



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit US Services PMI	Feb F	56.2	56.2
Eurozone: Consumer Spending YoY	Jan	N/A	2.3%
U.K.: Official Reserves Changes	Feb	N/A	\$1535m
Germany: Markit Germany Construction PMI	Feb	N/A	50.7

Source: Bloomberg

II. Macro News

- **U.S. Said to See China Trade Pushback as Trump Touts Talks.** Some U.S. negotiators are concerned that China is pushing back against American demands in trade talks, according to people familiar with the negotiations, even as President Donald Trump sounded optimistic about reaching a deal that could boost his reelection chances. [Bloomberg]
- **EU accelerates moves to block China's market access.** Europe is moving unexpectedly quickly to restrict Chinese access to big public projects ranging from railways to telecoms. Only a week after Brussels branded Beijing as a "systemic rival", EU leaders attending a summit on Thursday are expected to yield to pressure from Berlin and Paris and "endorse" a law that will restrict the access of Chinese companies to the EU's €2.4 trillion-per-year public procurement market. [SCMP]
- **China eyes multiple measures to improve foreign trade in 2019.** China will take an array of measures to support foreign trade this year amid increased uncertainty, a senior official said. Authorities will ensure thorough implementation of current trade policies and steadily push the drive to build China into a major trader power, Assistant Commerce Minister Ren Hongbin said. [China Daily]

III. Industry News

- **China amends regulations to facilitate cross-border investment, financing.** China has amended its regulations on the capital management of transnational companies, according to the State Administration of Foreign Exchange. The new regulation will help promote the liberalization and facilitation of cross-border trade and investment and better serve the country's real economy, said the SAFE. [China Daily]
- **Chinese banks post forex settlement deficit in February.** China's commercial banks saw a net forex settlement deficit of 101.3bn yuan (\$15bn), in February, the country's forex regulator said. This reversed a surplus of 81.8bn yuan reported in January, the first surplus in seven months, according to the State Administration of Foreign Exchange. [China Daily]
- **Australian Coal Diverted From China as Delays Bite, Miner Says.** Coal from Australia is being diverted from China as the top buyer slows custom clearance, and is instead making its way to countries including Japan and South Korea, according to miner New Hope Corp. [Bloomberg]

IV. Corporate News

- **MGM Resorts, Major League Soccer in Multiyear Gaming Pact.** MGM Resorts and Major League Soccer's multi-year partnership establishes MGM Resorts as the league's first official gaming partner and the Roar Digital joint venture between MGM and GVC as MLS' official sports betting partner. [Bloomberg]
- **Dongzheng Auto Finance to Cut Offer Price, Postpone H.K. IPO.** It is expected the new offer price will be below the low end of the indicative range, Shanghai Dongzheng Automotive Finance Co. says in statement to Hong Kong stock exchange. [Bloomberg]

- **Xiaomi Tops Estimates as China Smartphone Giant Fends Off Rivals.** Xiaomi Corp.'s quarterly profit beat analysts' estimates as the Chinese smartphone maker increases retail prices for its top-tier products. Operating profit was 3.2bn yuan (\$477mn) in the December quarter, compared with analyst projections for 1.6 billion yuan. [Bloomberg]
- **CGN Power Gets Boost as Nuclear Project Clears Hurdle.** CGN Power is closer to breaking ground on a new 41 billion-yuan nuclear plant in Huizhou now that an environmental impact report is behind it. The project is likely to add 6-7% to CGN's own long-term power-generation capacity, boosting revenue and profit growth, yet rising capital outlays will crimp near-term cash flow. [Bloomberg]
- **Bocom Said to Cut Convertible-Bond Issue by Half to \$4.5B.** Bank of Communications Co. will trim the value of its planned 60bn yuan (\$8.9bn) convertible-bond sale by half. The bank may start bookbuilding as soon as next Monday. The size of the issue may still change before a final announcement Thursday, according to sources. [Bloomberg]
- **China Telecom Full Year Net Income 3.8% Above Estimates.** China Telecom reported net income for the full year that was 3.8% above the average analyst estimate. FY net income 21.21 billion yuan, estimate 20.44 billion yuan (range 19.33 billion yuan to 22.33 billion yuan) (Bloomberg data). [Bloomberg]
- **Beijing Benz recalls over 95,000 defective vehicles in China.** Beijing Benz (Mercedes-Benz) Automotive Co Ltd has announced a plan to recall vehicles due to defective steering racks, according to China's market regulator. The recall involves 95,694 C-class, E-class and GLC SUV models manufactured in China between Oct 18, 2016, and April 13, 2018, the State Administration for Market Regulation said in a statement. [China Daily]
- **Chinese dairy giant Yili inks conditional agreement with New Zealand's Westland.** China's Inner Mongolia Yili Industrial Group Company Limited signed a conditional agreement Monday with New Zealand's Westland Co-operative Dairy Company limited. [China Daily]
- **Suning to expand presence in Beijing's subcenter.** Suning Holdings Group will expand its presence in Tongzhou District, Beijing's sub-center as the company banks on the region's development. Suning will have 342 smart retail outlets in operation in the district within the next three years, according to a strategic cooperation agreement signed between the company and the Tongzhou District government. [China Daily]
- **China Telecom 2018 4G ARPU Falls Nearly 15%, Sees 2019 Capex to Drop 7.9%.** China Telecom announced that ARPU of 4G business in 2018 was RMB55.8, down 14.8% yearly, while that of overall mobile business was RMB50.5, down 8.3% yearly. The telecom carries assumed the capital expenditure to be RMB69.0bn in 2019, down 7.9% yearly. [AASocks]
- **Tencent sacks 20 workers who served more than a decade.** Tencent fired 20 mid-level employees ahead of its financial results announcement on Thursday. The 20 employees include assistant general managers, deputy general managers and general managers. Most have been working at Tencent for over 10 years mainland media reported. [The Standard]
- **Hengan books 3.7b yuan net profit. Chinese sanitary napkins and baby diapers producer** Hengan Int'l Group reported 2018 net profit edged up by 0.2% YoY to 3.79bn yuan. Revenue amounted to 20.51bn yuan, up 13.5% from 2017, while basic EPS were 3.15 yuan. A final dividend of 1.2 yuan per share was proposed. [The Standard]
- **Huawei Tops in terms of Patent Applications in 2018.** World Intellectual Property Organization disclosed that Asian corporations accounted for 50.5% of the patent applications received last year, of which 5,405 applications came from telecommunications equipment supplier Huawei, topping all other cos in terms of the number. [AASocks]
- **China Telecom Feb 4G Net Addition Slows to 3.22M.** China Telecom announced that the number of mobile subscribers increased to 310mn in February, where the net increase slowed to 2.96mn. Among the said figures, the number of 4G users ascended to 251mn, where the net increase slowed to 3.22mn. [AASocks]
- **China Unicom To Run VoLTE Business Trial Soon.** China Unicom declared on Weibo account that the group is expediting the development of Voice over Long-Term Evolution (VoLTE). While all the fundamentals are ready, a business trial is coming into full swing soon. During the trial period, China Unicom will charge VoLTE services based on the length of time. [AASocks]

V. Overnight Market Recap

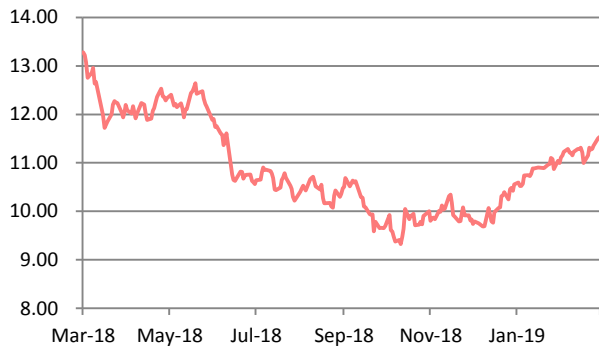
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,833	(0.4)	(0.0)	1.5	1.7	14.8	(3.3)	4.3	13.0
	Dow Jones	25,887	(26.7)	(0.1)	1.3	(0.3)	13.2	(2.9)	4.7	11.0
	Nasdaq Composite	7,724	9.5	0.1	1.8	3.1	18.3	(3.8)	4.9	16.4
	Russell 2000	1,555	(8.9)	(0.6)	0.3	(1.7)	17.3	(9.6)	(1.0)	15.3
	VIX Index	13.56	0.5	3.5	(1.5)	(3.3)	(52.2)	14.9	(25.5)	(46.7)
Europe Equity	Euro Stoxx 50	3,409	21.1	0.6	3.2	4.6	13.6	0.2	(0.1)	13.6
	DAX	11,788	131.4	1.1	2.3	3.4	11.1	(4.4)	(4.2)	11.6
	CAC	5,426	13.1	0.2	3.0	4.4	15.6	(0.5)	3.3	14.7
	FTSE 100	7,324	24.8	0.3	2.4	1.3	9.1	(0.6)	3.7	8.9
APAC Equity	HSI	29,466	57.3	0.2	2.3	3.3	15.0	7.2	(6.6)	14.0
	HSCEI	11,687	11.8	0.1	2.5	4.1	15.8	8.3	(7.2)	15.4
	HSI VIX	16.14	0.2	1.0	(6.9)	(11.9)	(29.8)	(13.3)	(23.7)	(35.5)
	CSI 300	3,834	(17.8)	(0.5)	2.9	11.1	25.0	15.8	(6.0)	27.3
	SH Composite	3,091	(5.4)	(0.2)	2.1	11.9	21.9	13.3	(6.1)	23.9
	SZ Composite	1,689	3.0	0.2	1.9	16.6	30.2	18.9	(9.8)	33.2
	Nikkei 225	21,567	(17.7)	(0.1)	0.3	0.5	5.6	(9.1)	0.7	7.6
Commodities (USD)	KOSPI	2,178	(1.9)	(0.1)	1.0	(3.3)	4.7	(7.2)	(13.2)	5.7
	Brent (Future)	67.61	0.1	0.1	1.4	0.6	24.1	(14.3)	0.0	25.4
	WTI (Future)	59.03	(0.1)	(0.1)	3.8	3.4	28.3	(16.9)	(7.2)	29.6
	Gold	1,307	2.9	0.2	0.4	(2.5)	3.6	8.1	(0.5)	1.7
	Copper (Future)	6,459	34.0	0.5	(0.2)	2.2	7.4	5.5	(5.8)	8.3
FX	Baltic Dry Index	712.00	(9.0)	(1.2)	8.9	14.5	(46.0)	(49.0)	(36.5)	(44.0)
	Dollar Index	96.38	(0.1)	(0.2)	(0.6)	0.0	0.2	2.7	6.8	0.3
	EUR	1.14	0.0	0.1	0.6	0.1	(0.9)	(3.7)	(7.3)	(1.1)
	JPY	111.39	(0.0)	(0.0)	0.0	(0.7)	(0.3)	0.8	(4.6)	(1.7)
	CNY	6.71	(0.0)	0.0	(0.1)	0.7	2.7	2.0	(5.7)	2.5
CDS	CNH	6.72	(0.0)	(0.0)	0.2	(0.0)	2.6	1.7	(5.8)	2.2
	ChinaGov CDS	49.01	0.3	0.6	(4.1)	(6.9)	(21.7)	(11.3)	(13.1)	(26.7)
	CDX Emerging Market	97.17	(0.0)	(0.0)	0.2	0.3	1.7	1.5	(1.9)	2.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.44	0.0	0.5	2.4	2.4	2.4	2.2	1.8	2.4
	2-Year Treasury Yield	2.47	0.0	0.7	2.5	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.43	0.0	0.6	2.4	2.5	2.6	2.9	2.7	2.5
	10-Year Treasury Yield	2.61	0.0	0.3	2.6	2.7	2.8	3.1	2.9	2.7
	2-10 Spread	13.95	(1.0)	(6.4)	15.0	14.2	10.7	26.8	54.7	19.2
China rates	O/N China Repo Rate	2.77	0.1	2.6	2.1	1.8	2.5	2.6	2.5	1.0
	1-Week China Repo Rate	2.65	(0.1)	(3.6)	2.4	2.0	2.7	2.7	3.0	3.5
	O/N SHIBOR	2.67	(0.1)	(3.3)	2.1	1.8	2.7	2.6	2.6	2.6
	1-Week SHIBOR	2.73	0.0	0.7	2.5	2.4	2.7	2.7	2.9	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



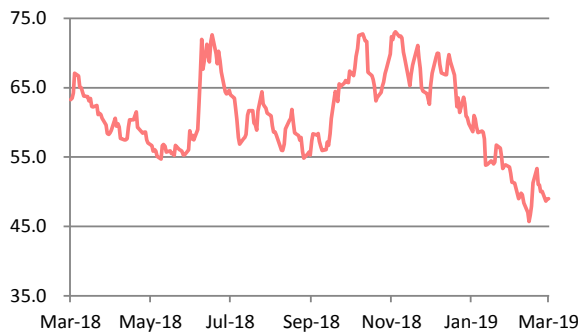
Source: Bloomberg

Shanghai Composite Index PE Ratio



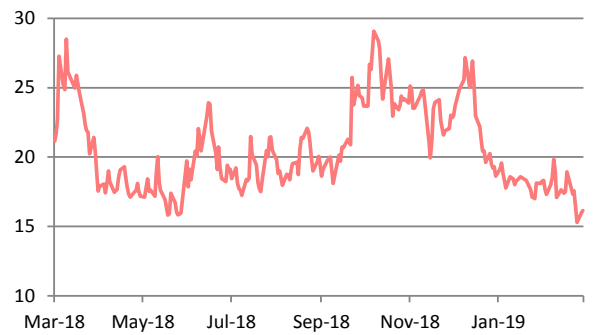
Source: Bloomberg

China 5Y CDS Index_USD



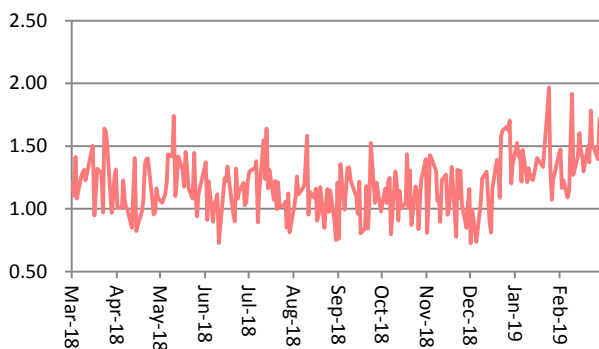
Source: Bloomberg

Hang Seng Index VIX



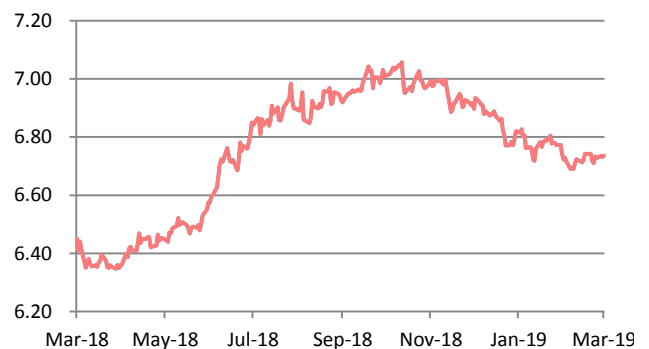
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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