

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Unemployment Rate AKU	Jan	3.7%	3.7%
China: Swift Global Payments CNY	Feb	N/A	2.15%
U.K.: UK Finance Loans for Housing	Feb	39600	40634
Germany: CPI EU Harmonized YoY	Mar P	1.6%	1.7%
Eurozone: Consumer Confidence	Mar	96.0	95.0

Source: Bloomberg

## II. Macro News

- **Chinese consumers get cautious on spending.** Chinese customers are less confident about their personal finances and income growth and are more cautious of making big purchases than a year ago as the country's economic slowdown is beginning to weigh on sentiment, a Credit Suisse study has found. [SCMP]
- **Hoping for Deal With U.S., China Promises Openness.** Top Chinese economic policymakers promised this weekend that Beijing was ready to open up the country's economy to more market-based competition and international trade, in the latest sign of strong Chinese interest in ending a multibillion-dollar trade war with the United States. [Bloomberg]
- **China Reiterates to Fully Open up Manufacturing Industry.** China will create stable and predictable manufacturing environment, Miao Wei, minister of industry and information technology, says at the China Development Forum. China to make industrial policy more inclusive. [Bloomberg]

## III. Industry News

- **China ready for 5G era as work enters 'final sprint'.** China plans to accelerate commercialisation of 5G as development of the advanced wireless technology enters a "final sprint" phase, with winners poised to achieve faster economic development, according to a senior government official. [SCMP]
- **China's big three oil giants to spend US\$77bn on boosting output from old fields.** China's oil giants aim to spend the most in five yrs in pursuit of higher energy output. But unlike global rivals investing in top-tier assets, the state-owned producers are trying to boost supply from fields that are either old and high-cost or new and challenging. PetroChina, Sinopec and CNOOC are raising combined CAPEX to about 517bn yuan (US\$77bn), up 18% from last year. [SCMP]
- **China tightens management of new energy vehicle recalls.** China is strengthening the management of its system for recalling new energy vehicles, as part of the country's efforts to forge well-organized and high-quality development of the world's largest NEV market. [China Daily]

## IV. Corporate News

- **Cathay to Acquire Hong Kong's Only Budget Carrier.** Cathay Pacific Airways Ltd. agreed to buy Hong Kong's only budget carrier to expand into the no-frills market, the South China Morning Post said. Cathay said March 5 that it's in "active discussions" with HNA Group Co. about an acquisition involving Hong Kong Express. [Bloomberg]
- **Guangzhou Rural Bank Proposes to Issue up to 1.6B A Shares.** Guangzhou Rural Commercial Bank has submitted prospectus regarding its A share offering application. Offer price will be determined after "making enquiries with offline investors" or "through negotiation" with lead underwriters. [Bloomberg]

- **Sinopec FY IFRS Net 61.6B Yuan; Est. 65.8B Yuan.** Sinopec reported FY net income growth of 20.2%, according to statement to Shanghai Stock Exchange. FY operating profit from refining 54.8b yuan. FY CAPEX 118b yuan; plans 2019 CAPEX of 136.3b yuan. [Bloomberg]
- **Alibaba Buys Israeli AR Startup Amid China Investment Scrutiny.** Alibaba has acquired Israeli startup Infinity Augmented Reality, after investing in the co three yrs ago. InfinityAR will join Alibaba's Israel Machine Vision Laboratory. Alibaba paid more than \$10mn, according to an estimate from market sources cited by Globes. [Bloomberg]
- **Boeing Plans to Meet Regulators, Pilots to Explain 737 Max Fixes.** Boeing Co. plans to meet this week with customers and regulators to explain plans for getting its 737 Max back into service, after the aircraft was grounded following two deadly crashes in less than five months. [Bloomberg]
- **Fake Chinese Range Rovers Barred in Rare Mainland Court Victory.** The Beijing court also ordered Jiangling Motors Corp. to immediately stop making the Landwind X7 after finding it copied five unique features from the Evoque, manufacturer Jaguar Land Rover Automotive Plc said in a statement. [Bloomberg]
- **Stressed Chinese Oil Firm Sweetens Bond Offer Ahead of Maturity.** Chinese oil exploration company MIE Holdings Corp. extended the deadline of its bond exchange offer and added incentives for investors to participate as it struggles to repay a dollar bond next month. [Bloomberg]
- **Naspers Reportedly Mulling to Spin Off Assets Including Tencent for Netherlands Listing.** Naspers is going to spin off its internet businesses for a listing in the Euronext in Netherlands in an effort to boost its company value, sources quoted as saying by Bloomberg. Its internet unit includes 31% equity stake in Tencent, Russian internet platform Mail. Ru, German delivery services Delivery Hero and Indian e-commerce startup Swiggy. [AASocks]
- **China Shenhua Wishes to Keep Stable Div Policy; Huangda Railway Construction Underway.** China Shenhua 's capex is budgeted at RMB27.13bn this year, as revealed by the Vice President Jia Jinzhong. Some of the amount will be allocated for the construction of Huangda Railway so as to optimize transportation industry deployment. [AASocks]
- **China Shenhua: 2019 Coal Prices at 'Green Range'; Optimistic on Future Coal Demand.** At the annual results press conference, China Shenhua Vice President Zhang Guangde predicted China's coal prices this year to be largely flattish as last year, staying at the "green range" (i.e. RMB500-570 per tonne) without great volatility in 2019. [AASocks]
- **Greatwall Motor : BMW-Joint EV to Start Mass Production in 2022.** Greatwall Motor Chairman Wei Jian Jun said at a press conference that the JV with BMW is principally engaged in platform development in pursuit of cost cut. The mass production for the first all-electric model is expected in 2022. [AASocks]
- **PICC Group: Mkt Liberation, Competition Favor Mkt Dev; Eyes Secondary Mkt Fluctuation.** Chairman Miao Jianmin previewed at result press conference that the insurance industry will open up wider, which will favor mkt development upon broader choices open for consumers from rivalries with foreign enterprises on a fair basis. [AASocks]
- **Fosun Pharma Annual NP RMB2.7B, Down 13.3%; Final Div RMB0.32.** Fosun Pharma announced annual result ended December 2018. The net profit amounted to RMB2.708 billion, down 13.3% yearly. EPS was RMB1.07. A final dividend of RMB0.32 was declared against a dividend of RMB0.38 in the corresponding period of the previous year. [AASocks]
- **Weichai Power Annual NP RMB8.658B, Up 27.2%; Final Div RMB0.28.** Weichai Power announced annual result ended December 2018. The net profit amounted to RMB8.658 billion, up 27.2% yearly. EPS was RMB1.08. A final dividend of RMB0.28 was declared against a dividend of RMB0.25 in the corresponding period of the previous year. [AASocks]
- **Shanghai Dongzheng Automotive trims IPO offer price, delays listing.** Shanghai Dongzheng Automotive Finance, an automotive finance arm of China ZhongTong Auto Services, announced a delay in the main board listing plan. After taking into consideration current market conditions, the co and joint global coordinators have agreed to lower the offer price to HK\$3.06/shr, which is below the low end of the indicative offer price range of HK\$4.2 to HK\$6.3. [The Standard]
- **Longfor core net profit rises to 12.8b yuan.** Mainland developer Longfor Group Holdings (0960) reported today core net profit for 2018 rose by 31.5 percent year-on-year to 12.85 billion yuan, excluding effects such as minority interests and valuation gains. [The Standard]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,798	(2.4)	(0.1)	(1.2)	0.2	13.4	(3.7)	5.3	11.6
	Dow Jones	25,517	14.5	0.1	(1.5)	(2.1)	11.5	(3.3)	5.4	9.4
	Nasdaq Composite	7,638	(5.1)	(0.1)	(1.0)	1.2	16.5	(4.4)	5.8	15.1
	Russell 2000	1,513	6.9	0.5	(3.3)	(4.1)	13.8	(10.6)	(2.0)	12.2
	VIX Index	16.33	(0.2)	(0.9)	24.7	7.6	(46.3)	26.7	(22.3)	(35.8)
Europe Equity	Euro Stoxx 50	3,300	(5.3)	(0.2)	(2.6)	0.3	11.0	(3.9)	0.7	10.0
	DAX	11,347	(17.5)	(0.2)	(2.7)	(1.7)	6.7	(8.4)	(3.7)	7.5
	CAC	5,261	(9.3)	(0.2)	(2.8)	0.4	13.7	(4.6)	3.8	11.2
	FTSE 100	7,178	(30.0)	(0.4)	(1.7)	0.4	7.4	(4.4)	4.2	6.7
APAC Equity	HSI	28,523	(590.0)	(2.0)	(3.2)	(0.9)	11.2	2.5	(6.6)	10.4
	HSCEI	11,232	(285.4)	(2.5)	(3.9)	(2.7)	11.6	2.2	(7.9)	10.9
	HSI VIX	18.14	2.3	14.4	13.5	(2.2)	(27.1)	(9.3)	(28.0)	(27.5)
	CSI 300	3,743	(91.0)	(2.4)	(2.4)	1.6	24.7	9.5	(3.5)	24.3
	SH Composite	3,043	(61.1)	(2.0)	(1.6)	3.5	21.8	8.4	(2.9)	22.0
	SZ Composite	1,676	(24.5)	(1.4)	(0.7)	8.2	31.0	15.8	(6.4)	32.2
	Nikkei 225	20,977	(650.2)	(3.0)	(2.2)	(0.7)	10.3	(11.3)	2.6	6.5
KOSPI	2,145	(42.1)	(1.9)	(1.6)	(3.4)	6.1	(8.0)	(11.7)	5.4	
Commodities (USD)	Brent (Future)	67.21	0.2	0.3	(0.5)	3.5	23.9	(17.0)	(3.8)	25.4
	WTI (Future)	58.82	(0.2)	(0.4)	(0.5)	6.9	28.3	(17.1)	(9.5)	30.6
	Gold	1,322	8.2	0.6	1.4	(0.5)	4.3	10.7	(2.3)	3.1
	Copper (Future)	6,340	28.0	0.4	(1.3)	(2.2)	6.5	0.3	(4.8)	6.3
	Baltic Dry Index	689.00	(1.0)	(0.1)	(3.2)	6.2	(45.8)	(54.2)	(38.8)	(45.8)
FX	Dollar Index	96.57	(0.1)	(0.1)	0.0	0.5	(0.6)	2.4	8.4	0.3
	EUR	1.13	0.0	0.1	(0.2)	(0.6)	(0.3)	(3.6)	(9.0)	(1.3)
	JPY	109.97	0.1	0.0	(1.3)	0.4	1.1	2.3	(4.3)	(0.4)
	CNY	6.71	(0.0)	0.1	0.1	(0.3)	2.6	2.4	(6.5)	2.5
	CNH	6.72	(0.0)	(0.1)	(0.1)	(0.4)	2.8	2.5	(6.8)	2.4
CDS	ChinaGov CDS	52.20	0.1	0.2	6.8	6.5	(25.4)	(10.6)	(21.7)	(21.9)
	CDX Emerging Market	96.39	0.1	0.1	(0.8)	(0.7)	1.5	1.0	(1.7)	1.2

	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	2.2	1.7	2.4
	2-Year Treasury Yield	2.24	(0.1)	(3.2)	2.5	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.18	(0.1)	(2.8)	2.4	2.5	2.6	3.0	2.6	2.5
	10-Year Treasury Yield	2.40	(0.0)	(1.7)	2.6	2.7	2.7	3.1	2.9	2.7
	2-10 Spread	15.26	3.4	29.0	14.0	15.4	17.8	25.3	57.7	19.2
China rates	O/N China Repo Rate	2.50	(0.0)	(2.0)	2.7	2.4	2.0	2.5	2.6	1.0
	1-Week China Repo Rate	2.66	0.1	2.3	2.8	2.6	4.8	2.8	2.8	3.5
	O/N SHIBOR	2.54	(0.1)	(3.2)	2.7	2.4	2.0	2.5	2.5	2.6
	1-Week SHIBOR	2.67	0.0	0.2	2.7	2.6	2.7	2.7	2.9	2.9

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



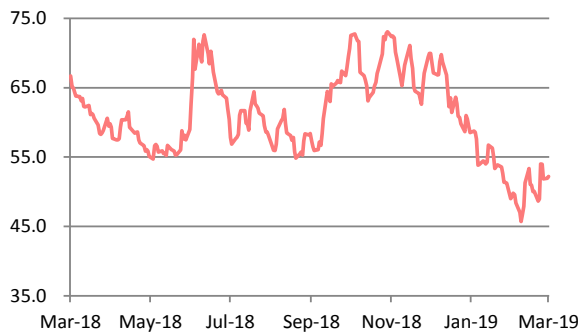
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



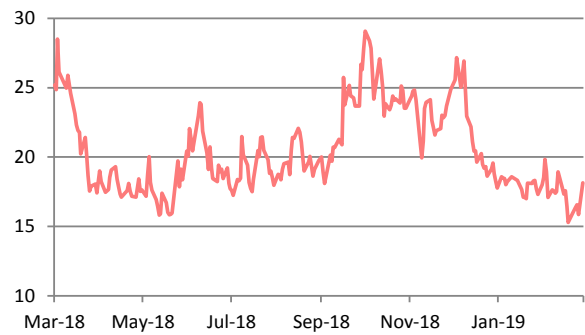
Source: Bloomberg

**China 5Y CDS Index\_USD**



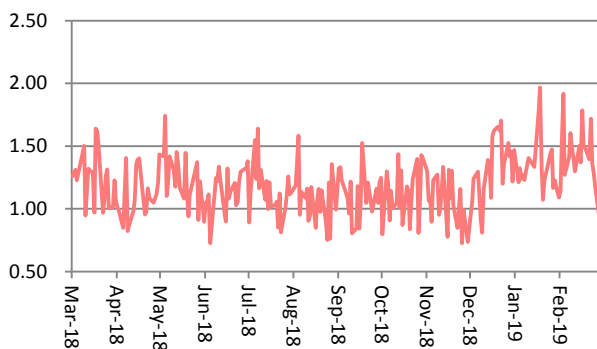
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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