



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Housing Starts	Dec	1253k	1256k
Eurozone: Capital Investment QoQ	4Q	0.7%	0.8%
U.K.: UK Finance Loans for Housing	Jan	N/A	38779
Germany: Input Price Index MoM	Jan	N/A	-1.3%
China: Non-Manufacturing PMI	Feb	N/A	49.5

Source: Bloomberg

## II. Macro News

- **U.S., China Said to Work on Multiple Memorandums for Trade Deal.** U.S. and Chinese negotiators are working on multiple memorandums of understanding that would form the basis of a final trade deal, according to a person briefed on the talks. [Bloomberg]
- **Japan's Manufacturing PMI Shows First Contraction Since 2016.** Activity in Japan's manufacturing sector contracted in February for the first time in two and a half years, as production and new orders fell, according to preliminary data that will strengthen concerns about a global economic slowdown. The Nikkei Japan PMI for manufacturers declined to 48.5, its lowest reading since June 2016. [Bloomberg]
- **Trump Threatens EU with Auto Tariffs if No Trade Deal.** US President Donald Trump claimed the govt is considering imposing auto tariffs after a meeting with Austrian Chancellor Sebastian Kurz. Struggling to negotiate with the "very difficult" European Union, the US will impose the said levies if no trade deal can be reached at the end. [AASocks]

## III. Industry News

- **China to Propose \$30 Billion More U.S. Agriculture Purchases.** China is proposing that it could buy an additional \$30 billion a year of U.S. agricultural products including soybeans, corn and wheat as part of a possible trade deal being negotiated by the two countries, according to people with knowledge of the plan. [Bloomberg]
- **Australia Downplays Report Chinese Port Has Banned Its Coal.** Australia denied reports that a major port in northern China has banned its coal imports amid uncertainty whether Beijing is flexing its muscle as punishment for perceived geopolitical slights or reacting to domestic economic pressures. [Bloomberg]
- **China to Pull Local Government Subsidies for EVs.** China's National Development and Reform Commission expects to completely withdraw subsidies for pure electric and plug-in hybrid vehicles from local government level starting in 2019. The NEV subsidy plan for 2019 is likely to be announced by the end of March. [Bloomberg]

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

- **Huawei Chair Rejects Notion It Helps China Open 'Back Doors'.** Huawei Technologies Co. would deny any Chinese government request to open up "back doors" in foreign telecommunications networks because they aren't legally obliged to do so, the company's chairman says. [Bloomberg]
- **Alibaba Raises Stake in Top Chinese Investment Bank CICC.** Alibaba Group Holding Ltd. has acquired another chunk of shares in China International Capital Corp. for about HK\$1.8 billion (\$230 million), enlarging its stake in a prestigious investment bank that can help propel deals and financial transactions around the world. [Bloomberg]

- **CStone Pharma Raises \$285m in H.K. IPO Priced Above Midpt.** CStone Pharmaceuticals raised HK\$2.24b (\$285m) after pricing its Hong Kong IPO just above the midpoint of a marketed range, according to a message sent to investors. The company sold 186.4m new shares at HK\$12 each. [Bloomberg]
- **Cathay Pacific Sees End to Record Run of Losses After Revamp.** Cathay Pacific Airways Ltd. forecast an end to a record two-year run of losses after job cuts and better service offerings in an overhaul kicked off by Asia's biggest int'l carrier start to yield results. The HK-based airline expects to announce next month a profit for 2018, helped in part by a strong cargo business and growth from additional routes and seats. [Bloomberg]
- **Yincheng International Seeks Up to \$112m in Hong Kong IPO.** Yincheng International Holding Co. starts taking orders Thursday for a Hong Kong initial public offering that could raise as much as \$112 million, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **China Energy Plans \$100m Thai Power Investment.** China Energy Engineering Corp. plans to invest \$100m in the first phase of hybrid power plants to supply U-tapao airport in Thailand, the Bangkok Post reported, citing Eastern Economic Corridor Office Secretary-General Kanit Sangsubhan. [Bloomberg]
- **Baidu Projects Revenue Gain of Up to 18% on Advertising Growth.** Baidu Inc. projected revenue will rise 12 percent to 18 percent in the fiscal first quarter as new content and products help energize the Chinese search giant's advertising business. [Bloomberg]
- **Glencore Sees 'Political Issue' in China's Australia Coal Delays.** Glencore Plc sees politics behind China's move to delay customs clearances of Australian coal imports and is awaiting a resolution to the "diplomatic dispute," according to the head of the mining giant. [Bloomberg]
- **Samsung Revamps Flagship Phones With 5G, Low-Cost Options.** Samsung Electronics Co. debuted its most extensive new lineup of smartphones, taking on Apple Inc. amid a slowing market with new low-end and premium models, 3-D cameras, an in-screen fingerprint scanner and faster 5G connectivity. [Bloomberg]
- **Lyft Is Said to Plan to File for IPO as Soon as Next Week.** Lyft Inc. could file as soon as next week for an initial public offering and plans to target a valuation of \$20 billion to \$25 billion, a person familiar with the matter said. The company plans to begin marketing shares in a roadshow the week of March 18. [Bloomberg]
- **Anbang Life, Chengdu Rural to Sell AB Leasing for 4.74B Yuan.** Anbang Life Insurance and Chengdu Rural Commercial Bank agreed to sell AB Leasing to Zhongyuan Bank and Henan Wansong for 4.735 billion yuan, according to a Hong Kong Stock Exchange statement. [Bloomberg]
- **Nissan Debt Rating Cut by S&P on Weaker Earnings Prospects.** Nissan Motor Co. had its debt rating cut by S&P Global Ratings, which said the Japanese carmaker's earnings will continue to experience downward pressure for as long as two years. [Bloomberg]
- **NetEase Quashes Talk of Chinese Gaming Approval Suspensions.** NetEase Inc. dismissed reports China is holding up gaming approvals as it untangles a huge backlog, saying the company is closing in on the release of Diablo Immortal for the world's top gaming market. [Bloomberg]
- **Huawei to invest \$2 billion in cybersecurity.** Huawei has reiterated its commitment to the highest cybersecurity standards, which it says will remain a cornerstone of its global business. The firm is investing at least \$2 billion to enhance its software engineering, something it considers crucial in realizing its long-term aspirations. [China Daily]
- **Xiaomi aims to upgrade its smartphone offerings.** Xiaomi Corp is intensifying its efforts in the premium segment, as it works hard to introduce high-end components and engineering techniques to its latest smartphone models in order to rival players such as Huawei Technologies Co Ltd. [China Daily]
- **Dongfeng Motor sales drop in January.** Chinese automaker Dongfeng Motor Group reported Thursday that its sales volume slid by 16.91 percent year on year to 247,674 units in January. Production volume also fell by 17.16% year on year to 249,176 units. [The Standard]

## V. Overnight Market Recap

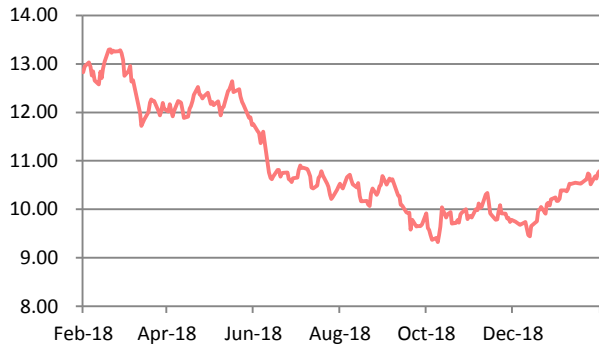
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,775	(9.8)	(0.4)	0.8	5.4	4.7	(3.0)	2.6	10.7
	Dow Jones	25,851	(103.8)	(0.4)	1.2	5.9	5.7	0.5	3.6	10.8
	Nasdaq Composite	7,460	(29.4)	(0.4)	0.5	6.3	7.0	(5.4)	3.5	12.4
	Russell 2000	1,576	(6.1)	(0.4)	2.1	8.1	5.9	(8.5)	3.0	16.8
	VIX Index	14.46	0.4	3.1	(7.6)	(30.5)	(30.5)	18.0	(22.8)	(43.1)
Europe Equity	Euro Stoxx 50	3,264	4.2	0.1	2.5	4.8	4.4	(4.6)	(4.9)	8.7
	DAX	11,423	21.3	0.2	3.0	3.0	2.6	(7.8)	(8.3)	8.2
	CAC	5,196	0.2	0.0	2.6	7.2	5.2	(4.1)	(2.1)	9.8
	FTSE 100	7,167	(61.2)	(0.8)	(0.4)	3.9	3.0	(5.4)	(1.2)	6.5
APAC Equity	HSI	28,630	115.9	0.4	2.6	6.0	10.0	2.5	(7.5)	10.8
	HSCEI	11,306	76.6	0.7	3.4	6.5	8.2	4.2	(9.8)	11.7
	HSI VIX	17.71	(0.6)	(3.3)	4.2	(9.5)	(24.7)	(6.7)	(27.9)	(29.2)
	CSI 300	3,443	(9.2)	(0.3)	3.1	9.5	7.1	4.1	(15.1)	14.4
	SH Composite	2,752	(9.4)	(0.3)	2.6	6.7	4.0	1.4	(15.8)	10.3
	SZ Composite	1,444	(3.9)	(0.3)	3.9	9.9	4.2	(0.7)	(18.5)	13.9
	Nikkei 225	21,464	32.7	0.2	1.5	3.7	(1.2)	(4.3)	(1.6)	6.9
Commodities (USD)	KOSPI	2,229	(1.1)	(0.1)	0.1	4.9	7.3	(2.3)	(8.0)	8.9
	Brent (Future)	67.07	(0.0)	(0.0)	3.9	8.9	7.0	(10.4)	0.9	24.5
	WTI (Future)	56.96	0.0	0.1	5.7	8.3	4.2	(16.1)	(9.3)	25.4
	Gold	1,324	(14.8)	(1.1)	0.8	3.2	7.9	10.9	(0.5)	3.4
	Copper (Future)	6,380	(25.0)	(0.4)	4.0	6.7	2.3	5.5	(10.4)	7.0
FX	Baltic Dry Index	622.00	(13.0)	(2.0)	(1.0)	(40.0)	(38.9)	(64.1)	(46.7)	(51.1)
	Dollar Index	96.61	0.2	0.2	(0.4)	0.3	(0.1)	1.5	7.6	0.4
	EUR	1.13	(0.0)	(0.0)	0.4	(0.2)	(0.6)	(2.2)	(8.0)	(1.1)
	JPY	110.70	(0.2)	(0.1)	0.2	(1.2)	2.0	(0.1)	(3.6)	(0.9)
	CNY	6.72	0.0	(0.0)	0.7	1.1	3.0	1.9	(5.7)	2.3
CDS	CNH	6.72	0.0	0.1	(0.8)	1.4	3.0	1.8	(5.8)	2.2
	ChinaGov CDS	51.62	(0.0)	(0.1)	(4.3)	(12.0)	(28.2)	(13.3)	(10.9)	(22.8)
	CDX Emerging Market	96.80	(0.0)	(0.0)	0.2	0.3	1.9	1.4	(2.1)	1.6

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.44	0.0	0.3	2.4	2.4	2.4	2.1	1.6	2.4
	2-Year Treasury Yield	2.53	0.0	1.2	2.5	2.6	2.8	2.6	2.2	2.5
	5-Year Treasury Yield	2.51	0.0	1.8	2.5	2.6	2.9	2.7	2.7	2.5
	10-Year Treasury Yield	2.69	0.0	1.8	2.7	2.7	3.0	2.8	2.9	2.7
	2-10 Spread	16.07	1.6	10.8	14.2	15.4	22.5	18.8	67.1	19.2
China rates	O/N China Repo Rate	2.52	0.4	17.2	1.7	2.3	2.3	2.4	2.6	1.0
	1-Week China Repo Rate	2.28	(0.0)	(1.3)	2.2	2.5	2.1	2.3	3.3	3.5
	O/N SHIBOR	2.03	0.2	9.5	1.7	2.2	2.4	2.4	2.6	2.6
	1-Week SHIBOR	2.40	0.0	0.9	2.4	2.6	2.6	2.6	2.9	2.9

Source: Bloomberg

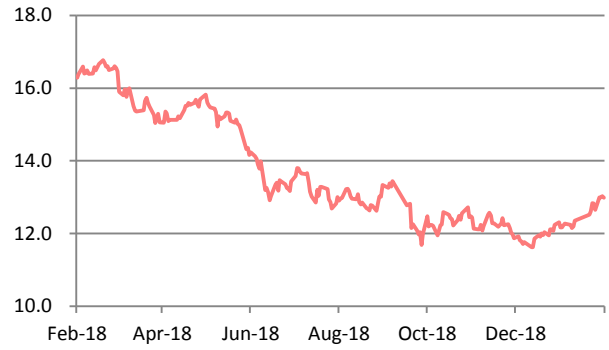
## VI. Key Indicators

**Hang Seng Index PE Ratio**



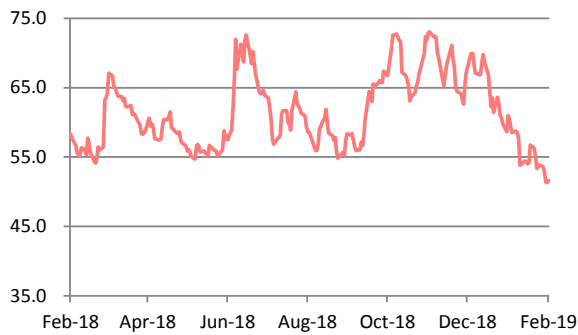
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



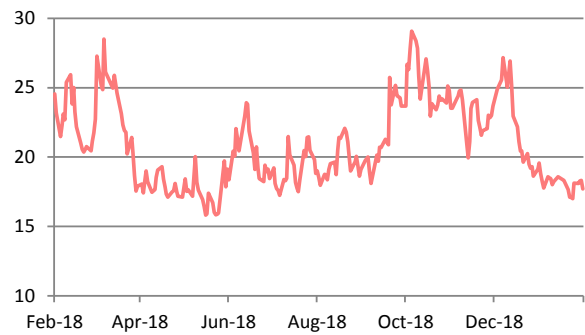
Source: Bloomberg

**China 5Y CDS Index\_USD**



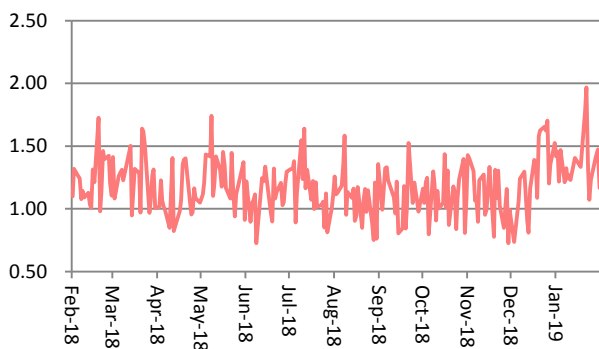
Source: Bloomberg

**Hang Seng Index VIX**



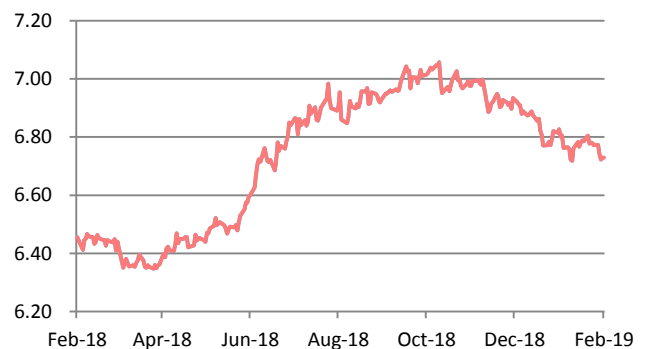
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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