

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Conf. Board Consumer Confidence	Feb	124.2	120.2
Eurozone: Industrial Production SA MoM	Dec	N/A	-2.4%
U.K.: Gfk Consumer Confidence	Feb	N/A	-14.0
Germany: Retail Sales MoM	Jan	N/A	48.3
China: Caixin China PMI Mfg	Feb	48.5	49.5

Source: Bloomberg

## II. Macro News

- **Trump Extends China Trade Truce, Citing Substantial Progress.** President Donald Trump said he'll extend a deadline to raise tariffs on Chinese goods beyond this week, citing "substantial progress" in the latest round of trade talks that wrapped up Sunday in Washington. [Bloomberg]
- **Australia Banks Face A\$640 Million Levy Under Labor Government.** Australia's banks will be hit with a A\$640 million (\$457mn) levy to help fund financial counselors if the main opposition Labor party wins government. Half the proceeds will pay for counselors to help consumers facing financial stress, the Herald said. [Bloomberg]
- **U.S., China Seek Micron-Fujian Jinhua Fix For Trade Deal.** U.S., China negotiators attempting to resolve Micron-Fujian Jinhua dispute as part of larger trade agreement, FT reports, citing unidentified people briefed on the negotiations. Resolution is a series of measures both sides want to include in MOU. [Bloomberg]

## III. Industry News

- **China Coal Delays Not Unprecedented, Australia Minister Says.** Blowouts in Australian coal processing times at Chinese ports are not unprecedented and the government is working with officials in Canberra and Beijing to clarify reasons for the current round of delays, Trade Minister Simon Birmingham said. [Bloomberg]
- **New bond connect information platform launched in support of Greater Bay Area initiatives.** Hong Kong Exchanges and Clearing launched a new bond connect information platform on Friday to make it easier for int'l investors to trade Chinese bonds, reflecting the first move to enhance the cross border trading scheme since Beijing announced the Greater Bay Area project blueprint. [Bloomberg]
- **Fund Companies Ask Hong Kong to Relax IPO Investment Rules.** Global asset managers are lobbying Hong Kong to relax rules that forbid existing shareholders to subscribe to initial public offerings. The Asia Securities Industry and Financial Markets Association and Hong Kong Investment Funds Association want regulators to allow so-called double-dipping, which is permitted in markets including the U.S. but requires special permission in the city. [Bloomberg]

## IV. Corporate News

- **Huawei Launches New \$2,600 Foldable 5G Phone to Rival Samsung.** Huawei Technologies Co. announced a smartphone that unfolds into a small tablet computer, potentially rendering the need to carry two separate devices obsolete. The Mate X supports next-generation 5G networks and will cost 2,299 euros when released in the summer. [Bloomberg]
- **CStone Pharma Says Hong Kong Listing Retail Portion 7.2x Covered.** Institutional offering has been "significantly" over-subscribed, co. says in a filing to stock exchange. CStone Pharmaceuticals prices 186.4m shares at HK\$12 apiece in its Hong Kong offering. [Bloomberg]

- **China Rating Firm Is Said to Plan Stake Sale After Business Ban.** China Reform Holdings Corp. plans to buy a controlling stake in Dagong Global Credit Rating, a local bond assessor that was severely punished by regulators last year for providing fake information. [Bloomberg]
- **Chinese Operator Takes Control of Djibouti Terminal.** Port operator China Merchants Port Holdings has taken over operations at the strategic Doraleh Container Terminal in Djibouti, WSJ reports, citing maritime officials. State-owned China Civil Engineering Construction Corp. and China State Construction Engineering Corp. have also built a new cargo facility next door to the container terminal to handle cars, livestock, steel and other goods, WSJ says. [Bloomberg]
- **China Life Insurance to Buy Stocks Offering High Dividends.** China Life Insurance will seize the opportunity created by low valuations to invest in equities, Vice President Zhao Lijun says at investor event in Beijing. Firm's profit decline in 2018 was mainly due to stock market's slide and stricter impairment accounting rules, Zhou said. [Bloomberg]
- **Hopewell advisers accept delisting plan.** Property developer Gordon Wu Ying-sheung's HK\$21.2bn privatisation plan for Hopewell Holdings moved a step further after an independent financial adviser and an independent committee both recommended that shareholders vote to accept the proposal, according to a stock exchange filing. [SCMP]
- **Alibaba says no to layoffs, continues recruitment.** Alibaba Group Holding Ltd said it will continue to recruit new employees this year amid a string of layoff plans sweeping across the internet sector. In an internal meeting with management, Alibaba CEO Daniel Zhang said instead of layoffs, the company plans to increase investment in talent and strengthen its talent training program. [China Daily]
- **Huawei beats rivals in smartphone sales.** Huawei recorded strongest growth in smartphone sales among the top five global smartphone vendors - Samsung, Apple, Huawei, OPPO and Xiaomi - with a year-on-year surge of 37.6% to surpass 60mn units in the fourth quarter last year, consultancy Gartner said in its latest report. [China Daily]
- **Tesla poised to deliver Model 3 to China.** Tesla announced during an event in Beijing Friday that it is beginning delivery of the Model 3 in China, at least a week earlier than expected, CNBC reports. State-funded Chinese news site The Paper also reported Friday that a ship carrying more than 1,600 Model 3 vehicles had arrived in Shanghai. [The Standard]
- **Techtronic Ind. Included In, China Res Power Removed from HSI Indexes.** Hang Seng Indexes Co. Ltd. announced results of its review of the Hang Seng Family of Indexes for the quarter ended 31 Dec 2018. All changes will take effect on 11 Mar 2019. Techtronic Ind. will be included in Hang Seng Index and China Resources Power will be excluded. [AASocks]
- **Huawei To Set up Flagship Store in Vienna.** Huawei announced to open a new smartphone flagship store in Vienna, making it the first outlet outside China, Reuters reported. At the same time, Huawei is ready for 5G network construction for America Movil, Deutsche Telekom and Drei Austria, said Huawei (Austria) CEO Pan Yao. [AASocks]
- **China Life: To Keep Beefing up Asset Allocation, 10% Investment Goes to Stock & Funds.** China Life Vice President Zhao Lijun stated at the company's open day that the expected sliding net profit (- 50-70%) in FY18 was mainly attributable to the shrinkage in investment gains on open market, where stocks and funds accounted for about 10% of the total portfolio (RMB2.8tn). [AASocks]
- **Huishang Bank Foresees 14% More NP Last Yr to About RMB8.7B.** Huishang Bank issued a positive profit alert, expecting to record a net profit of approximately RMB8.7bn, representing a YoY increase of approx over 14%; the cost-to-income ratio of the Group will be 23.02%; and the total assets of the Group will grow by over 15% as compared with the year of 2017 to exceed RMB1tn. [AASocks]
- **Sands China Ltd. 2018 Adjusted EBITDA Up 17.9% to US\$3.08B.** Sands China revealed the preliminary annual results for the year ended December 31, 2018. The adjusted property EBITDA hiked 17.9% to US\$3.079 billion. EBITDA margin rose to 35.4%. Net profit gained 17% to US\$1.875 billion. EPS equaled US23.21 cents. [AASocks]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,793	17.8	0.6	1.7	4.8	6.1	(2.9)	1.7	11.4
	Dow Jones	26,032	181.2	0.7	2.3	5.2	7.2	0.9	2.9	11.6
	Nasdaq Composite	7,528	67.8	0.9	1.4	5.1	8.5	(5.3)	2.6	13.4
	Russell 2000	1,590	14.5	0.9	2.9	7.2	6.8	(7.9)	2.6	17.9
	VIX Index	13.51	(1.0)	(6.6)	(16.7)	(22.4)	(37.2)	12.7	(18.1)	(46.9)
Europe Equity	Euro Stoxx 50	3,271	6.9	0.2	0.9	3.4	4.3	(4.6)	(5.0)	9.0
	DAX	11,458	34.4	0.3	1.4	1.6	2.4	(7.6)	(8.2)	8.5
	CAC	5,216	19.7	0.4	1.2	5.9	5.4	(4.0)	(1.9)	10.3
	FTSE 100	7,179	11.2	0.2	(0.8)	5.4	3.2	(5.3)	(0.9)	6.7
APAC Equity	HSI	28,816	186.4	0.7	3.3	4.5	11.1	4.1	(7.8)	11.5
	HSCEI	11,427	121.3	1.1	4.5	5.1	10.0	6.0	(10.3)	12.9
	HSI VIX	17.32	(0.4)	(2.2)	(4.5)	(2.5)	(26.3)	(3.7)	(25.3)	(30.8)
	CSI 300	3,520	77.4	2.2	5.4	10.5	12.0	5.9	(13.5)	16.9
	SH Composite	2,804	52.4	1.9	4.5	7.8	8.7	2.7	(14.7)	12.4
	SZ Composite	1,477	32.9	2.3	6.3	11.9	10.6	1.2	(16.8)	16.5
	Nikkei 225	21,426	(38.7)	(0.2)	2.5	3.6	(0.6)	(4.8)	(1.7)	7.5
KOSPI	2,231	1.8	0.1	1.6	2.5	8.5	(2.7)	(9.0)	9.4	
Commodities (USD)	Brent (Future)	67.12	0.1	0.1	1.3	9.3	14.6	(11.1)	0.1	25.3
	WTI (Future)	57.26	0.3	0.5	5.2	6.9	13.9	(16.4)	(9.6)	26.4
	Gold	1,329	5.8	0.4	0.5	1.8	8.7	9.7	(0.4)	3.6
	Copper (Future)	6,478	98.0	1.5	4.7	9.1	3.6	7.9	(9.6)	8.6
	Baltic Dry Index	634.00	4.0	0.6	(1.4)	(29.9)	(42.0)	(62.6)	(46.5)	(50.1)
FX	Dollar Index	96.51	(0.1)	(0.1)	(0.4)	0.7	(0.5)	1.4	7.3	0.3
	EUR	1.13	(0.0)	(0.0)	0.4	(0.5)	0.2	(2.8)	(7.9)	(1.1)
	JPY	110.69	(0.0)	(0.0)	0.2	(1.2)	2.5	0.2	(3.5)	(1.0)
	CNY	6.71	(0.0)	0.1	0.9	1.4	3.3	1.9	(5.4)	2.5
	CNH	6.71	(0.0)	(0.2)	(0.9)	1.0	4.0	1.6	(5.9)	2.8
CDS	ChinaGov CDS	50.80	(0.1)	(0.2)	(4.9)	(14.4)	(29.8)	(12.7)	(10.3)	(24.0)
	CDX Emerging Market	96.88	0.1	0.1	0.1	0.4	2.2	1.6	(2.4)	1.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.44	(0.0)	(0.0)	2.4	2.4	2.4	2.1	1.6	2.4
	2-Year Treasury Yield	2.49	(0.0)	(1.4)	2.5	2.6	2.8	2.6	2.2	2.5
	5-Year Treasury Yield	2.47	(0.0)	(1.7)	2.5	2.6	2.9	2.7	2.6	2.5
	10-Year Treasury Yield	2.65	(0.0)	(1.5)	2.7	2.8	3.1	2.8	2.9	2.7
	2-10 Spread	15.44	(0.6)	(3.9)	14.2	15.0	21.9	20.1	62.4	19.2
China rates	O/N China Repo Rate	2.43	0.3	13.0	1.8	2.0	2.5	2.4	2.6	1.0
	1-Week China Repo Rate	2.62	0.3	13.4	2.0	2.4	2.3	2.6	2.9	3.5
	O/N SHIBOR	2.43	0.4	19.8	1.8	2.4	2.5	2.4	2.6	2.6
	1-Week SHIBOR	2.60	0.2	8.4	2.4	2.6	2.6	2.6	2.9	2.9

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



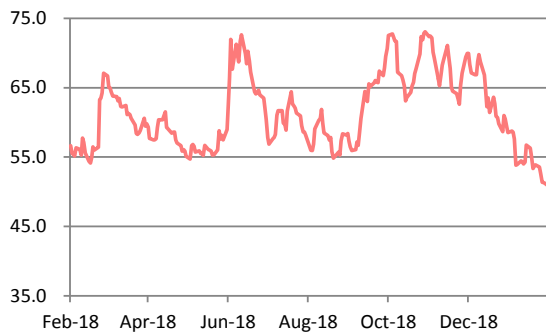
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



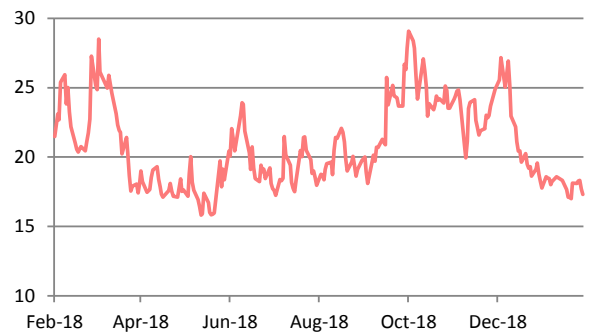
Source: Bloomberg

**China 5Y CDS Index\_USD**



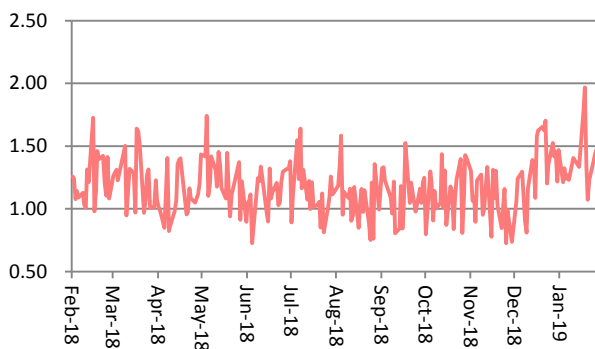
Source: Bloomberg

**Hang Seng Index VIX**



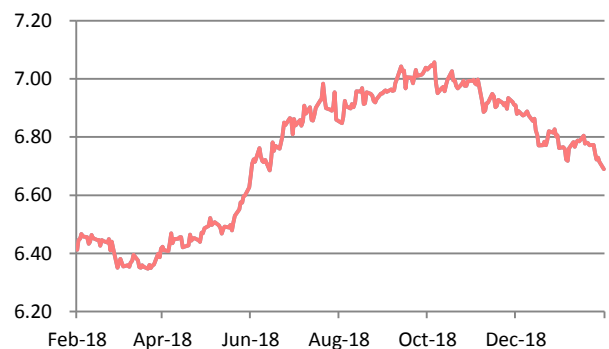
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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