



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: ADP Employment Change	Mar	160k	183k
China: Caixin China PMI Composite	Mar	N/A	50.7
U.K.: Official Reserves Changes	Mar	N/A	51.5
Germany: Markit/BME Germany Composite PMI	Mar F	N/A	54.9
Eurozone: Markit Eurozone Services	Mar F	N/A	52.7

Source: Bloomberg

## II. Macro News

- **Romania to Extend Rate Pause as Focus Shifts to Economy From Tax.** Romania's central bank is set to maintain borrowing costs for a seventh straight meeting, focusing on slower economic expansion despite having wrested back control of monetary policy following a scrap with the government over taxation. [Bloomberg]
- **Venezuela Oil Exports Slump as Blackouts Compound Sanctions Pain.** Exports of crude oil that finance the regime of Venezuela's Nicolas Maduro slumped last month amid chronic power outages and sanctions. Shipments fell as Venezuela was hit by four nationwide blackouts that shut schools and subways and slashed oil production. The blackouts are estimated to have pared production to around 600,000 barrels a day, from 1.008mn in Feb. [Bloomberg]
- **Fiscal, monetary measures set to support real economy.** China's GDP growth is expected to stabilize at 6.2 percent during the first six months of this year, before rebounding in the Sept-to-Dec period to reach 6.3% whole-year growth, data from the country's leading think tank, the Chinese Academy of Social Sciences showed. [China Daily]

## III. Industry News

- **HKEX eyes more fintech acquisitions.** HKEX is considering more acquisitions to advance the bourse's technical ability after buying a majority stake in a Shenzhen-based fintech startup. Charles Li Xiaojia, chief executive of HKEX, said the company has set up an innovation lab to promote its new technologies, and the firm will continue to seek investment opportunities among small-scale tech and innovative companies. [The Standard]
- **Foreign brands cut prices in China as VAT rates go down.** World famous consumer brands including Apple, Louis Vuitton and Gucci have announced their decisions to cut their suggested retail prices to give the gains from China's value-added tax (VAT) cut to consumers. [China Daily]
- **HK 1Q19 IPO Fundraising Drops 16% to \$20.4B, 2nd in World.** In its report, Deloitte disclosed that there were 37 new IPOs in HK, down 42% YoY, during 1Q19, whereas financing quota shrank 16% YoY to \$20.4b. During the period, HKEX remained the second in the worldwide IPO market despite the absence of large-cap or super-large-cap listing. [AASocks]

## IV. Corporate News

- **Standard Chartered CEO 'absolutely' pleased with bank's turnaround.** Bill Winters, the Standard Chartered chief executive, says he is "absolutely" happy with progress the emerging markets lender has made and believes it is heading in the right direction. [SCMP]
- **Shiseido, Alibaba Co-develop Products.** Shiseido announced a strategic business alliance with Alibaba Group. Establishing a base near the headquarters of Alibaba in Hangzhou, Shiseido will join hand with the latter to promote product development. [Bloomberg]

- **Foxconn Is Said Close to Trial Output of Newest iPhones in India.** Foxconn is within weeks of starting trial production of the latest iPhones in India as Apple Inc. seeks to revive its fortunes in the country. The trial run of the iPhone X range of devices would come before Foxconn starts full-scale assembly at its factory outside the southern city of Chennai. [Bloomberg]
- **Citi to Buy Mortgages From U.K. Bad Bank for \$6.4 Billion.** Citigroup Inc. is paying 4.9 billion pounds (\$6.4 billion) for residential mortgages and unsecured loans from the British government's bad bank, in a major step to offloading the assets it took on at the peak of the financial crisis. [Bloomberg]
- **HNA Exits \$2.8B Airline Caterer as Asset Sales Mount.** HNA Group Co. agreed to sell control of airline caterer Gategroup Holding AG to RRJ Capital, the second major divestment in a week by the embattled Chinese conglomerate. RRJ will purchase all outstanding shares of Gategroup, the Swiss company said in a statement on its website. [Bloomberg]
- **China Rail Cons Is Said to Plan \$800M Spinoff.** China Railway Construction Corp. plans to seek as much as \$800m in a spinoff of its tunneling machinery business. China Railway Construction Heavy Industry Co. or CRCHI is working with advisers and plans to file a listing application with the HK stock exchange as early as this quarter. [Bloomberg]
- **OPEC Output Slides as Saudis Deepen Cut, Venezuela Crisis Grows.** OPEC's crude production slid for a fourth month as Saudi Arabia pressed on with output curbs aimed at balancing global markets, and as an economic crisis in Venezuela escalated. [Bloomberg]
- **TPG Said to Raise \$303 Million Selling Bulk of CICC Stake.** TPG sold most of its stake in China International Capital Corp. for HK\$2.38bn (\$303mn), almost a decade after it invested in the Chinese investment bank. The private equity giant made roughly a 40% return on the CICC shares it sold. [Bloomberg]
- **Tencent Is Said to Plan Asia's Biggest Dollar Bond This Year.** Tencent Holdings Ltd. is planning to raise around \$5bn through a dollar bond sale on Wednesday. China's social media leader received an issuance quota of \$6bn from China's National Development and Reform Commission. [Bloomberg]
- **Foxconn Took One for Team Apple Last Year.** It looks like Foxconn Technology Group is taking one for the team. In an earnings report filed overnight in Taiwan, data show a rise in inventory at a time when revenue was slowing, and sales at its major client, Apple Inc., dropped. [Bloomberg]
- **Huawei, Lenovo and Alibaba rank top 3 among Chinese global brand builders.** The report "2019 BrandZ Top 50 Chinese Global Brand Builders" released on Friday by advertising holding company WPP, its research firm Kantar Millward Brown, and Google shows that Huawei leads the ranking followed by Lenovo and Alibaba. [China Daily]
- **Demand for iron ore to remain strong, Rio Tinto CEO says.** As China implements more stringent policies and regulations on the environment, the demand for high-quality iron ore will remain strong in the coming years, which provides companies like Rio Tinto an edge in the country, CEO Jean-Sebastien Jacques said. [China Daily]
- **Microsoft, incubators join hands to nourish startups.** Microsoft Corp is working closely with the Chinese government on 21 existing incubation centers across the country to help local startups better embrace artificial intelligence, according to a senior Microsoft executive. [China Daily]
- **BYD looks ahead with long, pure electric bus.** BYD launched the world's longest pure electric bus in Shenzhen on Monday, as a precursor to providing comprehensive e-bus production lines in overseas markets. BYD's new K12A is 27 meters long, triple that of a regular bus, has a passenger capacity of 250 and a maximum speed of 70km/hr. [China Daily]
- **VW makes good on NEV promise.** Volkswagen's Lavida, Bora and Golf models have been electrified to make good on the German auto giant's promise of meeting the demand of the world's largest new energy vehicle market. With its two Chinese joint ventures, Volkswagen unveiled the three fully-electric models - the e-Lavida, e-Bora and e-Golf on March 25, in Zhuhai, South China's Guangdong province. [China Daily]
- **Evergrande posts 119b yuan quarterly contracted sales.** Mainland property giant China Evergrande Group (3333) reported today aggregate contracted sales for the first quarter amounted to 119.6 billion yuan, with area of 11.02 million square meters. The average selling price was 10,845 per sq m. [The Standard]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,867	0.1	0.0	1.7	2.3	17.1	(2.0)	9.7	14.4
	Dow Jones	26,179	(79.3)	(0.3)	2.0	0.6	15.4	(2.4)	8.9	12.2
	Nasdaq Composite	7,849	19.8	0.3	2.0	3.3	21.4	(2.2)	13.1	18.3
	Russell 2000	1,553	(2.7)	(0.2)	1.6	(2.3)	16.7	(7.1)	2.7	15.2
	VIX Index	13.36	(0.0)	(0.3)	(9.0)	(1.5)	(47.5)	15.1	(36.7)	(47.4)
Europe Equity	Euro Stoxx 50	3,396	10.3	0.3	2.3	2.5	14.9	(0.3)	1.5	13.1
	DAX	11,755	72.8	0.6	2.9	1.3	12.8	(4.3)	(2.1)	11.3
	CAC	5,423	17.9	0.3	2.2	3.0	17.6	(1.2)	5.3	14.6
	FTSE 100	7,391	73.7	1.0	2.7	4.0	10.4	(1.6)	5.1	9.9
APAC Equity	HSI	29,625	62.7	0.2	3.7	2.8	18.2	9.4	(1.8)	14.6
	HSCEI	11,547	(11.0)	(0.1)	2.8	0.3	17.4	7.1	(4.9)	14.0
	HSI VIX	15.17	(0.4)	(2.8)	(10.2)	(11.3)	(39.7)	(23.0)	(39.2)	(39.4)
	CSI 300	3,971	(2.6)	(0.1)	7.3	5.9	33.9	15.5	2.8	31.9
	SH Composite	3,177	6.5	0.2	6.0	6.1	28.9	12.6	1.3	27.4
	SZ Composite	1,758	1.9	0.1	7.2	12.3	41.0	21.9	(4.6)	38.6
	Nikkei 225	21,505	(3.7)	(0.0)	0.4	0.2	8.1	(10.3)	1.6	8.1
Commodities (USD)	KOSPI	2,177	8.9	0.4	1.3	(0.5)	9.5	(5.4)	(10.6)	7.0
	Brent (Future)	69.37	0.4	0.5	2.1	7.1	24.5	(19.3)	2.3	29.5
	WTI (Future)	62.58	1.0	1.6	4.4	12.5	33.3	(17.9)	(1.2)	38.2
	Gold	1,292	4.7	0.4	(1.8)	0.4	(0.2)	7.9	(3.1)	0.7
	Copper (Future)	6,427	(44.5)	(0.7)	1.5	(0.8)	10.0	2.3	(4.3)	7.7
FX	Baltic Dry Index	685.00	(4.0)	(0.6)	0.3	3.2	(45.9)	(56.5)	(32.6)	(46.1)
	Dollar Index	97.36	0.1	0.1	0.7	0.7	1.0	1.5	7.8	1.1
	EUR	1.12	(0.0)	(0.1)	(0.6)	(1.1)	(1.6)	(2.3)	(8.6)	(2.2)
	JPY	111.32	(0.0)	(0.0)	0.6	0.3	(3.4)	2.8	(4.3)	(1.6)
	CNY	6.72	0.0	(0.2)	(0.1)	(0.2)	2.1	2.2	(6.6)	2.3
CDS	CNH	6.73	0.0	0.1	0.0	(0.2)	2.5	2.6	(6.6)	2.3
	ChinaGov CDS	47.04	(0.0)	(0.0)	(8.2)	0.0	(31.6)	(17.7)	(26.2)	(29.6)
	CDX Emerging Market	96.60	(0.1)	(0.1)	0.2	(0.4)	1.4	0.9	(1.5)	1.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.41	0.0	1.3	2.4	2.4	2.4	2.2	1.7	2.4
	2-Year Treasury Yield	2.30	(0.0)	(1.3)	2.2	2.5	2.5	2.9	2.3	2.5
	5-Year Treasury Yield	2.29	(0.0)	(1.5)	2.2	2.5	2.5	3.0	2.6	2.5
	10-Year Treasury Yield	2.47	(0.0)	(1.1)	2.4	2.7	2.6	3.2	2.8	2.7
	2-10 Spread	16.97	0.3	2.1	16.3	18.0	14.9	30.5	49.5	19.2
China rates	O/N China Repo Rate	1.90	(0.1)	(5.0)	2.3	1.9	2.2	2.8	2.5	1.0
	1-Week China Repo Rate	2.10	(0.3)	(12.5)	2.9	2.3	1.8	2.9	2.5	3.5
	O/N SHIBOR	1.96	(0.4)	(15.5)	2.3	1.9	2.3	2.7	2.6	2.6
	1-Week SHIBOR	2.45	(0.1)	(4.9)	2.8	2.4	2.6	2.8	2.9	2.9

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



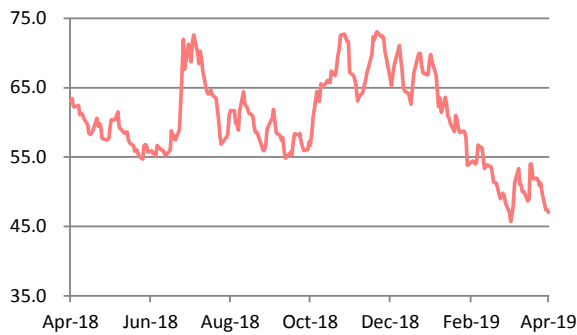
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



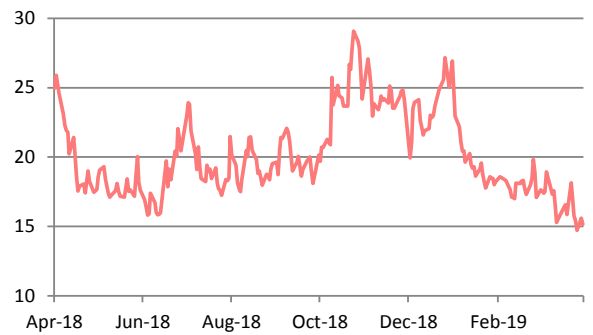
Source: Bloomberg

**China 5Y CDS Index\_USD**



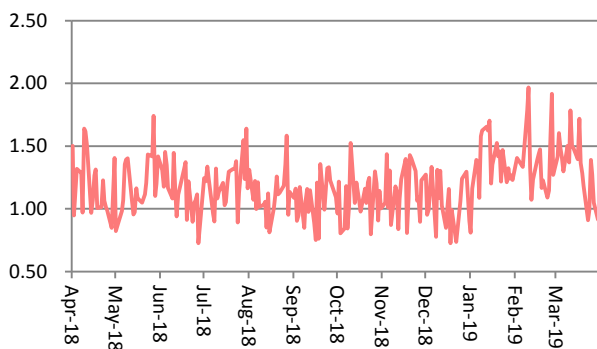
Source: Bloomberg

**Hang Seng Index VIX**



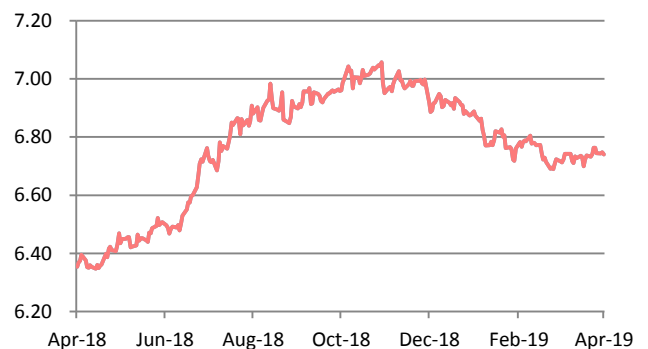
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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