



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

- **US not joining Belt and Road Beijing summit.** The United States will not send high-level officials to attend China's second Belt and Road summit in Beijing this month, a spokesperson for the U.S. State Department said on Tuesday, citing concerns about financing practices for the project, Reuters reports. [The Standard]
- **U.S. Durable-Goods Orders Fell 1.6% in February.** Orders for long-lasting factory goods fell in February after three straight months of growth due to a sharp decline in civilian aircraft orders, although the overall drop was smaller than expected. Orders for durable goods, products designed to last at least three years, sank 1.6% in Feb from Jan to a seasonally adjusted \$250.58bn, the Commerce Dept. said. [WSJ]
- **China Mar Caixin Services PMI Up to 54.4 Beats, Logging 14-mth High.** In March, Caixin China General Services Business Activity Index came in at 54.4, logging a new high since January 2018, remarkably rebounding 3.3 ppts from February's trough. The reading also topped the street consensus of rising to 52.3. [AASocks]

III. Industry News

- **Russia banks on BRI to build strong aviation ties with China.** Direct flights between Russia and China are set to surge, thanks to a considerable increase in the number of Chinese tourists making outbound trips, said a senior official of Moscow Sheremetyevo Airport. [China Daily]
- **Saudi Aramco places big bets on China.** Saudi Arabian Oil Company, one of the world's top oil exporters, will continue to boost its downstream presence in China, after it formalized plans to build a 300,000-barrel-per-day refining and petrochemical complex along with Norinco Group and Panjin Sincen in Panjin, Northeast China's Liaoning province, in February. [China Daily]
- **Crude steel production capacity in Hebei, Tianjin to be capped.** Crude steel production capacity in Hebei province and Tianjin will be capped at 200mn metric tons and 15mn tons by 2020, as part of China's efforts to optimize the iron and steel industry, a senior government official said. [China Daily]

IV. Corporate News

- **Warburg-Backed Cancer Treatment Firm Said to Plan Hong Kong IPO.** Hygeia, a Chinese radiotherapy equipment maker backed by Warburg Pincus, is planning a Hong Kong IPO that could raise about \$200mn. The company, which also operates cancer treatment hospitals, aims to sell shares as soon as the second half of the year. [Bloomberg]
- **BYD Expects to Get 2B Yuan of Green Car Subsidies for '17-18.** BYD expects two units to receive ~2b yuan of subsidies on green cars for 2017-2018 after preliminary government approval, according to a statement to Shenzhen stock exchange. [Bloomberg]

- **Evergrande's 20% Stake in Langfang Development Is Unfrozen.** All 76m shares of Shanghai-listed Langfang Development held by Evergrande Real Estate Group were unfrozen on Wednesday, according to a statement to Shanghai stock exchange. [Bloomberg]
- **China Everbright Limited Buys 30% Stake in Ying Li for S\$107.4M.** Unit executed a married trade to buy c.767.1m shares at S\$0.140/share from Newest Luck Holdings, China Everbright Limited says in Hong Kong stock exchange filing. Upon completion, unit and concert party group will hold ~58.9% in Ying Li. [Bloomberg]
- **China's GD Power Starts Up Zhejiang's First Offshore Wind Farm.** GD Power Development Co., a power project developer in China, started operating a 252-megawatt offshore wind farm in Zhejiang, the first of its kind in the eastern province. [Bloomberg]
- **Tencent Begins Marketing Four-Part Dollar Bond Offering.** Tencent Holdings Ltd. started marketing a four-tranche dollar bond issue on Wednesday, in what could become the biggest offering in Asia so far this year. The WeChat operator announced price guidance for bonds ranging from five to 30 years. The company plans to raise about \$5bn through the sale and has an issuance quota of \$6bn from a Chinese regulator. [Bloomberg]
- **Brookfield Said to Consider \$2B China Property Deal.** Brookfield Asset Mgmt Inc. is planning to buy a commercial property site in Shanghai for around \$2bn. Brookfield Strategic Real Estate Partners III is considering buying three office towers and a retail mall at Greenland Huangpu Center from a unit of Greenland Hong Kong Holdings Ltd. [Bloomberg]
- **Singapore's Biggest Online Mall Fights Alibaba With Blockchain.** Ku Young Bae says the distributed ledger technology will help his company, Qoo10, expand in Southeast Asia. To do that, and to compete with his cash-rich rivals, he's hatched an audacious plan to unleash the efficiencies of blockchain technology on e-commerce. [Bloomberg]
- **JD turning to 5G for edge in logistics sector.** E-commerce giant JD said that its first 5G intelligent logistics demonstration zone in Shanghai will use automated sorting, tracking and inspection, and overall management technologies when it starts operations this year. [China Daily]
- **Huawei plans cloud computing nodes in Brazil and Chile.** Huawei Technologies Co will soon build cloud computing nodes or availability zones in Brazil and Chile, as part of the Chinese technology giant's efforts to expand its presence in the global cloud arena. [China Daily]
- **SAIC Motor sees 2018 profits up 4.65%.** Chinese automaker SAIC Motor Corporation Limited said that its profits rose 4.65% last year despite a decline in the country's overall automobile sales. Net profits attributable to shareholders reached 36bn yuan (\$5.36bn) in 2018, according to the company's annual report. [China Daily]
- **Dongfeng Automobile 2018 net profits up nearly 176%.** Dongfeng Automobile Co Ltd, the listed arm of Dongfeng Motor Corporation, reported a 175.95% rise in 2018 net profits despite the overall decline in China's automobile market. Net profits attributable to shareholders reached 553.85mn yuan in 2018, according to the co's annual report. [China Daily]
- **Sunac, China's fourth-largest property developer, recorded highest selling price among 'Big Five' companies last year.** Sunac China, the country's fourth-largest property developer by sales, recorded the highest average selling price – 15,200 yuan (US\$2,264.9) per square metre – among China's "Big Five" developers last year. [SCMP]
- **Alibaba's 2nd Biggest Shareholder Altaba Proposes Dissolution; May Shower Shareholders with Ali's Shrs.** The board of directors of Altaba, second largest shareholder of Alibaba, resolved to liquidation and dissolution to realize net asset value of its shares. The dissolution plan is subject to the approval of shareholders' meeting. Altaba may distribute to shareholders an amount of US\$39.8-41.1bn (US\$76.62-79.22 per share) by way of cash or Alibaba's shares. [AAStocks]
- **Agile Group Splashes RMB2.25B for 2 Residential Land Lots in Kunming.** Agile Group announced that it captured two parcels of residential land in Kunming, Yunnan Province for a consideration of RMB2.25bn. Accounting the acquisition, the group possess five real estate development projects in Yunnan Province. [AAStocks]
- **ADB predicts slower 2.4pc growth in US.** The Asian Development Bank forecast that growth in major economies will slip to 1.9 percent in 2019 and 1.6 percent in 2020 from 2.2% last year. The U.S. economy is forecast to expand at a 2.4% annual rate this year, slowing from 2.9% in 2018, and to decelerate to 1.9% growth in 2020. [The Standard]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,873	6.2	0.2	2.4	2.9	13.5	(1.0)	8.6	14.6
	Dow Jones	26,218	39.0	0.1	2.3	1.5	11.9	(1.5)	8.1	12.4
	Nasdaq Composite	7,896	46.9	0.6	3.3	4.2	17.2	0.2	12.1	19.0
	Russell 2000	1,561	7.6	0.5	2.5	(0.9)	13.0	(5.2)	1.9	15.7
	VIX Index	13.74	0.4	2.8	(9.3)	(6.1)	(35.7)	(3.4)	(31.5)	(45.9)
Europe Equity	Euro Stoxx 50	3,436	39.9	1.2	3.4	3.6	12.9	1.8	2.9	14.5
	DAX	11,954	199.6	1.7	4.7	3.1	11.0	(2.4)	(0.0)	13.2
	CAC	5,469	45.4	0.8	3.2	3.4	15.4	1.1	6.4	15.6
	FTSE 100	7,418	27.2	0.4	3.1	4.0	8.5	(0.0)	5.5	10.3
APAC Equity	HSI	29,986	361.7	1.2	4.2	3.5	17.0	12.6	1.6	16.0
	HSCEI	11,705	158.5	1.4	3.6	1.1	16.7	11.0	(1.3)	15.6
	HSI VIX	15.45	0.3	1.8	0.1	(12.4)	(32.7)	(25.4)	(40.3)	(38.3)
	CSI 300	4,022	50.9	1.3	7.9	6.0	32.5	17.0	4.3	33.6
	SH Composite	3,216	39.5	1.2	7.4	6.2	27.9	14.0	2.7	29.0
	SZ Composite	1,772	14.5	0.8	8.1	10.8	38.5	22.9	(3.3)	39.8
	Nikkei 225	21,713	207.9	1.0	1.6	(0.4)	11.1	(9.3)	2.0	8.6
Commodities (USD)	KOSPI	2,203	26.1	1.2	2.7	0.6	9.7	(3.1)	(8.5)	8.0
	Brent (Future)	69.31	(0.1)	(0.1)	2.2	5.5	21.4	(18.1)	1.9	28.8
	WTI (Future)	62.46	(0.1)	(0.2)	5.1	10.2	30.0	(16.1)	(1.6)	37.3
	Gold	1,290	(2.5)	(0.2)	(1.5)	0.4	0.4	7.7	(3.1)	0.7
	Copper (Future)	6,492	65.5	1.0	2.5	0.2	13.2	3.6	(4.5)	8.8
FX	Baltic Dry Index	674.00	(11.0)	(1.6)	(2.3)	0.7	(46.5)	(56.6)	(31.0)	(47.0)
	Dollar Index	97.09	(0.3)	(0.3)	0.3	0.4	0.9	1.4	7.7	0.9
	EUR	1.12	0.0	0.3	(0.1)	(0.8)	(1.3)	(2.3)	(8.4)	(1.9)
	JPY	111.49	0.2	0.2	0.9	0.2	(2.7)	2.2	(4.2)	(1.6)
	CNY	6.71	(0.0)	0.2	0.2	(0.1)	2.4	2.3	(6.3)	2.5
CDS	CNH	6.71	(0.0)	(0.2)	(0.4)	(0.1)	2.3	2.7	(6.3)	2.4
	ChinaGov CDS	45.75	(0.9)	(1.9)	(8.7)	(2.8)	(34.4)	(19.3)	(27.5)	(31.6)
	CDX Emerging Market	96.63	0.0	0.0	0.8	(0.4)	1.4	1.0	(1.7)	1.5

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	0.0	0.4	2.4	2.4	2.4	2.2	1.7	2.4
	2-Year Treasury Yield	2.33	0.0	1.4	2.2	2.5	2.4	2.9	2.3	2.5
	5-Year Treasury Yield	2.33	0.0	1.8	2.2	2.5	2.4	3.0	2.6	2.5
	10-Year Treasury Yield	2.52	0.1	2.0	2.4	2.7	2.6	3.2	2.8	2.7
	2-10 Spread	18.32	1.3	7.9	15.7	16.8	17.3	31.5	50.8	19.2
China rates	O/N China Repo Rate	1.39	(0.3)	(15.8)	2.0	1.9	1.9	2.8	2.5	1.0
	1-Week China Repo Rate	2.25	0.2	7.1	2.7	2.5	2.0	2.9	2.8	3.5
	O/N SHIBOR	1.66	(0.3)	(15.0)	2.0	2.3	2.0	2.7	2.5	2.6
	1-Week SHIBOR	2.36	(0.1)	(3.9)	2.7	2.6	2.5	2.8	2.8	2.9

Source: Bloomberg

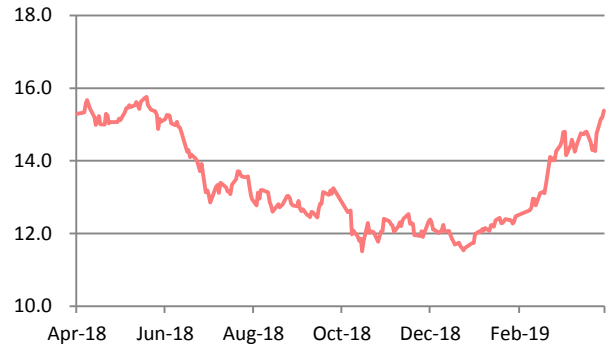
VI. Key Indicators

Hang Seng Index PE Ratio



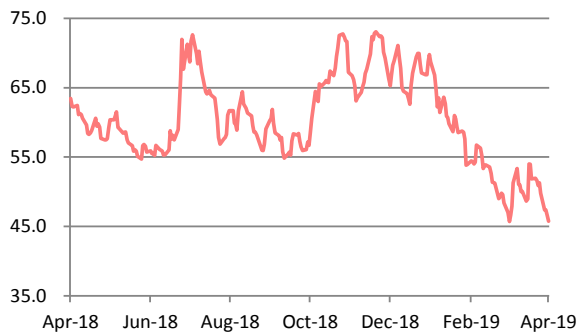
Source: Bloomberg

Shanghai Composite Index PE Ratio



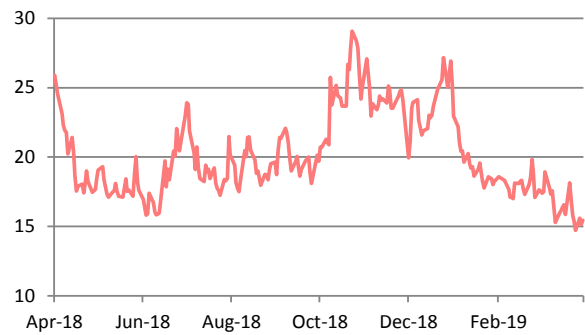
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China 5Y CDS Index_USD



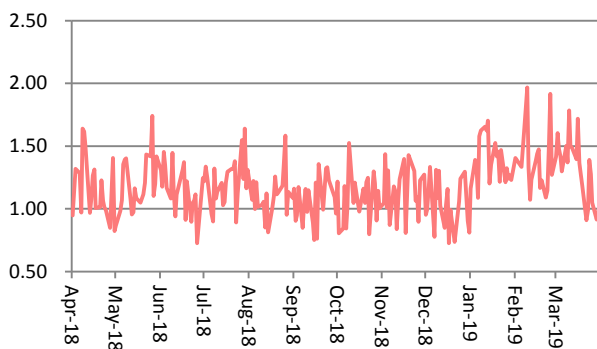
Source: Bloomberg

Hang Seng Index VIX



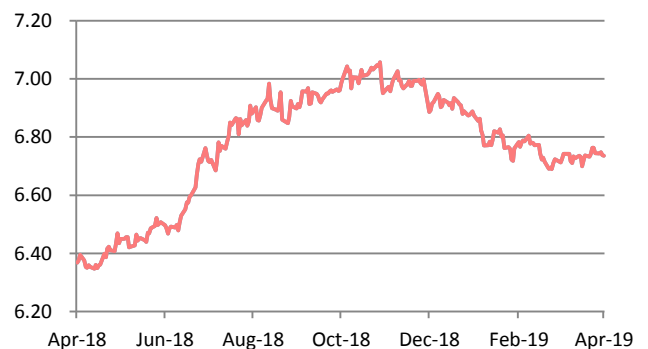
Source: Bloomberg

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