



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Initial Jobless Claims	Feb	230k	239k
Eurozone: Consumer Confidence Index	Feb	N/A	1.0
U.K.: Public Sector Net Borrowing	Jan	- 11.1bn	2.1bn
Germany: Markit/BME Germany Composite PMI	Feb P	52.0	52.1
China: FX Net Settlement - Clients	Jan	N/A	-56.0bn

Source: Bloomberg

## II. Macro News

- **Trump Eases Off Hard Deadline for China Tariffs.** President Trump gave his firmest indication yet that the U.S. may not increase tariffs on Chinese goods on March 1, as scheduled, despite statements by his top trade official that the U.S. should stick to a firm deadline. [Bloomberg]
- **US demands China keeps yuan stable over fears of trade war backlash, sources say ahead of Washington talks.** The United States is asking China to keep the value of the yuan stable as part of trade negotiations between the world's two largest economies, a move aimed at neutralising any effort by Beijing to devalue its currency to counter American tariffs, people familiar with the ongoing talks said. [SCMP]
- **Fed Hints Hiking Bias Endures as Balance-Sheet Rolloff Nears End.** Federal Reserve policy makers see 2019 marking the end of their balance sheet run-off, but not necessarily their interest-rate increases. Minutes of the central bank's Jan. 29-30 policy meeting released on Wed showed "almost all participants" agreeing it best to halt roll-offs this year, a move that should be welcomed by investors worried the balance sheet draw-down is hurting the economy. [Bloomberg]

## III. Industry News

- **Stock exchange operator HKEX buys Shenzhen-based fintech company to raise capabilities, compete with global rivals.** The operator of Hong Kong's stock exchange is planning to make its first acquisition of a fintech company as it strives to upgrade its technology capabilities to compete with other bourses around the world. [SCMP]
- **China Delays Coal Imports From Australia as Tensions Simmer.** China has delayed customs clearance of coal imports from Australia by as long as 40 days, according to a leading industry body, raising speculation that the world's biggest shipper of the commodity is being targeted at a time of starined relations between the two nations. [Bloomberg]
- **China's gaming regulator said to call halt on new approval submissions to clear backlog in potential blow to Tencent, NetEase.** China's State Administration of Press and Publications has called a halt on new gaming approval submissions to clear a backlog created by an earlier nine-month hiatus, according to a gaming company. [SCMP]

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

- **China's embattled HNA looking at dumping Reuters London office at US\$130mn discount.** UK investment manager LS Estates, which is seeking to purchase the property on behalf of an Asian client, has proposed a price of about 135mn pounds (US\$176mn) for the building at 30 South Colonnade in London's Canary Wharf district. [SCMP]
- **Tencent defends investment spree as core strategy amid venture 'capital winter' concerns.** Tencent President Martin Lau Chi-ping launched a robust defence of the company's practice of taking stakes in hundreds of companies, saying that investment is part of the Chinese internet giant's core strategy. [SCMP]

- **Lenovo Quarterly Profit Tops Estimates on Personal Computers.** Lenovo Group Ltd.'s quarterly profit topped the highest analyst's estimate on record revenue from its personal computer business and a recovery in smartphones. Net income was \$233mn in the Dec quarter, compared with analyst projections for \$200.1mn and a year earlier loss. [Bloomberg]
- **StanChart to Take \$900M Charge Over U.S., U.K. Probes.** Standard Chartered Plc said it will take a \$900mn charge tied to regulatory probes in its 4Q results. The provision will cover the bank's estimates for potential penalties from probes over U.S. sanctions violations, currency trading issues and financial crimes controls, it said on Wednesday. [Bloomberg]
- **Cathay Pac Air Jan Passenger/ Cargo Vol +7.4%/ -3.4%.** Cathay Pacific and Cathay Dragon carried a total of 3.127mn passengers last month, an increase of 7.4% YoY. The two airlines carried 166,700 tonnes of cargo and mail last month, a decrease of 3.4% compared to same month last year. [AASocks]
- **Great Wall Motor Sells Car Leasing Biz to Connected Party for RMB460M.** Great Wall Motor announced a connected transaction. The Co entered into the Equity Transfer Agreement with Great Wall Holdings to sell 100% of the equity interest in Great Wall Sharing, a wholly-owned subsidiary of the Company, at a consideration of RMB464mn. [AASocks]
- **CRRC gets 2nd double-decker train order from Sydney.** CRRC Changchun Railway Vehicles Co Ltd, the State-owned train manufacturer, received a second order from Sydney for its double-decker trains, the company announced. The order includes a total of 17 double-decker trains and post-delivery maintenance in Sydney. [China Daily]
- **Game-streaming platform Douyu planning US IPO for \$500m.** Douyu is expected to become China's third publicly listed livestreaming platform, following rivals Inke and Huya. The company has secretly applied for an IPO on the Nasdaq, planning to raise \$500mn and be listed as early as the second quarter of this year. [China Daily]
- **JD to sack 10% of its top executives.** Chinese e-commerce giant JD will lay off 10 percent of its senior executives this year, as the company looks to maximize its resources and focus on strategic layout and the coordinated development of diversified businesses. [China Daily]
- **Gezhouba Group inks \$40m accord with Ethiopia's grand hydro-dam project.** Chinese construction and engineering company, China Gezhouba Group Co Ltd (CGGC), has signed a contract agreement with the Ethiopian government to take part in the Grand Ethiopian Renaissance Dam. [China Daily]
- **Chinese SaaS company Powerbridge Technologies prices its US IPO.** Powerbridge Technologies, a China-based provider of software application and technology solutions, announced terms for its planned initial public offering (IPO) on the US stock market on Tuesday. [China Daily]
- **Alibaba, CICC enhance cooperation.** Alibaba Group Hldg announced Tuesday it has acquired minority stakes in China Int'l Capital Corp Ltd to further cooperate on finance, technology and data. Alibaba said it has purchased 203mn shares, or 11.74% of CICC's HK-listed shares. These represent 4.84% of the investment bank's total issued shares. [China Daily]
- **China Merchants unit links with London bourse.** China Merchants Securities (UK) celebrated becoming the newest Chinese member of the London Stock Exchange last week, a milestone that highlights the increasingly close financial links between China and the United Kingdom. [China Daily]
- **Tencent-Backed Plastic Surgery App Is Said to File for U.S. IPO.** SoYoung, a Chinese cosmetic surgery website backed by Tencent Holdings Ltd., has filed confidentially for a U.S. initial public offering. The firm could raise around \$300 million in the planned offering. SoYoung could sell shares as soon as the middle of the year. [Bloomberg]
- **WeDoctor Is Said to Consider Listing a Spinoff on New Tech Board.** WeDoctor, one of China's biggest online health-care startups, is considering spinning off a major slice of its business and listing it on the country's soon-to-created technology board. WeDoctor is weighing a listing of at least part of its cloud-services arm amid a broader restructuring. [Bloomberg]
- **CNPC reports higher domestic sales in Jan.** China National Petroleum Corporation reported strong output and sales in January. Crude output at the company's Daqing Oilfield, China's largest, in the northeastern Heilongjiang province, reached 2.73mn tons, exceeding the monthly target by 0.8%, according to a CNPC announcement. [The Standard]

## V. Overnight Market Recap

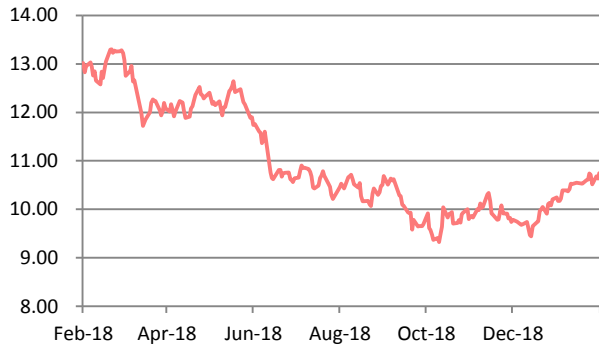
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,785	4.9	0.2	1.5	4.3	5.1	(2.7)	3.1	11.1
	Dow Jones	25,954	63.1	0.2	2.1	5.1	6.1	0.5	4.7	11.3
	Nasdaq Composite	7,489	2.3	0.0	1.0	4.6	7.4	(4.7)	3.8	12.9
	Russell 2000	1,582	7.2	0.5	2.8	6.7	6.3	(7.9)	3.3	17.3
	VIX Index	14.02	(0.9)	(5.8)	(9.1)	(21.2)	(32.6)	9.0	(30.0)	(44.8)
Europe Equity	Euro Stoxx 50	3,259	20.1	0.6	1.8	4.3	3.3	(4.5)	(5.0)	8.6
	DAX	11,402	92.8	0.8	2.1	2.4	1.4	(7.9)	(8.6)	8.0
	CAC	5,196	35.4	0.7	2.4	6.7	4.4	(3.9)	(2.0)	9.8
	FTSE 100	7,229	49.5	0.7	0.5	3.7	2.5	(4.5)	(0.7)	7.4
APAC Equity	HSI	28,514	285.9	1.0	0.3	4.8	9.8	2.7	(9.3)	10.3
	HSCEI	11,229	112.5	1.0	0.5	4.8	7.1	4.6	(11.5)	10.9
	HSI VIX	18.32	0.0	0.2	7.1	(4.2)	(26.1)	(2.7)	(17.7)	(26.8)
	CSI 300	3,452	12.3	0.4	1.5	8.4	7.0	3.8	(13.0)	14.7
	SH Composite	2,761	5.6	0.2	1.5	5.8	4.1	1.0	(13.7)	10.7
	SZ Composite	1,448	4.6	0.3	3.5	8.9	4.5	(1.6)	(16.7)	14.2
	Nikkei 225	21,431	128.8	0.6	1.4	3.1	(0.7)	(3.9)	(2.8)	6.7
KOSPI	2,230	24.1	1.1	1.3	4.2	6.7	(2.4)	(8.8)	8.5	
Commodities (USD)	Brent (Future)	67.08	0.6	1.0	5.5	6.8	5.5	(7.8)	2.4	24.5
	WTI (Future)	57.16	0.8	1.5	7.2	6.2	4.6	(15.2)	(7.4)	25.8
	Gold	1,338	(2.5)	(0.2)	2.5	4.5	9.2	11.9	1.0	4.4
	Copper (Future)	6,405	86.0	1.4	4.6	5.8	3.6	6.9	(9.7)	7.4
	Baltic Dry Index	635.00	(8.0)	(1.2)	4.4	(41.8)	(37.0)	(63.4)	(44.6)	(50.0)
FX	Dollar Index	96.45	(0.1)	(0.1)	(0.7)	0.2	(0.2)	1.4	7.3	0.4
	EUR	1.13	(0.0)	(0.0)	0.7	(0.3)	(0.4)	(2.0)	(7.7)	(1.2)
	JPY	110.85	0.2	0.2	(0.1)	(0.9)	2.2	(0.3)	(2.6)	(0.8)
	CNY	6.72	(0.0)	0.6	0.6	1.1	3.3	2.0	(5.7)	2.3
	CNH	6.72	(0.0)	(0.4)	(1.0)	1.1	3.0	1.5	(5.8)	2.2
CDS	ChinaGov CDS	51.28	(1.3)	(2.4)	(3.7)	(12.6)	(29.1)	(15.9)	(10.8)	(23.3)
	CDX Emerging Market	96.83	(0.1)	(0.1)	0.2	0.4	2.1	1.5	(2.1)	1.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.44	0.0	0.7	2.4	2.4	2.4	2.1	1.6	2.4
	2-Year Treasury Yield	2.50	0.0	0.4	2.5	2.6	2.8	2.6	2.3	2.5
	5-Year Treasury Yield	2.47	0.0	0.4	2.5	2.6	2.9	2.7	2.7	2.5
	10-Year Treasury Yield	2.64	0.0	0.4	2.7	2.7	3.1	2.8	3.0	2.7
	2-10 Spread	14.51	0.2	1.7	15.4	15.0	24.7	20.6	68.0	19.2
China rates	O/N China Repo Rate	2.08	0.2	13.0	1.7	2.2	2.4	2.4	2.4	1.0
	1-Week China Repo Rate	2.64	0.7	38.9	2.2	2.5	2.3	2.6	2.4	3.5
	O/N SHIBOR	1.85	(0.1)	(5.7)	1.7	2.2	2.5	2.5	2.7	2.6
	1-Week SHIBOR	2.38	(0.0)	(0.9)	2.3	2.6	2.6	2.6	2.9	2.9

Source: Bloomberg

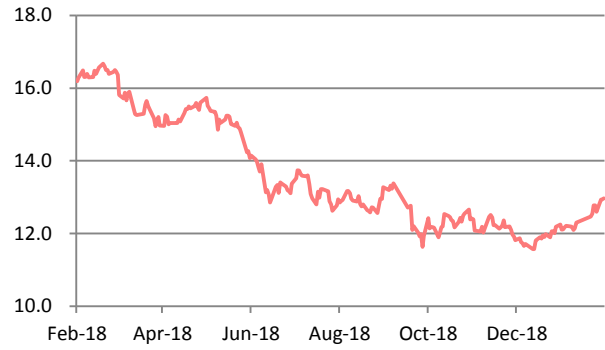
## VI. Key Indicators

**Hang Seng Index PE Ratio**



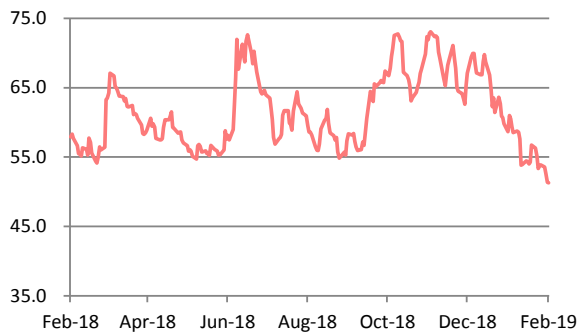
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



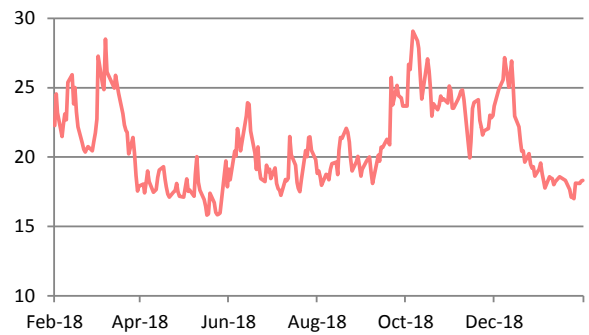
Source: Bloomberg

**China 5Y CDS Index\_USD**



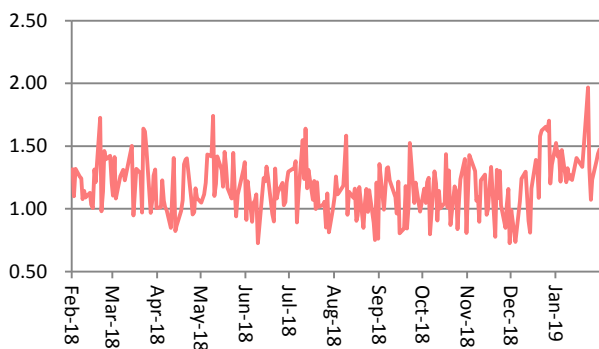
Source: Bloomberg

**Hang Seng Index VIX**



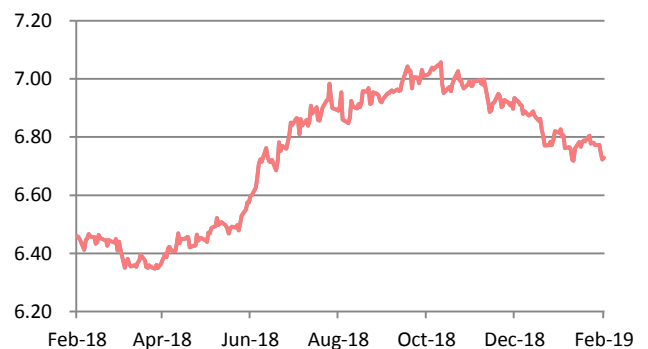
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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