

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: NAHB Housing Index	Feb	59	58
Eurozone: Construction Output MoM	Dec	N/A	- 0.1%
U.K.: Employment Change 3M/3M	Dec	152k	141k
Germany: CPI EU Harmonized YoY	Jan F	1.7%	1.7%
China: New House Prices MoM	Jan	N/A	0.77%

Source: Bloomberg

## II. Macro News

- **Thailand's Economic Growth Accelerates in 4Q.** Thailand's economy grew at a faster pace in the 4Q than the previous three months, as local demand helped to offset a slide in exports. GDP rose 3.7% from a year ago, up from a previously reported 3.3% in the 3Q, the National Economic and Social Development Council said on Monday. [Bloomberg]
- **Romanian Economic Slowdown Exceeds Estimates as Stimulus Fades.** Romania's economic growth slowed more than estimated as the euro area falloff and a controversial new bank tax hit markets and investment. Romania's economy grew 4.1 percent in the fourth quarter of last year. That's less than the 4.4 percent median estimate in a Bloomberg survey. [Bloomberg]
- **German Economy Stagnated at End 2018, Barely Dodging Recession.** Germany's economy ground to a standstill at the end of 2018, just barely avoiding a recession, and prospects are waning that Europe will see a boost from its powerhouse anytime soon. The fourth-quarter stagnation means the country trailed most of its peers in the euro area, where average growth was just 0.2 percent. [Bloomberg]

## III. Industry News

- **MIIT Unveils 1st Batch of 106 Subsidized NEV Models.** Ministry of Industry and Information Technology announced the first batch of new energy vehicles which will be subsidized this year, involving 106 models of 49 automakers. Among which, 98 models are pure electric products. [AASocks]
- **China sold 2M cars in Jan.** China sold 2.02mn passenger vehicles in January, down 17.71% YoY, according to the China Association of Automobile Manufacturers on Monday. Total automobile sales during the same period amounted to 2.37mn units, a drop of 15.8% compared with the same period last year, CAAM added. [China Daily]
- **Indonesia Says It Plans Rule Changes to Spur Telecom Mergers.** Indonesia's communications minister said he plans to modify local airwave rules to promote consolidation in the country's mobile-phone industry, prompting shares of some local carriers to surge in Jakarta trading. [Bloomberg]

## IV. Corporate News

- **Huawei to deploy 5G at Shanghai station.** Huawei Technologies said it would deploy an ultra-fast 5G wireless network at Shanghai's Hongqiao railway station by the end of the year, making the station the first in the world where passengers can experience data speed up to 100 times faster than currently available. [SCMP]
- **Tencent Reportedly In Talks to Tip 'Apex Legends' into China's Mkt.** Tencent is in talks with Electronic Arts for the introduction of its new game Apex Legends to China's market, South China Morning Post cited sources. Yet, both parties are yet to confirm any cooperation at this juncture, sources said. [AASocks]

- **Huawei Founder Says U.S. Can't Crush the Company, BBC Reports.** Huawei Technologies Co.'s founder Ren Zhengfei said "there's no way the U.S. can crush us," according to an interview he gave to BBC. "The world cannot leave us because we are more advanced. Even if they persuade more countries not to use us temporarily, we can always scale things down a bit," he said. [Bloomberg]
- **New Zealand Says China's Huawei Hasn't Been Ruled Out of 5G.** New Zealand's government is holding the door open for China's Huawei Technologies Co. to help develop the nation's 5G network, amid concerns the issue is fraying ties between the two nations. [Bloomberg]
- **TSMC Cuts Sales Outlook After Contamination Hits Chip Output.** Taiwan Semiconductor Manufacturing Co. slashed its first-quarter revenue guidance by as much as 5.4 percent as chemical contamination led it to scrap more production than previously expected. [Bloomberg]
- **HNA Is Said to Mull \$1 Billion Sale of Aircraft Maintenance Firm.** HNA Group Co. is exploring options for Swiss aircraft-maintenance firm SR Technics including a potential sale. The Chinese group is working with an adviser on the potential disposal, the people said. HNA's 80% stake in SR Technics could be valued at \$700 million to \$1 billion. [Bloomberg]
- **Citigroup Is Said in Talks With Owner of Its Canary Wharf Tower.** Citigroup Inc. is in talks with a Middle East-backed private-equity group to buy a tower it leases in London's Canary Wharf financial district. The U.S. bank is negotiating to buy the 25 Canada Square building from AGC Equity Partners Ltd. [Bloomberg]
- **China's Ping An Slashes ETF Costs in Echo of Vanguard's Approach.** Ping An Insurance (Group) Co. is trying the approach that Vanguard Group brought to the U.S., slashing costs for exchange-traded funds. Ping An Fund Management Co., the fund arm, is launching an ETF tracking ChiNext startup stocks with a management fee of 0.15%, a quarter of the average for peer products. [Bloomberg]
- **China Overseas Grand Oceans Expects 85% YoY Increase in 2018 Net.** The company cites increase in recognized revenue from sale of properties, according to statement to Hong Kong stock exchange. The company reported HK\$1.27b net income for year ended December 2017. [Bloomberg]
- **StanChart, BNP Among Banks Said to Be Added to Saudi Aramco Bond.** Standard Chartered Plc and BNP Paribas SA are among about a dozen banks likely to be added as co-managers for Saudi Aramco's landmark international bond sale. Mitsubishi UFJ Financial Group Inc., Mizuho Financial Group Inc., as well as Samba Financial Group and Gulf International Bank BSC are among those being appointed. [Bloomberg]
- **Ronshine China Says \$390.5M of 2021 Notes Tendered for Exchange.** The company expects to issue \$392.2m of new notes, incl. capitalized interest, following the exchange offer, according to statement to HK stock exchange. The company will deliver \$392.2m in principal amount of new exchange notes and \$1.08m in cash in full satisfaction of the exchange consideration to eligible holders whose old notes have been validly tendered and accepted for exchange. [Bloomberg]
- **R&F Properties: 2018 Consolidated Profit Down c.60% YoY.** R&F Properties issued a profit warning, where the Group is expected to record a decrease in its consolidated profit for the year ended 31 Dec 2018 of c.60% annually, mainly attributable to the Group recorded a substantial amount of exceptional bargain purchase gain in connection with its acquisition of hotel assets in 2017 and had fewer exceptional transactions of similar nature in 2018. [AASocks]
- **Huawei launches new round of 'Seeds for the Future' project in Bangladesh.** Huawei has launched a new round of its global flagship corporate social responsibility program "Seeds for the Future" to select 10 youngsters from Bangladeshi universities. [China Daily]
- **Baidu, Ctrip team up in promoting smart tourism.** Baidu has partnered with Ctrip to make travel services smarter. Baidu Cloud, the cloud unit of Baidu, will leverage its cloud computing and AI capabilities to help Ctrip improve operational efficiency and customer experience as well as reducing costs, according to an agreement inked earlier this week. [China Daily]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,776	29.9	1.1	2.5	3.9	1.4	(2.6)	1.6	10.7
	Dow Jones	25,883	443.9	1.7	3.1	4.8	1.8	0.8	2.6	11.0
	Nasdaq Composite	7,472	45.5	0.6	2.4	4.4	3.1	(4.4)	3.2	12.6
	Russell 2000	1,569	24.1	1.6	4.2	5.9	2.7	(7.3)	1.7	16.4
	VIX Index	14.91	(1.3)	(8.1)	(5.2)	(16.2)	(17.8)	18.0	(23.4)	(41.3)
Europe Equity	Euro Stoxx 50	3,245	3.5	0.1	2.5	3.5	2.7	(3.8)	(4.8)	8.1
	DAX	11,299	(0.6)	(0.0)	2.6	0.8	0.5	(7.5)	(8.8)	7.0
	CAC	5,169	15.4	0.3	3.1	6.0	3.7	(3.3)	(1.7)	9.3
	FTSE 100	7,219	(17.2)	(0.2)	1.3	3.6	3.1	(4.5)	(0.4)	7.3
	HSI	28,347	446.2	1.6	0.6	4.6	7.5	4.2	(8.9)	9.7
APAC Equity	HSCEI	11,149	211.7	1.9	0.9	4.8	4.9	6.0	(11.1)	10.1
	HSI VIX	18.11	(0.0)	(0.1)	2.5	(2.8)	(24.2)	(11.6)	(20.9)	(27.6)
	CSI 300	3,446	107.0	3.2	3.5	8.8	4.6	6.7	(13.1)	14.5
	SH Composite	2,754	72.0	2.7	3.1	6.1	1.9	3.2	(13.9)	10.4
	SZ Composite	1,441	51.5	3.7	5.6	9.0	1.7	(0.1)	(17.1)	13.7
	Nikkei 225	21,282	381.2	1.8	4.7	3.0	(2.4)	(4.4)	(3.9)	6.4
	KOSPI	2,211	14.8	0.7	1.4	4.0	5.2	(1.7)	(9.5)	8.3
Commodities (USD)	Brent (Future)	66.50	0.3	0.4	8.1	5.4	(1.0)	(8.0)	0.7	22.9
	WTI (Future)	55.59	1.2	2.2	5.4	3.5	(1.9)	(15.5)	(9.7)	22.7
	Gold	1,327	4.4	0.3	1.4	3.5	8.2	11.3	(1.6)	3.3
	Copper (Future)	6,275	87.0	1.4	2.0	3.7	1.1	5.9	(13.2)	5.2
	Baltic Dry Index	639.00	11.0	1.8	7.4	(42.5)	(37.5)	(62.9)	(41.2)	(49.7)
FX	Dollar Index	96.90	-	-	(0.2)	0.5	0.7	0.8	8.7	0.7
	EUR	1.13	0.0	0.1	0.3	(0.5)	(1.3)	(1.6)	(8.9)	(1.4)
	JPY	110.62	0.2	0.1	0.2	(0.8)	1.8	(0.4)	(3.6)	(0.8)
	CNY	6.77	(0.0)	0.1	0.4	0.2	2.6	1.3	(6.3)	1.7
	CNH	6.77	0.0	0.0	(0.4)	0.3	2.3	0.8	(7.0)	1.4
CDS	ChinaGov CDS	53.38	(0.3)	(0.6)	(4.8)	(10.8)	(23.6)	(12.4)	(5.1)	(20.2)
	CDX Emerging Market	96.85	0.0	0.0	0.3	0.4	1.7	1.5	(2.3)	1.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	-	-	2.4	2.4	2.4	2.1	1.6	2.4
	2-Year Treasury Yield	2.51	-	-	2.5	2.6	2.8	2.6	2.2	2.5
	5-Year Treasury Yield	2.49	-	-	2.5	2.6	2.9	2.7	2.6	2.5
	10-Year Treasury Yield	2.66	-	-	2.7	2.8	3.1	2.8	2.9	2.7
	2-10 Spread	14.23	-	-	18.0	16.6	25.7	23.0	68.1	19.2
China rates	O/N China Repo Rate	1.85	0.0	1.6	2.0	2.2	2.5	2.0	2.4	1.0
	1-Week China Repo Rate	2.65	0.7	32.5	2.0	2.6	2.9	2.7	2.4	3.5
	O/N SHIBOR	1.82	0.1	6.4	2.0	2.2	2.6	2.6	2.7	2.6
	1-Week SHIBOR	2.40	0.0	1.9	2.5	2.6	2.7	2.7	2.9	2.9

Source: Bloomberg

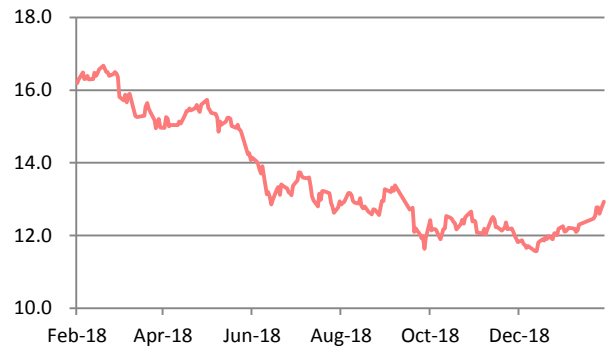
## VI. Key Indicators

**Hang Seng Index PE Ratio**



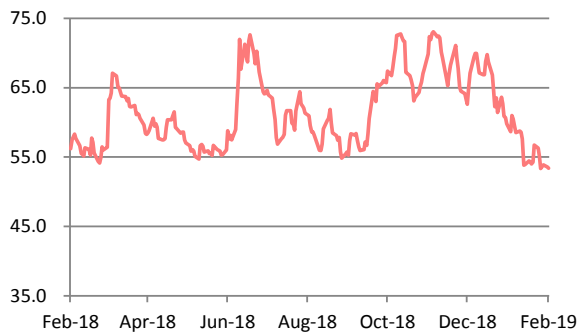
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



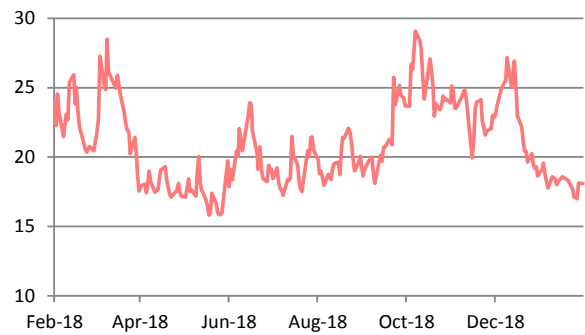
Source: Bloomberg

**China 5Y CDS Index\_USD**



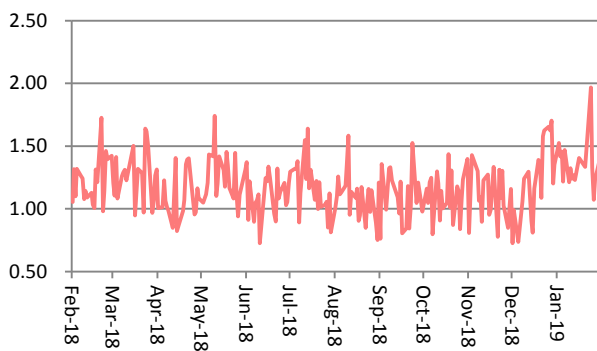
Source: Bloomberg

**Hang Seng Index VIX**



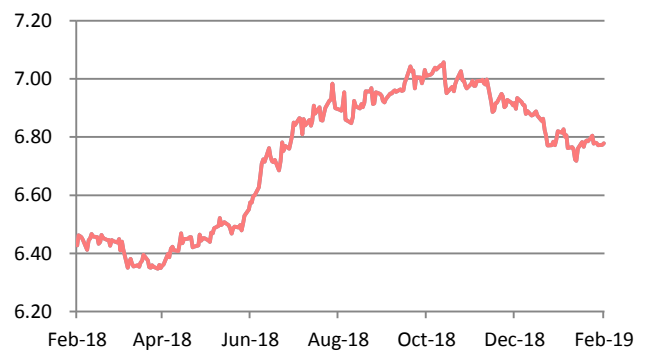
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

## Disclosure of Interests

As of the date of this report,

1. The research analysts primarily responsible for the preparation of all or part of this report hereby certify that:
  - (i) the views expressed in this research report accurately reflect the personal views of each such analyst about the subject securities and issuers; and
  - (ii) no part of the analyst's compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.
2. The research analysts primarily responsible for the preparation of all or part of this report, or his/her associate(s), do not have any interest (including any direct or indirect ownership of securities, arrangement for financial accommodation or serving as an officer) in any company mentioned in this report.
3. This report has been produced in its entirety by China Securities (International) Brokerage Company Limited ("China Securities (International)") (CE Number: BAU373, regulated by the Securities and Futures Commission in Hong Kong)
4. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities have no financial interest, in aggregate, equal to or more than 1% of the market capitalization in the stocks reviewed in this report.
5. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may receive compensation from or mandates for investment banking services in the past 12 months from listed corporations whose stocks are being reviewed by China Securities (International) in this report.
6. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities do not have any individual employed by or associated with them serving as an officer of a listed corporation whose stocks are being reviewed by China Securities (International) in this report.
7. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may act as the market makers in the stocks reviewed by China Securities (International) in this report.

## Disclaimer

This report is for information purposes only and should not be construed as an offer to sell or to solicitation of an offer to buy or sell any securities in any jurisdiction. The securities referred to in this research report to in this research report may not be eligible for sale in some jurisdictions. This information contained in this report has been compiled by China Securities (International) from sources that it believes to be reliable and the opinions, analysis, forecasts, projections and expectations contained in this report are based on such information and are expressions of belief only and no representation, warranty or guarantee is made or given by China Securities (International) or any its accuracy or completeness. All opinions and estimates expressed in this report are (unless otherwise indicated) entirely those of China Securities (International) as of the date of this report only and are subject to change without notice. Such opinions and estimates may be different from or contrary to the opinions presented by the other business departments, units or affiliates of China Securities (International), as different assumptions and standards, different views and analytical methods may be adopted in the preparation of such other materials, and China Securities (International) is under no obligation to bring such other materials to the attention of any recipient of this report. Neither China Securities (International) nor its holding companies and affiliates accept any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report or otherwise arising in connection therewith.

Any investment referred to herein may involve significant risk, may be illiquid and may not be suitable for all investors. The value of or income from any investment referred to herein may fluctuate and be affected by changes in exchange rates. Past performance is not indicative of future results. This report does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors are expected to make their own investment decision without relying on this publication. Before entering into any transactions in any securities referred to in this research report investor should consider their own individual investment objectives and financial situation and seek professional financial, tax and legal advice, as necessary.

This report is strictly confidential to the recipient. It is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. The distribution of this report in other jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions.

### China Securities (International) Research

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

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