



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: PPI Final Demand MoM	Jan	0.1%	-0.2%
Eurozone: CPI EU Harmonized MoM	Jan	N/A	0.0%
U.K.: Rightmove House Prices MoM	Feb	N/A	0.4%
Japan: Capacity Utilization MoM	Dec	N/A	1.0%
China: CPI YoY	Jan	1.9%	1.9%

Source: Bloomberg

II. Macro News

- **President Xi Plans to Meet with US Trade Delegation Key Members on Fri.** Chinese President Xi plans to meet on Friday the key members of the U.S. delegation who are having trade talks in Beijing, including U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin, SCMP cited people with knowledge of the matter. [AASocks]
- **U.K. Inflation Seen Below 2% for First Time Since 2017.** Cheaper gasoline and energy brought cheer to British households last month as consumer prices rose at their slowest annual pace in two years, data Wednesday are forecast to show. Inflation probably eased to 1.9%, below Bank of England's 2% target for first time since Jan 2017. [Bloomberg]
- **Italy seeking cooperation with China.** Italy wants to jointly explore third-party markets with China to benefit many nations through greater development of Belt and Road cooperation, according to a senior Italian official in charge of international trade and foreign investment. [China Daily]

III. Industry News

- **More India Rate Cuts Could Be in Store as Core Inflation Eases.** India's headline and core inflation rates are set to converge in the coming months as the economy slows, increasing the chance of more interest rate cuts. The core measure has remained sticky at c.6% and is a key reason economists cautioned against more rate cuts after last week's surprise easing. [Bloomberg]
- **US End-18 Household Debt Rises to Record High US\$13.54T.** New York Fed announced in its quarterly report on household debt and credit that as of December 2018, the US household debt extended the uptrend to the fifth year to a hit record high of US\$13.54tn. [AASocks]
- **Poland Says EU Debate on Chinese Technology Focuses on Security.** EU nations including Poland are discussing implications of Chinese involvement in various industries, taking into account "security considerations" of decisions in sectors such as technology and telecoms, Polish Foreign Minister Jacek Czaputowicz says after talks with U.S. Secretary of State Michael Pompeo. [Bloomberg]

IV. Corporate News⁵

- **Hong Kong's Securities Regulator Joins the Crowd Fleeing Central.** HK's securities regulator is the latest high-profile name in finance to decide that rents in Central are too expensive to stomach. The Securities and Futures Commission will move in 2020 to One Island East in Quarry Bay, cutting rental costs in half, according to a SFC statement. [AASocks]
- **China Unicom Sees 5G Commercial End Trial in 3Q19.** China Unicom expects to kick off 5G commercial end trial in 3Q19, while the commercial use may officially come into full swing in 2020, subject to the licensing progress of Chinese watchdog, Securities Daily cited the internal staff as saying. [AASocks]

- **CStone Pharmaceuticals-B (02616.HK) to Start IPO Thur (14 Feb); Entry Fee \$6,464.5.** CStone Pharmaceuticals-B (02616.HK) will start IPO from 14 February through Tuesday 19 February. It plans to place 186mn shares, and the offer prices range \$11.1-12.8. Entry fee will be \$6,464.49 **with a board lot size of 500 shares.** [AAStocks]
- **Sa Sa Int'l HK, Macau Retail Sales Down 4.8% YoY in CNY.** Sa Sa Int'l announced that retail sales in Hong Kong and Macau during the CNY Period (5-11 Feb) decreased by 4.8% yearly; while same store sales receded by 7.9% annually. In Hong Kong market, retail sales decreased by 5% YoY. [AAStocks]
- **China Gas Hold Confident of Meeting 25% Annual Gas Sales Target.** China Gas Holding delivered 20% growth in January gas sales volume, despite earlier arrival of the Lunar New Year this year, said Managing Vice-president Weiwei Zhu. For February, the volume growth may accelerate to 25-30%. Therefore, Zhu was confident that the company will meet its gas sales volume target for the year ended 31 March 2019 (i.e. over 25%). [AAStocks]
- **Huawei publishes Q&A on website to make its case as stakes rise in global battle for 5G supremacy.** As European telecommunications network operators continue to review their plans to use equipment from Huawei Technologies amid concerns that governments could ban the vendor, the Chinese telecoms giant has published a detailed Q&A on its website entitled "Huawei Facts". [SCMP]
- **OPEC Jan Output Falls Nearly 800K BPD, Axes FY19 Demand Forecast.** OPEC announced in monthly report that the output in January was approximately 30.80mn barrels per day, down 797,000 bpd monthly. The organization expects the global appetite for oil this year to grow by 1.24mn bpd yearly, 50,000 bpd lower than last month's estimate. [AAStocks]
- **Alibaba Says China's Slowdown Isn't Hurting It All That Much.** Alibaba Group Holding Ltd. Vice Chairman Joseph Tsai said the e-commerce giant has experienced limited impact from China's broader economic slowdown as more and more business moves to the internet. [Bloomberg]
- **BHP Boosts Oil Spending by \$1 Billion in Push Beyond Iron Ore.** BHP Group authorized almost \$1 billion of new oil project investments, including in a joint venture led by BP Plc, as part of efforts to boost output and reduce reliance on earnings from iron ore. [Bloomberg]
- **OPEC Chief Urges Producers to Meet Pledges to Cut Oil Output.** OPEC's top official urged countries in the group and its allies to follow through on their pledges to cut oil production and keep global markets balanced. While the Organization of Petroleum Exporting Countries collectively made a strong start last month to a new round of output cuts, much of this was due to extra effort by the biggest member, Saudi Arabia. [Bloomberg]
- **Tesla Rushes Model 3s to China Before Trade-War Truce Expires.** Tesla Inc. is loading as many Model 3 sedans as it can onto vessels destined for the People's Republic ahead of March 1, when a trade-war truce between presidents Donald Trump and Xi Jinping is scheduled to expire. [Bloomberg]
- **Greenland Is Said to Buy China Minsheng's Prime Shanghai Land.** Greenland Holdings Group is planning to acquire China Minsheng Investment Group Corp.'s interest in a prime land plot in Shanghai, according to people familiar with the matter. [Bloomberg]
- **Foxconn shifts focus to research.** Foxconn Technology Group raised alarm in Wisconsin, the U.S., after announcing it will change the focus of its \$10bn display-making factory there from manufacturing to research. The company would not be building LCD panel screens at the factory and, instead, would devote the building to producing high-tech applications and solutions for security, smart cities, education, medical and healthcare, entertainment and sports. [China Daily]
- **Suning buys 37 Wanda dept stores.** Suning.com, the retail unit of Suning Holdings Group Ltd, announced it will acquire 37 department stores from Wanda Department Store Co Ltd. A company statement said the move aims to attract more steady and high-end in-store shopping volume and to strengthen its leading position as a retailer in China. [China Daily]
- **Huawei in major league of chip buyers.** Huawei Technologies Co Ltd became the world's third-largest buyer of semiconductors last year, with its expenditure on purchasing chips witnessing the largest growth among the top five companies, according to a recent report by US-based research firm Gartner Inc. [China Daily]

V. Overnight Market Recap

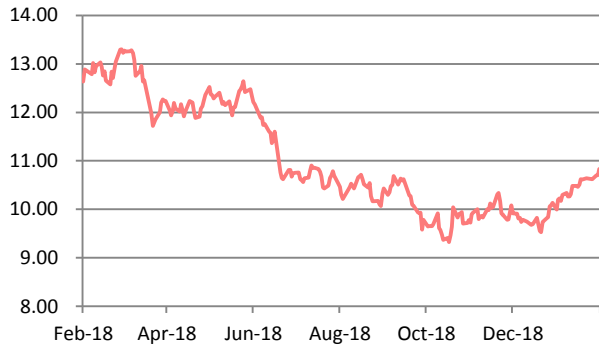
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,753	8.3	0.3	0.8	6.6	1.9	(3.1)	2.0	9.8
	Dow Jones	25,543	117.5	0.5	0.6	6.8	1.8	1.0	2.6	9.5
	Nasdaq Composite	7,420	5.8	0.1	0.6	7.4	4.0	(5.7)	3.9	11.8
	Russell 2000	1,543	4.7	0.3	1.6	7.7	2.7	(8.8)	1.4	14.4
	VIX Index	15.65	0.2	1.4	1.8	(17.9)	(26.4)	17.6	(18.7)	(38.4)
Europe Equity	Euro Stoxx 50	3,202	11.6	0.4	(0.3)	4.8	(0.1)	(6.1)	(5.0)	6.7
	DAX	11,167	41.1	0.4	(1.4)	2.9	(2.1)	(9.6)	(9.5)	5.8
	CAC	5,074	17.9	0.4	(0.1)	6.5	0.1	(6.1)	(1.8)	7.3
	FTSE 100	7,191	57.7	0.8	0.2	4.9	2.2	(5.5)	(0.3)	6.9
APAC Equity	HSI	28,498	326.3	1.2	2.0	8.4	11.1	2.7	(6.6)	10.3
	HSCEI	11,199	154.5	1.4	1.2	8.8	7.6	4.2	(8.7)	10.6
	HSI VIX	17.10	(0.0)	(0.1)	(6.3)	(15.6)	(29.9)	(14.7)	(26.8)	(31.7)
	CSI 300	3,397	66.7	2.0	7.2	10.7	6.0	0.7	(14.4)	12.8
	SH Composite	2,721	49.2	1.8	5.6	7.3	3.4	(2.2)	(14.9)	9.1
	SZ Composite	1,390	25.5	1.9	8.3	6.6	0.8	(8.2)	(20.1)	9.6
	Nikkei 225	21,144	280.3	1.3	1.4	3.9	(3.2)	(5.4)	(0.0)	5.7
Commodities (USD)	KOSPI	2,201	11.0	0.5	(0.1)	6.2	6.0	(2.9)	(9.5)	7.4
	Brent (Future)	63.61	1.2	1.9	1.5	5.2	(2.8)	(12.4)	1.4	18.2
	WTI (Future)	53.90	0.8	1.5	(0.2)	7.0	(3.9)	(19.4)	(10.8)	19.0
	Gold	1,306	(4.5)	(0.3)	(0.0)	1.3	8.0	9.6	(3.1)	2.0
	Copper (Future)	6,125	19.0	0.3	(2.5)	3.1	0.9	(0.5)	(12.3)	2.7
FX	Baltic Dry Index	598.00	3.0	0.5	(4.9)	(47.9)	(40.7)	(65.3)	(45.4)	(53.0)
	Dollar Index	97.13	0.4	0.4	0.8	1.6	0.4	0.4	9.0	1.0
	EUR	1.13	(0.0)	(0.6)	(0.9)	(1.8)	(0.4)	(0.7)	(9.5)	(1.8)
	JPY	111.01	0.5	0.5	1.0	(2.5)	2.4	0.2	(3.6)	(1.1)
	CNY	6.76	(0.0)	0.2	(0.3)	0.1	2.9	1.9	(6.2)	1.7
CDS	CNH	6.78	0.0	0.1	0.1	(0.3)	2.4	1.7	(6.9)	1.3
	ChinaGov CDS	53.56	(1.7)	(3.2)	(1.2)	(15.8)	(17.8)	(16.9)	(15.7)	(19.9)
	CDX Emerging Market	96.63	(0.1)	(0.1)	(0.3)	0.8	1.1	1.9	(1.9)	1.5

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.43	0.0	0.1	2.4	2.4	2.4	2.0	1.6	2.4
	2-Year Treasury Yield	2.53	0.0	1.0	2.5	2.5	2.9	2.6	2.2	2.5
	5-Year Treasury Yield	2.52	0.0	1.1	2.5	2.5	2.9	2.7	2.6	2.5
	10-Year Treasury Yield	2.70	0.0	0.5	2.7	2.7	3.1	2.9	2.9	2.7
	2-10 Spread	16.75	(1.2)	(6.8)	17.4	17.2	25.2	24.5	73.4	19.2
China rates	O/N China Repo Rate	1.70	(0.3)	(15.0)	2.0	2.5	2.3	2.5	2.4	1.0
	1-Week China Repo Rate	2.00	-	-	2.3	2.5	2.6	2.6	2.4	3.5
	O/N SHIBOR	1.72	(0.3)	(14.6)	2.1	2.2	2.3	2.5	2.7	2.6
	1-Week SHIBOR	2.36	(0.2)	(6.0)	2.3	2.7	2.6	2.6	2.9	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



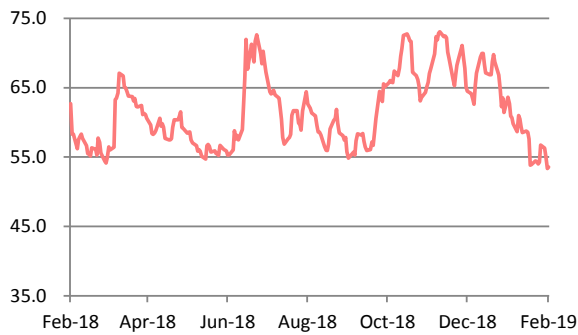
Source: Bloomberg

Shanghai Composite Index PE Ratio



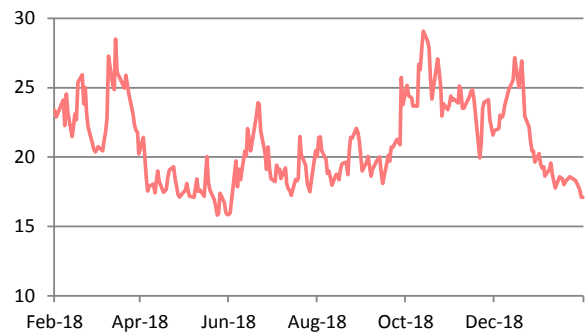
Source: Bloomberg

China 5Y CDS Index_USD



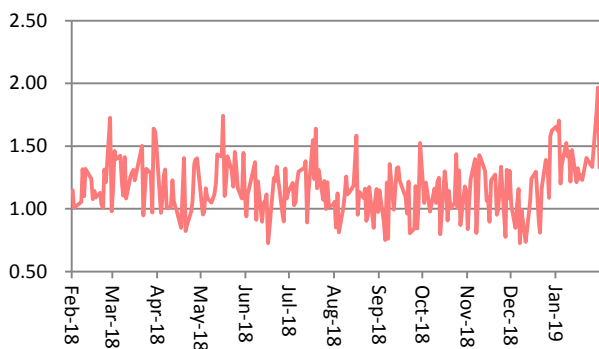
Source: Bloomberg

Hang Seng Index VIX



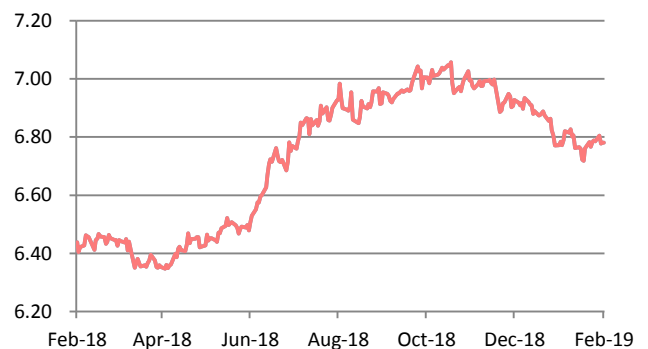
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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