



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: DNB/NIMA PMI Manufacturing	Mar	N/A	56.3
China: Manufacturing PMI	Mar	49.6	49.2
U.K.: Net Lending Sec on Dwellings	Feb	3.7b	3.7b
Germany: Unemployment Claims Rate AS	Mar	4.9%	5.0%
Eurozone: Budget Balance YTD	Feb	N/A	-17.3b

Source: Bloomberg

II. Macro News

- **U.S., China Trade Talks to Resume as Trump Vows ‘Excellent’ Deal.** U.S. and Chinese officials resume high-level trade talks this week as they close in on a deal that could just be the first step in the long road to economic peace. [Bloomberg]
- **U.S. Consumer Confidence Declined in March.** The Conference Board said its index of U.S. consumer confidence declined to 124.1 in Mar from 131.4 in Feb. The decline was primarily driven by more pessimistic views about current business and labor market conditions, said Lynn Franco, senior director of indicators at the Conference Board. [WSJ]
- **Luxembourg Signs Accord With China on Belt and Road Initiative.** Luxembourg’s Prime Minister Xavier Bettel signed an agreement with China on Wednesday to cooperate on the Asian nation’s Belt and Road Initiative, Beijing’s giant infrastructure project to redraw the global trade map. [Bloomberg]

III. Industry News

- **China cuts electric car subsidies by up to 60 per cent as it looks to improve technological standards to global levels.** Subsidies on NEVs with a driving range of 250-300 km have been reduced to 18,000 yuan from 34,000 yuan. For cars with a range of between 300-400km, the subsidy has been cut by a much sharper 60% to 18,000 yuan, from 45,000 yuan earlier and cars with a driving range of more than 400km, the subsidy has been cut by 50% to 25,000 yuan. [SCMP]
- **Hong Kong Permits Virtual Banks in Test to Traditional Lenders.** The Hong Kong Monetary Authority has granted three virtual bank licenses and is processing five more, Deputy Chief Executive Arthur Yuen said in a briefing on Wednesday. Firms that got the permits have partnered with Standard Chartered Plc, BOC Hong Kong Holdings Ltd. and ZhongAn Online P&C Insurance Co. and they intend to begin operating within nine months, Yuen said. [Bloomberg]
- **China’s Industrial Profits See Worst Start to a Year Since 2009.** The profits of Chinese industrial companies had the worst start to a year since the global financial crisis. Manufacturing cos’ profits in Jan and Feb declined 14% from the same two months a year earlier, NBS said. That compares with a 1.9% drop in the single month data for Dec. [Bloomberg]

IV. Corporate News

- **Huawei Dodges EU Bans for Now as Bloc Unveils 5G Cyber Plan.** The European Union laid out a broad strategy aimed at ensuring its future 5G networks are secure from cyber threats, but stopped short of meeting U.S. demands for a ban on Huawei Technologies Co. [Bloomberg]
- **Renault Wants Merger With Nissan, Fiat Chrysler, FT Says.** Renault SA is aiming to restart merger talks with Nissan Motor Co. within 12 months as the first step toward the creation of a bigger auto conglomerate that will involve a bid by both companies for Fiat Chrysler Automobiles NV, the Financial Times reported. [Bloomberg]

- **China Vanke Raises \$995 Million in Share Sale to Pay Down Debt.** China Vanke Co. said it raised HK\$7.81 billion (\$995 million) in a share sale, and will use the proceeds to pay overseas debt. The shares were sold at HK\$29.68 each, a 5 percent discount to Wednesday's closing price of HK\$31.25, the company said in a statement Thursday. [Bloomberg]
- **China Synergy Fund to Acquire Electropoli.** China Synergy Fund, co-managed by CICC Capital and TPG, entered into an exclusivity agreement with Impala to acquire French surface treatment services provider Electropoli, according to an emailed statement. [Bloomberg]
- **Ebola Vaccine Maker Sells IPO Shares Like Hotcakes in Hong Kong.** CanSino Biologics Inc., a Chinese developer of vaccines for diseases including Ebola, lured investors in droves to its initial public offering in Hong Kong. Retail investors placed orders for about 91 times the shares initially available to them, triggering reallocation from the institutional tranche of the sale, according to a Wednesday filing to the Hong Kong exchange. [Bloomberg]
- **AirAsia says it may set up Macau base to gain better access to China.** AirAsia, which has been flying to Macau since 2004, says it may set up a base in the casino hub to better serve Chinese travellers. It may also set up a ground handling service to lower costs further and pass the savings to passengers. [SCMP]
- **China Evergrande and China Vanke report profit gains and high debt ratios during 2018.** China Vanke and China Evergrande Group reported upbeat profit results for 2018, along with higher debt levels. Evergrande saw core profit jump 93.3% to 78.32bn yuan (US\$11.88bn) for the year, up 93.3% YoY, while revenue was 466.2bn yuan, a rise of 49.9%. China Vanke reported a net gearing ratio of 30.9% at end 2018, up from 8.8% at end 2017. [SCMP]
- **Sinopec leads peers in terms of profitability.** China Petroleum and Chemical Corp or Sinopec continued to lead its peers in net profits for three consecutive years, thanks to its refining and downstream integration advantages. Net profit of Sinopec reached 63.09bn yuan (\$9.4bn) for 2018, a YoY increase of 23.4%, the company said in a statement to the Shanghai Stock Exchange. [China Daily]
- **Vanke seeks to expand its 'fundamental operations'.** The era of the rapid growth of the entire property industry has ended in China and future development should be based on consolidating fundamentals, according to China Vanke Co, one of China's largest property developers. The focus of its work this year is to concentrate on expanding "fundamental operations" in its property development business. [China Daily]
- **Volvo Group eyes opportunities in green transport.** With green growth gaining traction in China, Swedish manufacturing giant Volvo Group sees big opportunities from the country's efforts to embrace environmentally friendly transportation technologies and services. [China Daily]
- **JD aims to incubate its own e-commerce influencers.** JD is starting to cultivate key opinion leaders to build up its strength in field of e-commerce, according to a report. At its JD Shopping Circle, JD launched a "Super Partner Program", aiming to incubate online celebrities in the e-commerce sector to take a share of the fan economy. [China Daily]
- **BYD partners with Huawei in IoT, intelligent driving.** China's leading electric vehicle maker BYD has inked an agreement with telecom giant Huawei Technologies to promote comprehensive strategic cooperation. BYD will collaborate with Huawei to forge ahead with the transformation and upgrading of mobility services. [China Daily]
- **China Agri Annual NP HK\$1.346B, Down 55.8%; Final Div HK1.5 Cent.** China Agri announced annual result ended Dec 2018. The net profit amounted to HK\$1.346 billion, down 55.8% yearly. EPS was HK25.61 cents. A final dividend of HK1.5 cents was declared. Together with the interim dividend of HK3.6 cents, a total dividend of HK5.1 cents was declared. A special dividend of HK20 cents was also declared. [AASocks]
- **China Resources Land Signs RMB3B Facility Agreement.** China Resources Land, as borrower, entered into a facility agreement for RMB3 billion term loan facility with a bank. The loan facility has a term of three years commencing from the first advance date. [AASocks]
- **Major intl transport company aims to partner with Chinese companies in Africa.** France-based major international and logistics operator Bollore Transport & Logistics said that it aims to partner with Chinese companies to develop Chinese business and investments in Africa. [AASocks]

V. Overnight Market Recap

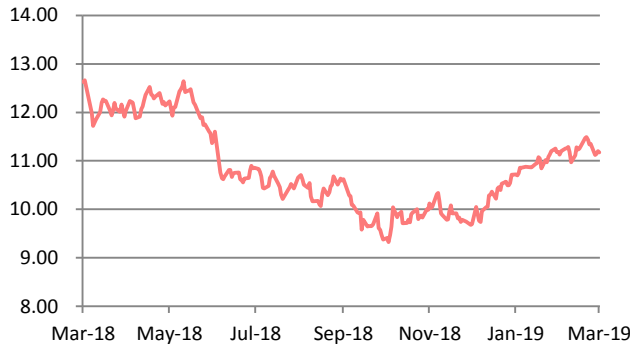
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,805	(13.1)	(0.5)	(0.7)	0.7	12.9	(3.7)	7.7	11.9
	Dow Jones	25,626	(32.1)	(0.1)	(0.5)	(1.1)	11.1	(3.1)	7.5	9.9
	Nasdaq Composite	7,643	(48.1)	(0.6)	(1.1)	1.5	16.1	(5.0)	10.0	15.2
	Russell 2000	1,522	(5.9)	(0.4)	(1.4)	(3.4)	13.8	(10.3)	0.6	12.9
	VIX Index	15.15	0.5	3.2	8.9	2.5	(46.5)	25.0	(33.8)	(40.4)
Europe Equity	Euro Stoxx 50	3,322	2.5	0.1	(1.5)	0.7	11.2	(2.3)	(0.3)	10.7
	DAX	11,419	(0.4)	(0.0)	(1.6)	(0.8)	8.1	(6.8)	(4.4)	8.1
	CAC	5,301	(6.1)	(0.1)	(1.5)	1.2	13.3	(3.5)	3.3	12.1
	FTSE 100	7,194	(2.1)	(0.0)	(1.3)	1.7	6.8	(4.2)	2.1	6.9
APAC Equity	HSI	28,728	(65.1)	(0.2)	(1.4)	0.1	12.4	3.1	(4.5)	10.9
	HSCEI	11,305	(14.8)	(0.1)	(2.2)	(0.7)	13.0	2.5	(5.9)	11.5
	HSI VIX	15.77	(1.1)	(6.6)	(4.8)	(16.7)	(42.0)	(12.9)	(44.6)	(37.0)
	CSI 300	3,743	(12.3)	(0.3)	(2.8)	1.7	23.9	8.5	(2.9)	23.9
	SH Composite	3,023	(12.9)	(0.4)	(3.0)	2.3	20.7	6.7	(3.6)	20.7
	SZ Composite	1,655	(5.2)	(0.3)	(2.8)	6.7	30.1	14.4	(9.0)	30.1
	Nikkei 225	21,379	(49.7)	(0.2)	(0.9)	(1.9)	4.8	(13.0)	(0.2)	4.8
KOSPI	2,146	(3.2)	(0.2)	(1.5)	(3.2)	4.1	(9.3)	(12.1)	4.1	
Commodities (USD)	Brent (Future)	67.83	(0.1)	(0.2)	(1.0)	2.4	29.6	(18.2)	(2.7)	25.7
	WTI (Future)	59.41	(0.5)	(0.9)	(0.7)	3.4	30.5	(19.2)	(8.1)	30.3
	Gold	1,310	(6.2)	(0.5)	(0.2)	(0.3)	2.2	9.9	(1.2)	2.1
	Copper (Future)	6,335	5.0	0.1	(1.9)	(2.6)	5.8	2.4	(4.7)	6.2
	Baltic Dry Index	690.00	7.0	1.0	(0.7)	4.9	(45.7)	(55.2)	(36.1)	(45.7)
FX	Dollar Index	96.77	0.0	0.0	1.1	0.8	0.5	1.9	7.6	0.8
	EUR	1.12	(0.0)	(0.2)	(1.5)	(1.1)	(1.7)	(3.1)	(8.6)	(1.9)
	JPY	110.51	(0.1)	(0.1)	(0.2)	1.1	0.0	3.2	(3.1)	(0.5)
	CNY	6.73	0.0	(0.1)	(0.5)	(0.6)	2.2	2.0	(6.5)	2.2
	CNH	6.74	0.0	0.2	0.8	(0.6)	2.1	2.0	(6.8)	1.9
CDS	ChinaGov CDS	52.02	(0.7)	(1.4)	(5.8)	4.3	(24.1)	(8.1)	(20.3)	(22.4)
	CDX Emerging Market	95.89	(0.5)	(0.5)	(1.1)	(1.4)	0.8	(0.0)	(2.2)	0.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	(0.0)	(1.2)	2.5	2.4	2.4	2.2	1.7	2.4
	2-Year Treasury Yield	2.20	(0.1)	(2.9)	2.4	2.5	2.6	2.8	2.3	2.5
	5-Year Treasury Yield	2.16	(0.0)	(2.2)	2.3	2.4	2.6	3.0	2.6	2.5
	10-Year Treasury Yield	2.37	(0.1)	(2.3)	2.5	2.6	2.8	3.1	2.8	2.7
	2-10 Spread	16.25	0.8	5.0	12.6	15.2	20.2	22.1	49.5	19.2
China rates	O/N China Repo Rate	2.00	(0.3)	(13.4)	2.7	2.7	1.7	2.3	2.6	1.0
	1-Week China Repo Rate	3.50	0.6	20.7	2.8	2.7	2.7	2.5	3.5	3.5
	O/N SHIBOR	2.29	(0.2)	(8.4)	2.7	2.7	1.8	2.5	2.6	2.6
	1-Week SHIBOR	2.80	0.1	3.4	2.7	2.7	2.7	2.7	2.9	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



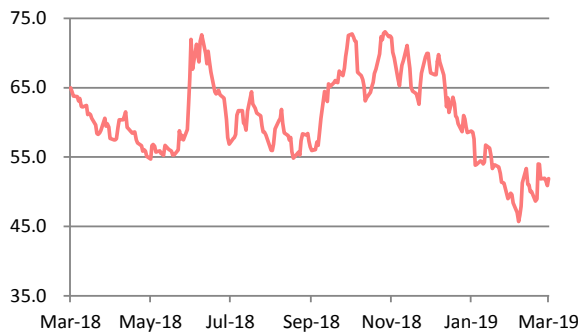
Source: Bloomberg

Shanghai Composite Index PE Ratio



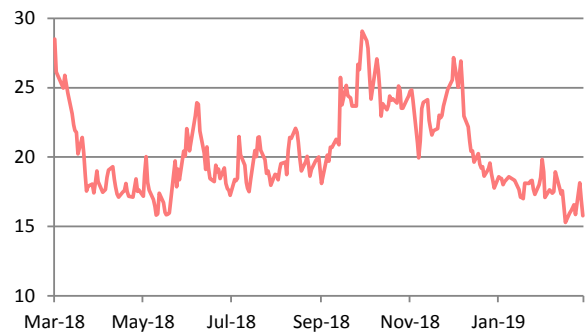
Source: Bloomberg

China 5Y CDS Index_USD



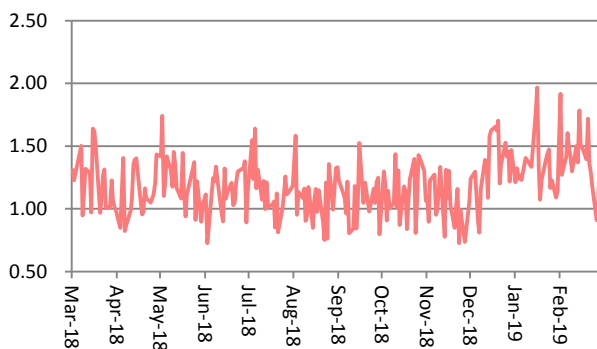
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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