.7
	2-10 Spread	15.22	0.2	1.5	15.0	19.8	26.8	28.6	57.3	19.2
China rates	O/N China Repo Rate	2.10	0.1	5.0	2.2	2.0	1.6	2.0	2.3	1.0
	1-Week China Repo Rate	2.80	0.5	19.1	2.5	2.2	2.6	2.6	3.0	3.5
	O/N SHIBOR	2.19	(0.2)	(7.1)	2.2	2.6	1.6	2.1	2.6	2.6
	1-Week SHIBOR	2.66	0.0	1.3	2.6	2.9	2.6	2.6	2.8	2.9

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



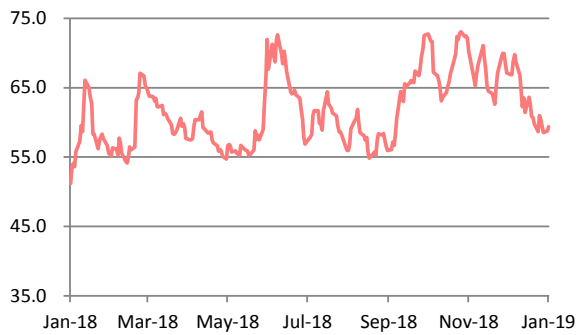
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



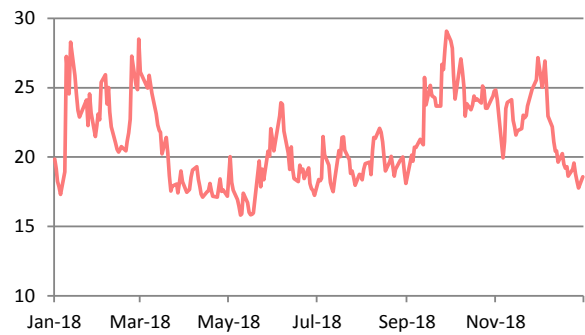
Source: Bloomberg

**China 5Y CDS Index\_USD**



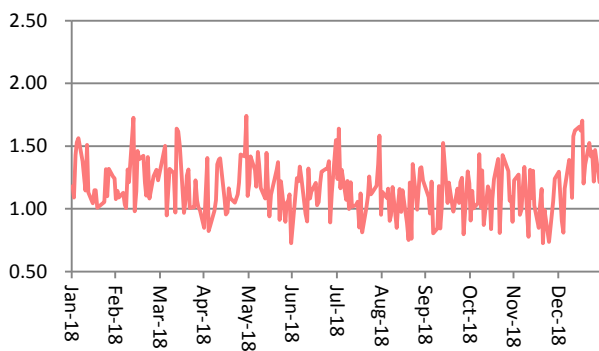
Source: Bloomberg

**Hang Seng Index VIX**



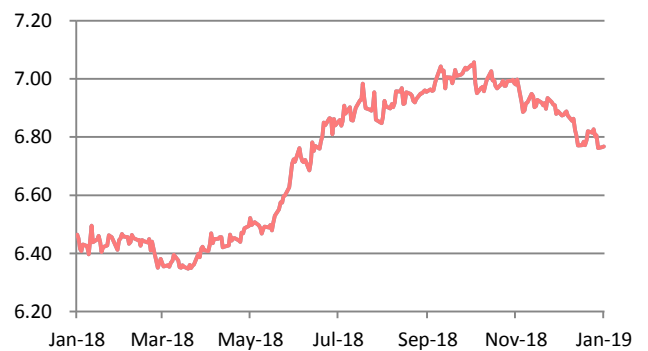
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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