

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit US Manufacturing PMI	Mar P	53.6	53.0
Eurozone: ZEW Survey Current Situation	Mar	13.0	15.0
U.K.: Retail Price Index	Feb	285.1	283.0
Germany: Markit/BME Germany Manufacturing PMI	Mar P	48.0	47.6

Source: Bloomberg

II. Macro News

- **Asia's exports slump to deepen as global economic slowdown hits regional powerhouses.** Asia's exports slump is expected to deepen, with analysts saying regional trade is heading for its lowest point since 2015. Amid a slowdown in global demand, Asian exports will continue to decline until at least April, according to an index compiled by Nomura Bank. [SCMP]
- **China wants to open financial sector wider but it's a 'negotiation game' in trade war, Zhou Xiaochuan says.** Beijing's financial decision makers are determined to open the sector wider, but the process of doing so has been partly affected by the trade war with the United States, according to the former chief of China's central bank. [SCMP]
- **Romania Avoids Cut in Credit Outlook at S&P Over 'Greed' Tax.** Romania persuaded S&P Global Ratings not to lower its sovereign-credit outlook by vowing imminent changes to a raft of controversial taxes, including a 'greed' levy on banks. [Bloomberg]

III. Industry News

- **HKEX looks to boost trading in smaller companies.** HKEX is exploring ways to boost turnover of smaller firms in an effort to bolster its role as a fundraising hub, according to two sources. Potential plans under consideration included lowering trading costs and adding some smaller companies to the Stock Connect schemes. [SCMP]
- **Luxury carmakers cut prices in China amid weaker demand.** A clutch of luxury car brands including Mercedes-Benz, BMW and Volvo have cut the prices of their vehicles in mainland China after the government announced it would lower value-added tax. [SCMP]
- **China's neighbours look to Europe as windpower buildout begins.** Offshore wind-farm construction projects, already on the drawing boards in South Korea, Japan and Taiwan among others Asian economies, are likely to be dominated by foreign engineering firms, which have a lead in terms of skills and project experience, according to the Asia Wind Energy Association. [SCMP]

IV. Corporate News

- **China Coal Energy Sees No Policy Curbs on Australian Imports.** There are no policy restrictions in China on coal imports from certain countries, including Australia, Hu Zhihao, China Coal Energy's deputy general manager of sales, says at briefing in Hong Kong. [Bloomberg]
- **Huawei Defies Global Troubles With Accelerating Sales Growth.** Huawei Technologies Co. has withstood criminal charges and international scrutiny to post rising growth in the first two months of the year. Revenue climbed 36% in Jan and Feb compared with year earlier, founder Ren Zhengfei said. The pace is an acceleration from its 2018 sales increase of 21% and its projection for growth this year of about 15%. [Bloomberg]

- **Cathay Will Mine Personal Data to Tailor Business-Class Service.** Cathay Pacific Airways Ltd. is mining the data of its business-class customers so they'll keep spending with the airline. The company has invested "a lot" in its data capability to find out what its premium customers like and is tailoring offerings specific to them, Chief Executive Officer Rupert Hogg said in an interview in Singapore Monday. [Bloomberg]
- **China Literature Full Year Adjusted Net Beats Estimates.** China Literature reported adjusted net for the full year that beat the average analyst estimate. FY adjusted net 900.5 million yuan, estimate 812.6 million yuan (range 755.0 million yuan to 923.0 million yuan) (Bloomberg data). [Bloomberg]
- **CDB Is Said to Lead Pilot Local Debt Resolution in Xiangtan City.** China Development Bank is working on a plan to lead a local debt resolution for Xiangtan, a city considered as a pilot unit for such an experiment in Hunan Province. The current plan, which may change, includes proposals to swap the city's implicit short-term debts with 15-20Y loans. [Bloomberg]
- **Shenzhen Transsion applies to raise capital on Shanghai's technology board after taking Africa's phone mkt by storm.** Shenzhen Transsion Holdings, which makes three of every 10 smartphones sold in Africa, has thrown its hat into the ring to raise capital on Shanghai's tech board via an IPO, becoming one of the first among China's home-grown technology champions to kick off President Xi Jinping's fundraising project. [SCMP]
- **Volkswagen may push for controlling stake in Chinese joint ventures.** Volkswagen AG said it is considering raising its equities in its Chinese joint ventures, in a move that will make it likely to become the second international carmaker after BMW to have a controlling stake in its operations in the world's largest vehicle market. [China Daily]
- **Automakers seek 'new start' after Nissan chairman's arrest.** The chief executives of Renault, Nissan and Mitsubishi have announced a new board to oversee the French-Japanese auto alliance, seeking a "new start" for the partnership after the arrest and dismissal of Nissan's former chairman, Carlos Ghosn. [China Daily]
- **China Southern Power Grid plans to boost clean energy initiative.** China Southern Power Grid plans to step up investment in smart grid construction in the Pearl River Delta region in the upcoming years, to continuously improve clean energy installation in the Guangdong-Hong Kong-Macao Greater Bay Area. [China Daily]
- **China Coal Sees Stable Coal Price Trend This Yr; No Key Merger Disclosures Now.** China Coal previewed at the result conference that the coal demand in China will stay fundamentally sturdy this year, while slightly tightening amid certain periods. As to coal prices, a stable trend is expected to maintain, or it may be subject to fluctuation roughly in the range of last year. Prices may yet go down overall, the company said. [AASocks]
- **Country Garden FY18 NP Up 32.8%; Final DPS 30.32 Fen.** Country Garden announced annual results ended December 2018. The turnover rose 67.1% year on year to RMB379.079 billion. Net profit amounted to RMB34.618 billion, up 32.8% yearly. EPS equaled RMB1.61. Final DPS was RMB30.32 fen. Full-year DPS totaled 48.84 fen. [AASocks]
- **Huawei Granted Contract from Deutsche Bahn.** Huawei Technologies has been granted a contract from Deutsche Bahn, making it the most important equipment supplier after Atos and Nokia for the railway operator, The Handelsblatt reported. [AASocks]
- **Sands China Ltd. Recommends Final DPS of \$1.** Sands China Limited recommended the payment of a final dividend of HK\$1.00 per share for the year ended December 31, 2018 to shareholders of the Company. The proposed final dividend, if approved by the shareholders of the Company, is expected to be paid on June 21, 2019. [AASocks]
- **Huaneng Power Completes Issuance of RMB2B Super Short-term Debentures.** Huaneng Power announced that it had completed the issuance of RMB2 billion first tranche super short-term debentures, which have a term of 90 days and bear an interest rate of 2.4%. [AASocks]

V. Overnight Market Recap

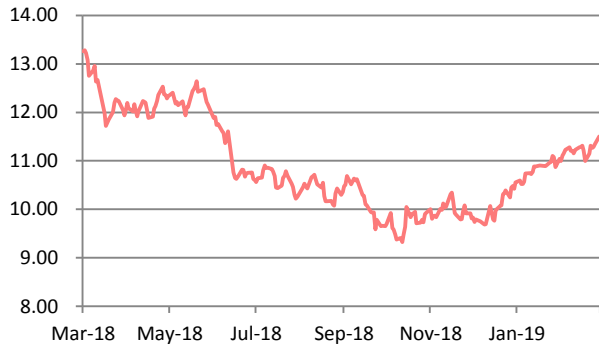
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,833	10.5	0.4	1.8	1.9	13.0	(2.6)	4.4	13.0
	Dow Jones	25,914	65.2	0.3	1.0	0.1	11.1	(1.9)	5.3	11.1
	Nasdaq Composite	7,714	26.0	0.3	2.1	3.0	16.2	(3.0)	5.0	16.3
	Russell 2000	1,564	10.4	0.7	1.0	(0.7)	15.9	(8.2)	(0.4)	16.0
	VIX Index	13.10	0.2	1.7	(8.6)	(12.0)	(48.8)	11.5	(31.1)	(48.5)
Europe Equity	Euro Stoxx 50	3,388	1.9	0.1	2.5	4.6	11.0	0.6	(0.2)	12.9
	DAX	11,657	(28.6)	(0.2)	1.0	3.1	8.3	(4.6)	(4.6)	10.4
	CAC	5,413	7.5	0.1	2.8	4.9	13.3	0.4	3.6	14.4
	FTSE 100	7,299	70.9	1.0	2.4	1.7	7.9	(0.4)	3.6	8.5
APAC Equity	HSI	29,409	396.8	1.4	1.7	4.2	13.7	7.3	(6.7)	13.8
	HSCEI	11,675	166.7	1.4	1.8	5.0	14.5	8.7	(7.8)	15.3
	HSI VIX	15.98	0.7	4.4	(10.1)	(12.6)	(30.0)	(17.5)	(21.8)	(36.2)
	CSI 300	3,852	106.7	2.9	2.6	12.0	24.6	16.3	(5.5)	27.9
	SH Composite	3,096	74.7	2.5	1.2	12.4	21.4	13.4	(5.6)	24.2
	SZ Composite	1,686	44.4	2.7	(0.6)	16.8	30.2	18.4	(9.8)	33.0
	Nikkei 225	21,585	133.7	0.6	2.2	1.0	2.5	(9.1)	0.1	7.5
Commodities (USD)	KOSPI	2,179	3.4	0.2	1.9	(1.1)	4.9	(5.5)	(11.9)	6.9
	Brent (Future)	67.54	0.4	0.6	1.4	1.7	18.0	(14.9)	2.3	25.6
	WTI (Future)	59.09	0.6	1.0	4.1	5.4	25.2	(16.9)	(4.8)	30.2
	Gold	1,304	1.3	0.1	0.8	(2.6)	5.1	8.5	(0.8)	1.8
	Copper (Future)	6,425	(6.0)	(0.1)	0.3	2.4	7.6	5.6	(6.7)	7.7
FX	Baltic Dry Index	721.00	(9.0)	(1.2)	11.4	13.5	(47.7)	(47.5)	(36.5)	(43.3)
	Dollar Index	96.52	(0.1)	(0.1)	(0.7)	(0.0)	(0.6)	2.1	7.5	0.3
	EUR	1.13	0.0	0.1	0.8	-	(0.3)	(2.8)	(8.1)	(1.1)
	JPY	111.43	(0.1)	(0.0)	0.2	(0.6)	1.0	0.9	(4.7)	(1.5)
	CNY	6.71	(0.0)	0.0	0.2	0.8	2.7	2.2	(5.7)	2.5
CDS	CNH	6.72	0.0	0.1	(0.2)	0.4	2.8	2.0	(5.9)	2.3
	ChinaGov CDS	47.36	(1.4)	(2.8)	(8.8)	(11.6)	(25.3)	(15.0)	(16.1)	(29.2)
	CDX Emerging Market	97.20	0.1	0.1	0.2	0.4	1.7	1.8	(1.9)	2.1

	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	2.2	1.8	2.4
	2-Year Treasury Yield	2.45	0.0	0.6	2.5	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.41	0.0	0.7	2.4	2.5	2.6	2.9	2.7	2.5
	10-Year Treasury Yield	2.60	0.0	0.6	2.6	2.7	2.8	3.1	2.9	2.7
	2-10 Spread	14.91	0.2	1.2	14.5	14.2	17.1	25.2	54.4	19.2
China rates	O/N China Repo Rate	2.60	(0.2)	(5.5)	2.2	1.7	2.7	2.7	2.5	1.0
	1-Week China Repo Rate	2.65	(0.2)	(5.4)	2.6	2.2	2.7	2.7	2.9	3.5
	O/N SHIBOR	2.76	0.1	3.8	2.4	1.7	2.7	2.7	2.6	2.6
	1-Week SHIBOR	2.71	(0.0)	(0.7)	2.6	2.4	2.7	2.7	2.9	2.9

Source: Bloomberg

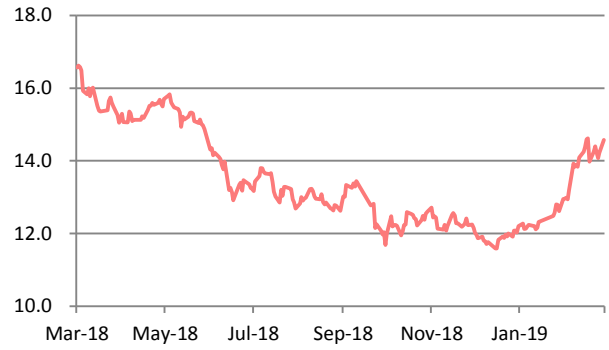
VI. Key Indicators

Hang Seng Index PE Ratio



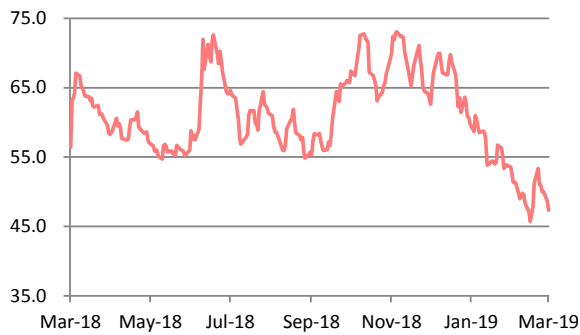
Source: Bloomberg

Shanghai Composite Index PE Ratio



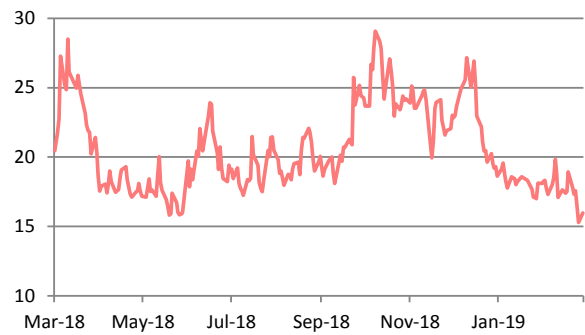
Source: Bloomberg

China 5Y CDS Index_USD



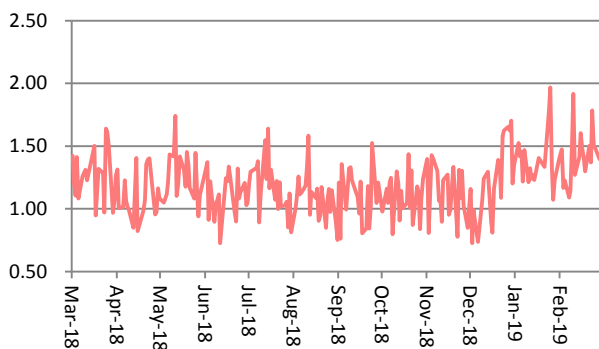
Source: Bloomberg

Hang Seng Index VIX



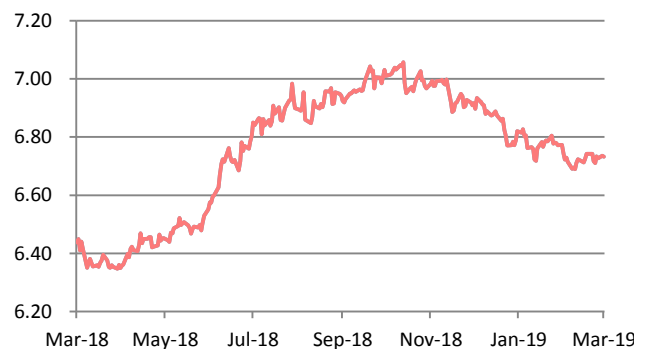
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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China Securities (International) Research

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

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