



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Credit Indicator Growth YoY	Feb	5.6%	5.7%
China: BoP Current Account Balance	2Q F	N/A	\$54.66bn
U.K.: Nationwide House PX NSA YoY	Mar	0.6%	0.4%
Germany: Import Price Index YoY	Feb	1.7%	0.8%
Eurozone: Total Mortgage Lending YoY	Jan	N/A	23.1%

Source: Bloomberg

II. Macro News

- **China's Economy Will Just About Escape Deflation in 2019.** China's economy will flirt with deflation this year, with producer prices likely contracting in the 2H. Factory-gate prices will grow by just 0.3% in 2019, according to median estimate of 15 economists in Bloomberg survey. That's down from forecast of 0.8% seen last month. [Bloomberg]
- **Two Shanghai export zones upgraded amid further opening-up efforts.** Shanghai has upgraded two of its six export processing zones, Caohejing and Fengxian to comprehensive bonded zones in response to the country's latest efforts to further open up and shift its export-oriented development model. [China Daily]
- **Euro-Area Banks Can Expect ECB Loan Details by June.** Euro-area banks will know by June how generous the terms of the European Central Bank's new loans are going to be, according to Governing Council member Olli Rehn. Policy makers have yet to pass judgment on the severity of the current slowdown that prompted that measure, the Finnish central bank governor told Bloomberg in an interview. [Bloomberg]

III. Industry News

- **Australia Includes Coal Projects in Plan to Bolster Power Grid.** Australia is commissioning a feasibility study into a new coal-fired power plant and may underwrite the upgrade of an existing facility amid an effort to strengthen the nation's aging energy grid. [Bloomberg]
- **China May Add 20 Mln Tons of Iron Ore Supply This Year, CBA Says.** Global iron ore market may see additional supply from mainland mines this year amid fall-out from Vale SA's supply curtailments and higher prices, according to Commonwealth Bank of Australia. [Bloomberg]
- **Oil Sanctioned by U.S. and Shunned by World Finds Haven in China.** China is doubling down on purchases of cheap oil that other buyers are shunning due to U.S. sanctions. The world's biggest crude importer boosted imports from Venezuela and Iran last month from January, with the shipments costing the least since Nov 2017, data by the General Administration of Customs show. [Bloomberg]

IV. Corporate News

- **Cathay Buys Hong Kong Express to Foray Into Budget Airlines.** Cathay Pacific Airways Ltd. agreed to buy HK's only budget carrier to enter the no-frills market, after more than a decade resisting such a move to focus on premium services. Cathay will pay HK\$2.25b (\$287m) in cash for Hong Kong Express Airways, it said in a filing Tuesday.[Bloomberg]
- **Brilliance China Full Year Net Income Misses Estimates.** Brilliance China reported net income for the full year that missed the average analyst estimate. FY net income 5.82 billion yuan, estimate 6.38 billion yuan (range 5.24 billion yuan to 7.61 billion yuan) (Bloomberg data). [Bloomberg]

- **BAIC Motor, Daimler to Contribute \$892.84M to Beijing Benz.** BAIC Motor and Daimler amended their joint venture Beijing Benz, which encompasses the M254 engine technical upgrading project and Mercedes-Benz C-Class upgrading project, according to an exchange filing. [Bloomberg]
- **Saudi Aramco Ready to Invest More in China, Says CEO Amin Nasser.** The company is committed to increasing cooperation with China, and believes this will be critical to the nation's energy security, Amin Nasser, CEO of Saudi Aramco, says in speech at the China Development Forum. [Bloomberg]
- **China Modern Dairy Full Year Loss Wider Than Estimates.** China Modern Dairy reported loss for the full year that was wider than the average analyst estimate. FY loss 506.2 million yuan, estimate loss 310.0 million yuan (range loss 48.7 million yuan to 489.0 million yuan) (Bloomberg data). [Bloomberg]
- **Crypto Mining Giant Bitmain Lets Hong Kong IPO Application Lapse.** Bitmain Technologies Ltd., the world's biggest producer of cryptocurrency mining chips, has let its application for Hong Kong IPO lapse. The virtual currency mining firm's listing application, which was initially filed in Sept, expired on Tuesday, according to the HK stock exchange's website. The company was targeting to raise as much as \$3bn, Bloomberg News has reported. [Bloomberg]
- **Alibaba Is Said to Be in Talks for Its Cheapest Ever Dollar Loan.** Alibaba Group Holding Ltd. may get its cheapest dollar-denominated syndicated loan ever as it negotiates with banks to amend terms of its existing \$4bn borrowing. The Chinese Internet giant wants to cut the interest margin of the facility that it signed in May 2016 by 25 basis points to 85 basis points over Libor. That would be the cheapest rate ever for Alibaba, Bloomberg-compiled data show. [Bloomberg]
- **China Development Bank to Provide \$1.2b for Argentine Projects.** Bank agreed to create a ~\$1b working capital fund to spur Argentine government's socioeconomic projects, Economy Ministry says in emailed statement. Bank will also provide a \$236m credit line so the government can buy 200 Chinese passenger wagons for the Roca train line as it takes steps to modernize the nation's rail network. [Bloomberg]
- **Naspers CEO Bets Dutch Listing Will Fix Tencent Stake Discount.** Naspers Ltd. Chief Executive Officer Bob van Dijk has been working for years to solve a problem rivals might envy, getting investors to value his South African firm nearer to its \$133 billion stake in Tencent Holdings Ltd. A plan for a Dutch listing is his boldest step yet. [Bloomberg]
- **Airbus Secures \$35 Billion China Deal in New Blow to Boeing.** Airbus SE secured a \$35 billion jet deal from China during a state visit by President Xi Jinping to the French capital, dealing a fresh blow to Boeing Co. as it grapples with the grounding of its best-selling jet. [Bloomberg]
- **Keppel-Led Group Agrees to Buy Shanghai Tower for \$686M.** A group led by Singapore's Keppel Capital Holdings Pte. has agreed to buy a Shanghai office and retail tower for 4.6bn yuan (\$686mn). A unit of the private fund management arm of Keppel Capital will buy a 42.1% stake in Yi Fang Tower. Keppel Land China will take a 29.8% stake, with the rest held by co-investors who weren't named. [Bloomberg]
- **Sunac aims to become top tourism player.** Sunac China Holdings Ltd. said it will remain focused on the real estate sector while expanding cultural tourism services. In the next three to five yrs, it aims to lead the cultural tourism industry, and two flagship projects of Sunac in Guangzhou and Wuxi are on the docket for June, according to a statement.[China Daily]
- **PICC reports 4.7% rise in premium income.** The People's Insurance Co (Group) of China Ltd, one of China's largest insurers, saw a 4.7 percent year-on-year increase of premium income to 498.6bn yuan (\$76.3bn) last year, largely fueled by property insurance, according to the annual results its top management announced. [China Daily]
- **CM Bank: 2019 NIM Under Downside Pressure; Hopes to Steady Asset Quality.**CM Bank has taken note of the downside pressure on NIM in 2019, partially due to inadequate asset-end demand which will drag down prices, and partially due to below-expectation relaxation in actual corporate condition despite more relaxed liquidity. The overall NIM was predicted to come under downside pressure, the company said, yet hoping it to be stable in future. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,818	20.1	0.7	(0.5)	0.9	13.2	(3.3)	7.9	12.4
	Dow Jones	25,658	140.9	0.6	(0.9)	(1.3)	10.9	(3.0)	7.5	10.0
	Nasdaq Composite	7,692	54.0	0.7	(0.4)	1.8	16.9	(4.4)	9.7	15.9
	Russell 2000	1,528	15.3	1.0	(1.7)	(3.3)	14.7	(9.6)	1.0	13.3
	VIX Index	14.68	(1.7)	(10.1)	8.3	(0.1)	(51.0)	18.3	(34.8)	(42.3)
Europe Equity	Euro Stoxx 50	3,320	19.1	0.6	(2.6)	1.1	13.0	(3.8)	0.1	10.6
	DAX	11,419	72.8	0.6	(3.1)	(0.6)	10.0	(8.2)	(4.6)	8.1
	CAC	5,307	46.7	0.9	(2.2)	1.6	15.4	(4.2)	3.7	12.2
	FTSE 100	7,196	18.7	0.3	(1.7)	1.3	9.3	(4.6)	2.8	7.0
APAC Equity	HSI	28,567	43.6	0.2	(3.1)	(0.7)	12.1	3.1	(7.2)	10.5
	HSCEI	11,232	(0.3)	(0.0)	(3.9)	(2.0)	12.4	2.7	(8.7)	10.9
	HSI VIX	16.89	(1.3)	(6.9)	4.6	(14.8)	(33.9)	(10.8)	(32.1)	(32.5)
	CSI 300	3,700	(42.4)	(1.1)	(3.5)	0.6	23.7	8.7	(5.4)	22.9
	SH Composite	2,997	(45.9)	(1.5)	(3.0)	1.5	20.7	7.4	(5.4)	20.2
	SZ Composite	1,640	(36.5)	(2.2)	(2.9)	6.4	29.7	14.7	(10.4)	29.3
	Nikkei 225	21,428	451.3	2.2	(0.7)	(1.3)	6.0	(10.6)	(0.2)	6.3
KOSPI	2,149	3.9	0.2	(1.3)	(4.3)	5.5	(9.2)	(12.7)	4.8	
Commodities (USD)	Brent (Future)	67.97	0.8	1.1	0.5	2.3	30.2	(16.9)	(3.1)	26.2
	WTI (Future)	59.94	1.1	1.9	1.5	5.2	34.3	(17.0)	(8.2)	31.9
	Gold	1,316	(6.2)	(0.5)	0.7	(0.2)	3.3	11.4	(2.1)	2.7
	Copper (Future)	6,330	(10.0)	(0.2)	(2.0)	(2.5)	6.3	0.8	(4.1)	6.1
Baltic Dry Index	683.00	(6.0)	(0.9)	(3.7)	4.9	(46.3)	(55.2)	(38.9)	(46.3)	
FX	Dollar Index	96.74	0.2	0.2	0.4	0.7	0.3	2.0	8.3	0.7
	EUR	1.13	(0.0)	(0.4)	(0.8)	(0.9)	(1.5)	(3.2)	(9.2)	(1.8)
	JPY	110.64	0.7	0.6	(0.7)	0.4	0.5	2.6	(4.7)	(0.7)
	CNY	6.72	0.0	(0.1)	(0.1)	(0.2)	2.5	2.4	(6.6)	2.4
CNH	6.72	0.0	0.1	0.1	(0.6)	2.3	2.5	(6.7)	2.2	
CDS	ChinaGov CDS	50.53	(0.3)	(0.6)	5.4	2.4	(27.8)	(11.7)	(24.2)	(24.4)
	CDX Emerging Market	96.40	0.0	0.0	(0.8)	(0.8)	1.5	0.7	(1.7)	1.2

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.45	0.0	0.3	2.5	2.4	2.4	2.2	1.8	2.4
	2-Year Treasury Yield	2.27	0.0	1.1	2.4	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.20	0.0	1.2	2.3	2.5	2.6	2.9	2.6	2.5
	10-Year Treasury Yield	2.42	0.0	1.0	2.5	2.7	2.8	3.0	2.8	2.7
	2-10 Spread	15.47	0.2	1.4	12.6	15.5	18.9	22.9	50.7	19.2
China rates	O/N China Repo Rate	2.50	(0.0)	(2.0)	2.7	2.7	1.9	2.5	2.7	1.0
	1-Week China Repo Rate	2.50	(0.1)	(3.8)	2.8	2.6	2.7	2.7	2.9	3.5
	O/N SHIBOR	2.50	(0.0)	(1.6)	2.7	2.6	2.0	2.6	2.6	2.6
	1-Week SHIBOR	2.70	0.0	1.3	2.7	2.7	2.7	2.7	2.9	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



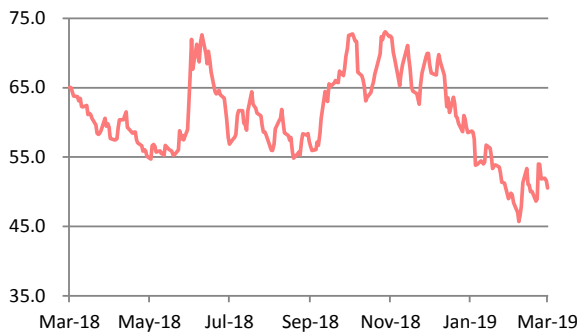
Source: Bloomberg

Shanghai Composite Index PE Ratio



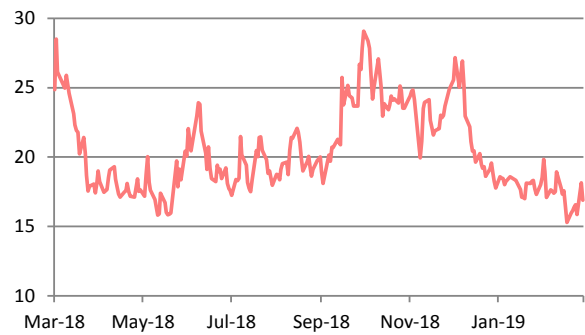
Source: Bloomberg

China 5Y CDS Index_USD



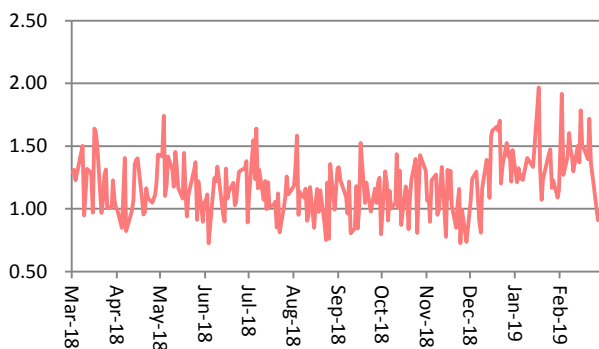
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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