



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Existing Home Sales MoM	Feb	5.10m	4.94m
Eurozone: Current Account Balance	4Q	N/A	0.1bn
U.K.: BOE Asset Purchase Target	Mar	435bn	435bn
Germany: IFO Business Climate	Mar	N/A	98.5

Source: Bloomberg

II. Macro News

- **China's macro economy stable in Jan-Feb.** The National Academy of Development and Strategy under Renmin University of China said in its monthly report that the economy performed well during the Jan-Feb period against impact from setbacks in globalization, frustrated multilateralism and volatile global financial markets. [China Daily]
- **Brazil Starts Mulling Key Rate Cut Under New Bank President.** Brazil's central bank held its benchmark interest rate at an all-time low in the first meeting under its new boss and signaled it could lower borrowing costs in the future if growth continues to disappoint. [Bloomberg]
- **Australia's Unemployment Drops to 10-Year Low, Defying Downturn.** Australian unemployment dropped to a decade-low in February, defying the worst housing slump in a generation that's forced a sharp slowdown in economic growth. The jobless rate fell to 4.9 percent, matching the lowest level since January 2009, statistics bureau data showed in Sydney Thursday. [Bloomberg]

III. Industry News

- **CSRC Is Said to Limit Bids in Convertible Bond Sales.** China Securities Regulatory Commission asked institutional investors to use only one account to subscribe to convertible bond sales, including upcoming issuance from Bank of Communications. [Bloomberg]
- **Xi Says China-Italy Pact Offers Closer Ties in Strategic Sectors.** Chinese President Xi Jinping, brushing aside U.S. and European concerns ahead of his visit to Rome, offered Italy a "global strategic partnership" stretching from building the new Silk Road together to boosting ties in sensitive sectors including telecoms and ports. [Bloomberg]
- **Indonesia Keeps Benchmark Rate Unchanged as Fed Pressure Eases.** Indonesia's central bank left its benchmark interest rate unchanged for a fourth month as pressure on emerging markets eased on the back of a more cautious U.S. Federal Reserve. The seven-day reverse repurchase rate was left at 6 percent on Thursday, as predicted by all 36 economists surveyed by Bloomberg. [Bloomberg]

IV. Corporate News

- **Apple Fails to Knock Out Qualcomm's 'Unwilling Licensee' Claim.** A federal judge denied a request by Apple Inc. to throw out a counterclaim by Qualcomm Inc. that seeks a declaration it has fulfilled its obligation to offer Apple a patent license on fair, reasonable and non-discriminatory (FRAND) terms. [Bloomberg]
- **Indonesia's Lion Air Is Said to Start Work on \$1 Billion IPO.** Lion Air has started preparations for a domestic initial public offering, people with knowledge of the matter said, as Indonesia's biggest private carrier seeks to move past an October crash that triggered the crisis surrounding Boeing Co.'s 737 Max plane. [Bloomberg]

- **China Education Seeks HK\$2.36B in Convertible Bond Sale.** China Education Group Holdings Ltd. seeks HK\$2.36b selling 5-year Hong Kong-dollar convertible bonds, according to terms for the deal obtained by Bloomberg. The company plans to use proceeds for construction, development and acquisition of schools in China. [Bloomberg]
- **China Nears Aircraft Order From Africa in Rare Advance Overseas.** Chinese planemaker Comac is nearing an order from an airline in Ghana, a rare advance overseas for the state-owned company as it attempts to become a real challenger to Boeing Co. and Airbus SE. Africa World Airlines Ltd., partly owned by China's HNA Group Co. may agree this month to buy two Comac ARJ21 regional jets. [Bloomberg]
- **Delta CEO Asks China Eastern to Join Alitalia Rescue.** Delta CEO Ed Bastian went to China to meet with China Eastern management to discuss the Asian airline's potential investment in Alitalia, La Stampa reports. Delta would buy a stake of 10%-15% in the new Alitalia. [Bloomberg]
- **China Mobile's 2018 Profit Beats Estimates Amid Cost Cuts.** China Mobile Ltd. reported profit that beat analyst estimates, boosted by cost reductions as it added 4G subscribers. Net income increased 3% to 117.8bn yuan (\$17.6bn) in 2018, the carrier reported in a statement Thursday, compared with the 115.4bn yuan average of analyst estimates and 114.3bn the previous year. [Bloomberg]
- **Abu Dhabi, Tech Giants Said to Vie for \$3 Billion Watson Stake.** Mubadala Investment Co., the Abu Dhabi sovereign fund, and Chinese internet giant Tencent Holdings Ltd. are weighing bids for part of Temasek Holdings Pte's stake in global retailer A.S. Watson Group. [Bloomberg]
- **Hong Kong Billionaire Lee Mulls Retiring From Developer He Built.** Lee Shau Kee, the 91-year-old billionaire who founded Henderson Land Development Co. and built it into one of Hong Kong's largest developers over almost five decades, is considering retiring from his role as chairman. [Bloomberg]
- **Tahoe, Chinese developer at biggest risk of default, tries to offload a dozen projects to ease liquidity stress.** Chinese developer Tahoe Group is seeking to offload a dozen projects that it bought for at least 40bn yuan (US\$5.97bn) in the past two year. It is the latest builder to resort to asset sales to raise cash in the face of mounting debts. [SCMP]
- **Henderson Land, K Wah Int'l report small increases in profit, are optimistic about 2019.** Henderson Land Development said profit attributable to its owners inched up by 1% last year, while that of K Wah Int'l rose by 3.6%, in a reflection of HK's cooling housing market. Profit attributable to equity shareholders for the year to December 31, 2018 stood at HK\$31.16bn (US\$3.96bn), an increase of 1%. [SCMP]
- **PetroChina: Loss from Imported Gas Curbed by Measures; Sales Biz Shiny This Yr.** PetroChina Vice President Ling Xiao said the company's loss from imported gas last year only increased approximately RMB1 billion to approximately RMB25 billion mainly because the company had adopted multiple measures to control the loss. [AASocks]
- **Conch Cement Net Profit RMB29.86B, Up 87.8%; Final Div RMB1.6.** Conch Cement announced annual result ended Dec18. Turnover rose 70.5% YoY to RMB128.403bn. Net profit amounted to RMB29.858bn, up 87.8% YoY. EPS was RMB5.63. A final dividend RMB1.69 was declared vs. RMB1.2 in corresponding period of the previous year. [AASocks]
- **Cainiao, AliExpress partner with Spain's Correos to boost cross-border logistics.** Cainiao Network and AliExpress, both under Chinese e-commerce powerhouse Alibaba, have joined hands with Correos, Spain's national postal service, to speed up cross-border logistics between China and Europe. [China Daily]
- **Huawei defends its brand integrity.** Huawei will take a "proactive approach" to represent its brand "truthfully and honestly" in Australia, a senior executive said. Huawei's director of corporate and public affairs for Australia, New Zealand, and the South Pacific, said that lots of things said about Huawei "are simply not based on fact". [China Daily]
- **Geely 2018 net profit rises to 12b yuan.** Geely Automobile posted net profit last year rose by 18% YoY to 12.55 billion yuan. The Hangzhou-based car maker's sales volume amounted to 1.5 million units in 2018, representing Basic earnings per share were 1.4 yuan and a final dividend of 35 HK cents per share was proposed. [The Standard]

V. Overnight Market Recap

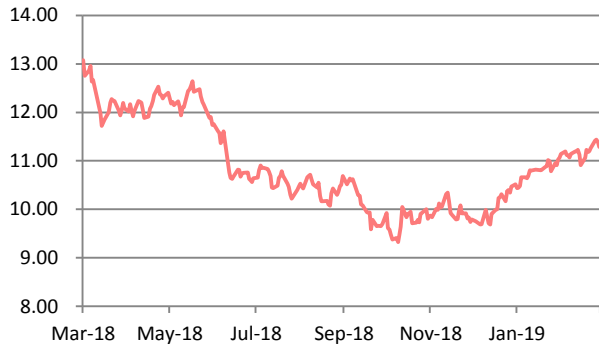
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,855	30.7	1.1	1.7	2.2	18.1	(2.6)	8.0	13.9
	Dow Jones	25,963	216.8	0.8	1.0	(0.3)	15.7	(2.9)	8.4	11.3
	Nasdaq Composite	7,839	110.0	1.4	2.7	4.1	23.8	(1.9)	9.4	18.1
	Russell 2000	1,562	19.3	1.2	0.8	(1.7)	20.9	(8.8)	1.2	15.9
	VIX Index	13.63	(0.3)	(2.0)	1.0	0.9	(54.7)	16.7	(41.6)	(46.4)
Europe Equity	Euro Stoxx 50	3,367	(5.0)	(0.1)	0.8	3.0	12.2	(1.8)	0.6	12.2
	DAX	11,550	(53.9)	(0.5)	(0.3)	0.8	8.6	(7.1)	(4.5)	9.4
	CAC	5,379	(3.8)	(0.1)	0.5	3.1	14.6	(2.1)	4.1	13.7
	FTSE 100	7,355	64.3	0.9	2.4	2.5	9.4	(1.8)	5.8	9.3
APAC Equity	HSI	29,072	(249.4)	(0.9)	0.2	0.9	12.9	4.0	(6.4)	12.5
	HSCEI	11,544	(80.9)	(0.7)	0.3	1.0	14.3	4.7	(7.1)	14.0
	HSI VIX	16.56	0.2	1.2	0.7	(4.4)	(30.1)	(13.3)	(27.1)	(33.8)
	CSI 300	3,837	1.5	0.0	2.5	9.0	26.7	12.5	(4.6)	27.4
	SH Composite	3,101	10.8	0.3	2.6	10.6	23.3	10.9	(5.0)	24.4
	SZ Composite	1,697	12.9	0.8	3.4	14.9	32.1	17.5	(8.2)	33.9
	Nikkei 225	21,609	42.1	0.2	1.5	0.7	7.2	(9.5)	1.1	8.0
Commodities (USD)	KOSPI	2,185	7.8	0.4	1.4	(1.7)	6.3	(6.3)	(12.2)	7.4
	Brent (Future)	67.86	(0.6)	(0.9)	0.9	1.1	26.0	(13.9)	(1.6)	26.1
	WTI (Future)	59.98	0.2	0.3	2.3	4.8	31.7	(15.2)	(6.7)	32.2
	Gold	1,309	(3.2)	(0.2)	1.0	(1.6)	3.1	9.1	(1.6)	2.0
	Copper (Future)	6,421	(36.0)	(0.6)	0.3	0.6	7.2	0.9	(5.5)	7.6
FX	Baltic Dry Index	695.00	(14.0)	(2.0)	(4.8)	9.6	(45.7)	(50.8)	(37.8)	(45.3)
	Dollar Index	96.50	0.7	0.8	(0.3)	(0.1)	(0.6)	2.3	7.3	0.2
	EUR	1.14	(0.0)	(0.3)	0.6	0.3	(0.3)	(3.2)	(7.6)	(0.9)
	JPY	110.82	0.1	0.1	(0.8)	(0.1)	(0.3)	1.9	(4.9)	(1.0)
	CNY	6.70	0.0	(0.1)	0.4	0.3	3.1	2.4	(5.6)	2.7
CDS	CNH	6.71	0.0	0.3	(0.2)	0.1	2.9	2.4	(5.5)	2.5
	ChinaGov CDS	52.74	(0.1)	(0.1)	7.9	2.7	(21.4)	(9.7)	(16.9)	(21.1)
	CDX Emerging Market	96.88	(0.0)	(0.0)	(0.2)	0.1	1.8	1.5	(1.3)	1.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.46	0.0	0.2	2.4	2.4	2.4	2.2	1.7	2.4
	2-Year Treasury Yield	2.41	0.0	0.5	2.4	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.34	0.0	0.6	2.4	2.5	2.6	2.9	2.6	2.5
	10-Year Treasury Yield	2.54	0.0	0.4	2.6	2.6	2.8	3.1	2.8	2.7
	2-10 Spread	12.65	0.0	0.4	14.7	14.5	14.7	25.9	54.2	19.2
China rates	O/N China Repo Rate	2.61	(0.1)	(1.9)	2.7	1.8	2.4	2.5	2.5	1.0
	1-Week China Repo Rate	2.65	(0.1)	(3.6)	2.8	1.9	2.0	2.6	2.8	3.5
	O/N SHIBOR	2.66	(0.1)	(2.0)	2.7	1.9	2.5	2.5	2.5	2.6
	1-Week SHIBOR	2.68	(0.0)	(1.0)	2.7	2.4	2.6	2.7	2.9	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



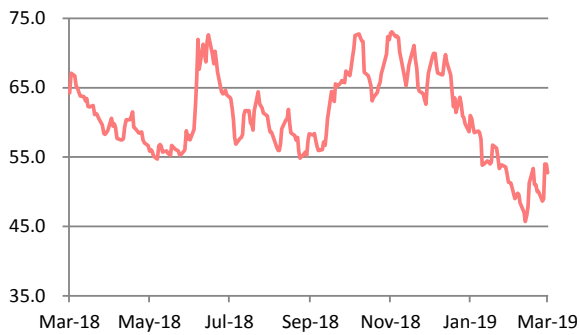
Source: Bloomberg

Shanghai Composite Index PE Ratio



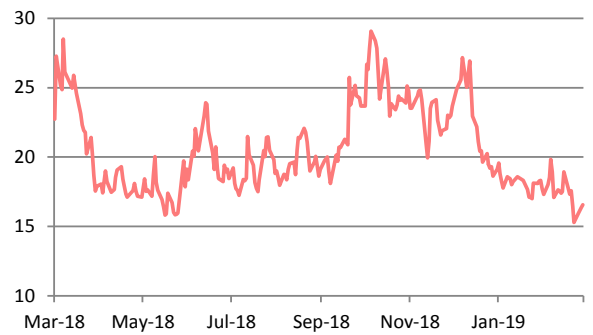
Source: Bloomberg

China 5Y CDS Index_USD



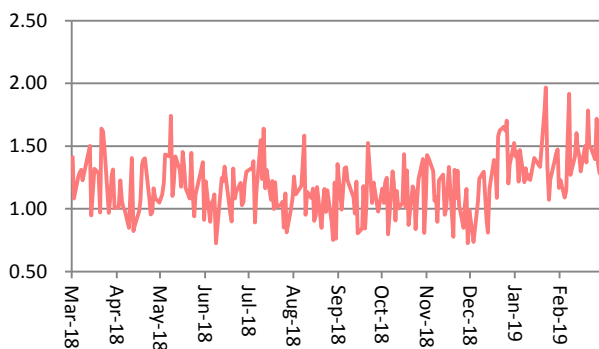
Source: Bloomberg

Hang Seng Index VIX



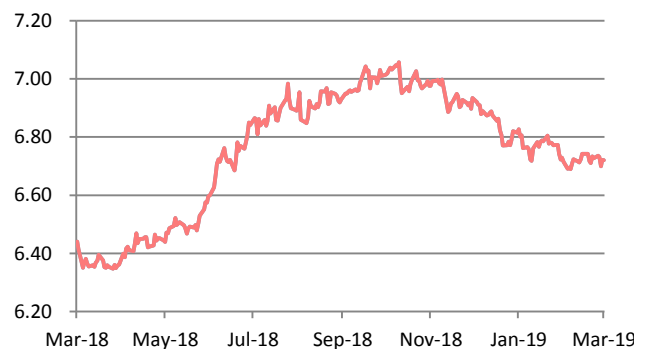
Source: Bloomberg

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