



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Advanced Goods Trade Balance	Nov	-\$76.1b	-\$77.2b
Eurozone: Consumer Spending MoM	Dec	-0.3%	-0.3%
U.K.: Gfk Consumer Confidence	Jan	-15	-14
Germany: CPI EU Harmonized MoM	Jan P	-0.9%	0.3%

Source: Bloomberg

II. Macro News

- **China to Further Push For Stable Consumption Growth.** China will promote vehicles sales by offering more subsidies for electric cars, and providing tax incentives on used-car sales, according to a statement jointly released by NDRC and nine other government bodies. [Bloomberg]
- **Pulling Out the Stops on Fiscal Support This Year.** China is ramping up fiscal support to buttress the economy, going by reports by Bloomberg News. An incremental increase in the budget deficit target to 2.8% of GDP this year, combined with a sharp boost to a quota for special bond issuance used to finance infrastructure projects could add up to 4.9tn yuan in net spending and investment. That's about 5% of GDP, up from 4.1% in 2018 and 3.9% in 2017. [Bloomberg]
- **China to Offer More U.S Farm Product Buys in U.S. Talks.** Chinese delegation led by Vice Premier Liu. He plans to offer a big increase in purchases of U.S. farm products and energy as well as modest reforms in industrial policies, Wall Street Journal reports, citing people in China closely following the talks. [Bloomberg]

III. Industry News

- **China says it will fast-track 5G commercial licences amid push back on Huawei's overseas expansion.** China has pledged to fast-track the issuance of 5G commercial licences as part of an effort to boost domestic use of the next-generation mobile technology amid a US-led push back on the overseas ambitions of telecommunications equipment giant Huawei Technologies. [China Daily]
- **CBIRC Encourages Insurers to Add Stake, Bonds in Quality Listed Co.** China Banking and Insurance Regulatory Commission encouraged insurance firms to increase equities and bonds in quality listed cos with their long-term funds, in a bid to safeguard sturdy development of listed cos and capital market, Financial News quoted from CBIRC news spokesperson Xiao Yuanqi. [AASocks]
- **PBOC Is Said to Plan Offshore Yuan Bill Sale in Feb.** The PBOC is planning its second batch of offshore yuan central bank bill sale in Hong Kong in Feb, according to people familiar with this matter. In its first such central bill issuance in Hong Kong last Nov, PBOC sold 10b yuan of three-month bills at 3.79% and 10b yuan of one-year notes at 4.2%. [Bloomberg]

IV. Corporate News5

- **U.S. Authorities Unveil Sweeping Set of Charges Against China's Huawei.** In the cases unsealed Monday, federal prosecutors accused Huawei of violating U.S. sanctions on Iran and of stealing secrets from a U.S. business partner, portraying the company as a serial violator of U.S. laws and global business practices. [WSJ]
- **(Huawei charges) China pleads for fair treatment.** "China strongly urges the U.S side to stop its unreasonable crackdown on Chinese companies, including Huawei, and treat Chinese companies in an objective and fair manner," Chinese Foreign Ministry Spokesperson Geng Shuang said. [The Standard]

- **US Charges Sabrina Meng, Huawei; Asks Canada for Extradition.** The US Justice Department declared Huawei, two of its subsidiaries and Sabrina Meng Wanzhou, have been charged with multiple offences, including violation of US sanctions against Iran, stealing trade secrets of T-Mobile, bank and wire fraud, and so on. The Justice Department has requested Canada to hand over Sabrina Meng. [AASocks]
- **China Life Says Profit May Fall Up to 70% Amid Stock Market Rout.** China Life Insurance Co., the nation's largest life insurer by market share, said last year's profit may have fallen as much as 70 percent compared with 2017, as stock-market declines eroded investment returns. [Bloomberg]
- **Trump to Wade Into China Trade Talks as U.S. Targets Huawei.** The Trump administration will press China to prove it can keep promises in talks this week aimed at ending the trade war, Treasury Secretary Steven Mnuchin said, as the U.S. ratcheted up legal pressure on one of the biggest examples of Chinese technological might. [Bloomberg]
- **U.S. Ramps Up Huawei Fight With Iran, Trade-Secret Charges.** U.S. prosecutors filed criminal charges against Huawei Technologies Co., China's largest technology company, alleging it stole trade secrets from an American rival and committed bank fraud by violating sanctions against doing business with Iran. [Bloomberg]
- **U.S. Slaps De Facto Oil Ban on Venezuela in Boldest Move Yet.** The Trump administration dealt its toughest blow yet to the authoritarian Venezuelan leader Nicolas Maduro, issuing new sanctions on the nation's state-owned oil company PDVSA that effectively block his regime from exporting crude to the U.S. [Bloomberg]
- **CNOOC Expands LNG Trucking Cap at Tianjin Facility by 50%.** China National Offshore Oil has increased LNG trucking capacity to 12,000 tons/day from 8,000 tons at its Tianjin facility as of Jan 18, according to statement. Expansion started in Oct and has helped ease tight gas supply situation in northern regions of Beijing, Tianjin and Hebei. [Bloomberg]
- **SPIC Is Said to Be in Talks to Buy Stake in Qinghai Provincial.** China's State Power Investment Corp Ltd. is in talks with local-government backed Qinghai Provincial Investment Group to buy a controlling stake, according to people familiar with the matter. [Bloomberg]
- **ANA Splits \$5 Billion Order of 48 Planes Between Boeing, Airbus.** ANA Holdings Inc. split a \$5 billion order for 48 single-aisle planes between Airbus SE and Boeing Co. as Japan's biggest carrier expands its fleet amid rising competition in the Asia Pacific market. [Bloomberg]
- **Major Apple suppliers look to diversify.** Major Apple Inc suppliers Foxconn Technology Group and Pegatron Corp are reportedly accelerating efforts to build new production plants in Southeast Asia and India, as they look to diversify their supply chain away from the Chinese mainland and to save costs. [China Daily]
- **HBIS agrees to buy 70% of Tata's Southeast Asian steel projects.** Chinese steelmaker HBIS Group agreed to buy 70 percent of Indian conglomerate Tata Steel's projects in Southeast Asian countries on Monday, which is considered a "smart move" to invest in this regional market by experts. [China Daily]
- **I-Cable Comm: Accumulates Over \$2B Loss in Last 10 Yrs; Not Rule out Layoffs to Cut Cost.** I-Cable Communications issued a statement, disclosing the group has been accumulating loss of over \$2 billion in last ten years in wake of stiff operation condition of media, although the company has not emailed any results information to its staff. [AASocks]
- **Datang Power 2018 Power Generation/ On-grid Power Generation +5.3%/ +5.3%.** Datang Power announced that based on preliminary statistics, total power generation of the Company and its subsidiaries amounted to approximately 269.7 billion kWh for 2018, and total on-grid power generation amounted to approximately 254.6 billion kWh. [AASocks]
- **Tencent, HKSTP Strike Collaboration MOU.** Tencent concluded a collaboration MOU with Hong Kong Science and Technology Parks Corporation, pursuant to which, Tencent will power various fintech innovations of enterprises and training companies within the Park, leveraging its resources and expertise, such as online payment systems, e-wallets, data security, IoT, blockchain, AI and cloud computing. [AASocks]
- **CNOOC Announces New Discovery for North Sea Exploration.** CNOOC announced that a new discovery on the Glengorm prospect, located in offshore UK Central North Sea. The Glengorm discovery is located in License P2215 with a water depth of approximately 86 meters. [AASocks]

V. Overnight Market Recap

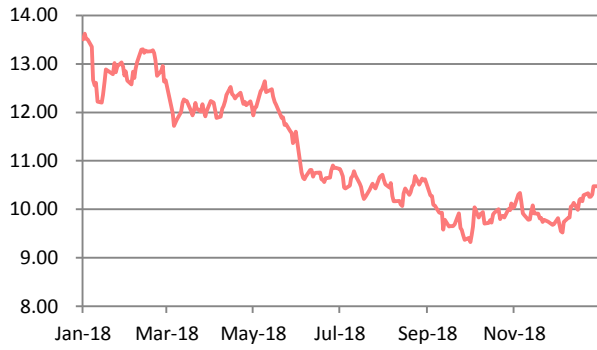
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,640	(3.9)	(0.1)	0.3	6.2	(1.6)	(5.8)	(6.5)	5.3
	Dow Jones	24,580	51.7	0.2	0.7	6.6	(1.2)	(2.9)	(5.7)	5.4
	Nasdaq Composite	7,028	(57.4)	(0.8)	0.1	6.7	(1.9)	(7.9)	(5.1)	5.9
	Russell 2000	1,471	(2.1)	(0.1)	1.0	10.0	(2.3)	(11.0)	(7.0)	9.1
	VIX Index	19.13	0.3	1.4	(8.0)	(32.5)	(18.1)	34.2	29.3	(24.7)
Europe Equity	Euro Stoxx 50	3,153	16.2	0.5	1.3	5.6	0.2	(10.2)	(12.6)	5.1
	DAX	11,219	8.5	0.1	1.2	6.2	(0.6)	(12.3)	(15.0)	6.2
	CAC	4,928	39.6	0.8	1.7	5.3	(1.0)	(10.3)	(10.0)	4.2
	FTSE 100	6,834	86.8	1.3	(1.0)	1.5	(2.9)	(11.3)	(9.9)	1.6
APAC Equity	HSI	27,532	(45.3)	(0.2)	1.9	7.9	12.0	(4.2)	(15.6)	6.5
	HSCEI	10,867	(15.1)	(0.1)	2.2	8.8	8.7	(1.6)	(18.8)	7.3
	HSI VIX	18.50	(0.1)	(0.5)	(5.5)	(31.9)	(33.6)	0.6	(3.4)	(26.1)
	CSI 300	3,194	10.2	0.3	1.7	6.1	2.7	(9.1)	(25.0)	6.1
	SH Composite	2,594	(2.7)	(0.1)	0.5	4.0	1.0	(9.6)	(25.6)	4.0
	SZ Composite	1,300	(14.7)	(1.1)	(1.2)	2.6	1.9	(17.5)	(31.9)	2.6
	Nikkei 225	20,665	15.6	0.1	0.2	2.9	(4.0)	(8.6)	(11.6)	2.9
Commodities (USD)	KOSPI	2,183	6.1	0.3	3.1	7.0	8.4	(4.7)	(14.9)	7.0
	Brent (Future)	61.32	1.4	2.3	(0.3)	17.5	(19.2)	(18.2)	(11.2)	14.0
	WTI (Future)	53.31	1.3	2.5	1.4	17.6	(19.5)	(24.0)	(17.4)	17.4
	Gold	1,312	8.4	0.6	2.1	2.2	7.2	7.3	(2.1)	2.2
	Copper (Future)	6,050	48.0	0.8	1.9	0.9	(1.8)	(3.9)	(14.6)	1.4
FX	Baltic Dry Index	852.00	(53.0)	(5.9)	(17.8)	(33.0)	(43.7)	(50.0)	(28.5)	(33.0)
	Dollar Index	95.82	0.1	0.1	(0.5)	(0.6)	(1.3)	1.5	7.4	(0.4)
	EUR	1.14	0.0	0.0	0.6	(0.3)	0.8	(2.3)	(7.8)	(0.3)
	JPY	109.40	0.1	0.0	0.0	0.3	3.4	1.5	(0.6)	0.3
	CNY	6.73	(0.0)	0.2	1.1	2.1	3.4	1.2	(5.8)	2.1
CDS	CNH	6.75	(0.0)	(0.1)	(1.0)	1.9	3.4	1.3	(6.1)	1.9
	ChinaGov CDS	58.25	(0.2)	(0.3)	(4.0)	(12.9)	(19.9)	1.0	13.7	(12.9)
	CDX Emerging Market	96.47	(0.0)	(0.0)	0.2	1.3	1.4	(0.7)	(2.8)	1.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.41	0.0	1.1	2.4	2.4	2.3	2.0	1.4	2.4
	2-Year Treasury Yield	2.57	(0.0)	(0.7)	2.6	2.5	2.9	2.7	2.1	2.5
	5-Year Treasury Yield	2.55	(0.0)	(1.4)	2.6	2.5	3.0	2.9	2.5	2.5
	10-Year Treasury Yield	2.71	(0.0)	(1.2)	2.7	2.7	3.1	3.0	2.7	2.7
	2-10 Spread	13.52	(1.7)	(11.2)	15.4	19.2	27.3	32.5	59.2	19.2
China rates	O/N China Repo Rate	2.04	(0.0)	(1.0)	2.3	2.0	2.4	2.0	2.5	1.0
	1-Week China Repo Rate	2.30	0.3	15.0	2.5	2.2	2.7	2.5	3.1	3.5
	O/N SHIBOR	2.08	(0.1)	(5.3)	2.2	2.6	2.4	2.0	2.6	2.6
	1-Week SHIBOR	2.77	0.1	4.0	2.6	2.9	2.7	2.6	2.8	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



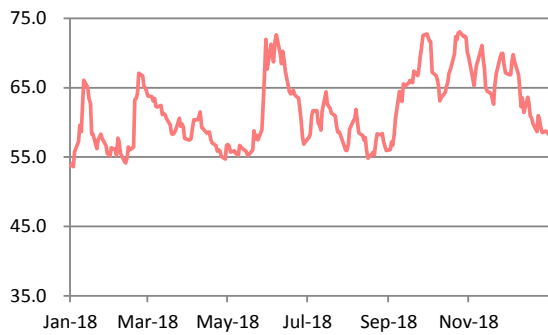
Source: Bloomberg

Shanghai Composite Index PE Ratio



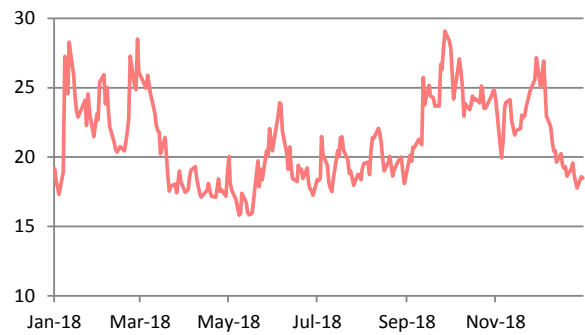
Source: Bloomberg

China 5Y CDS Index_USD



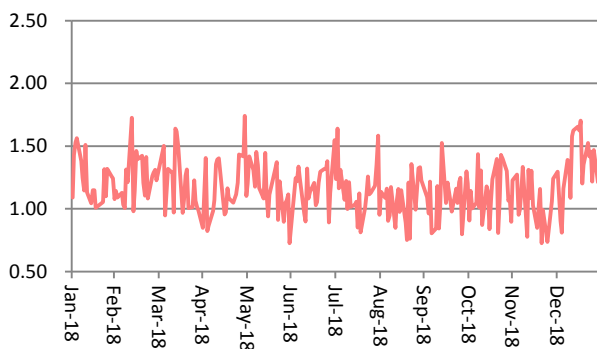
Source: Bloomberg

Hang Seng Index VIX



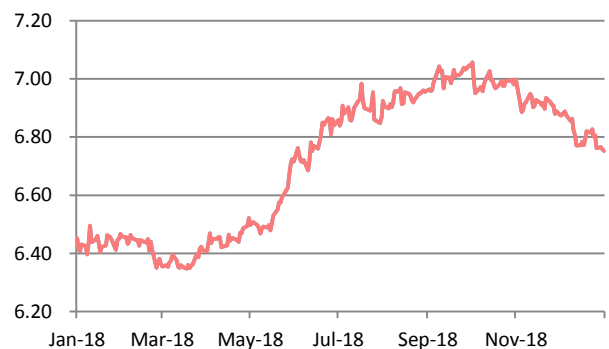
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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China Securities (International) Research

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

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