

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Capacity Utilisation	Mar	0.32%	78.2%
China: Property Investment YTD YoY	Mar	N/A	11.6%
U.K.: Average Weekly Earnings 3M/YoY	Feb	N/A	3.4%
Germany: ZEW Survey Expectations	Apr	N/A	-3.6
Eurozone: Retail Sales Volume WDA/YoY	Feb	N/A	0.5%

Source: Bloomberg

II. Macro News

- **U.S. Inflation Stayed Tame in Mar.** U.S. consumer prices rose more than usual in March, driven by an increase in volatile oil prices that masked moderate underlying price pressures. CPI increased 0.41% in Mar from prior month. Rising prices for energy and food helped push the annual headline inflation measure up to 1.86% in Mar from 1.5% in Feb. [WSJ]
- **China's producer prices rebound in March.** China's producer price index, which measures costs for goods at the factory gate, rose 0.4 percent year-on-year in March, the National Bureau of Statistics said Thursday. The pace was faster than the 0.1-percent increase recorded in February. [China Daily]
- **China Mar CPI +2.3% YoY, In-line.** According to National Bureau of Statistics, for March 2019, China's consumer price index rose 2.3% yearly, conforming with consensus. It added 2.3% in cities and 2.3% in rural areas. Food prices hiked 4.1% and non-food prices grew 1.8%; consumer prices lifted 2.4% and services prices increased 2%. [AASocks]

III. Industry News

- **US: Germany Actually Bans Huawei from Local 5G Buildout.** The US hopes other governments would follow Germany in adopting tighter cyber-security standards for their 5G networks, which inevitably involves barring Huawei from partaking in their 5G buildout, Deputy Assistant Secretary for Cyber and Int'l Communications and Information Policy at the US State Dept said. [AASocks]
- **Regulators seek changes in bad debt ratio.** China's banking and insurance regulators at the local level are encouraging banks to count loans overdue by 60 days or more as nonperforming loans, with the aim of better disclosing the risk situation of the banking sector and urging banks to further improve asset quality. [China Daily]
- **HKEX 1Q19 IPO Fundraising Over \$20.3B, 2nd Highest In World.** HKEX announced that there were 37 new IPOs in 1Q19. Such fundraising aggregated US\$2.6bn (HK\$20.378bn), second highest in the world and the highest in Asia. During the period, Shenzhen Stock Exchange and Shanghai Stock Exchange respectively recorded IPO fundraising size of US\$1.6bn and US\$1.3bn. [AASocks]

IV. Corporate News

- **Ant Financial attracts 50mn to new health insurance plan.** Ant Financial has done more than perhaps any company to disrupt China's massive banking and asset-management industries. Now it's trying to reimagine health insurance. Ant's Xiang Hu Bao, which means mutual protection, has attracted 50mn people since its October inception. [SCMP]
- **Boeing Looks to Build Overseas Support for MAX Fix.** Boeing Co. and U.S. aviation regulators will be seeking what amounts to an international stamp of approval around the time they roll out a safety fix for 737 MAX jets, expected this summer. [WSJ]

- **Huawei-Dongfeng Jointly Developed Smart Vehicle's Debut in Late-April.** The smart vehicle jointly developed by Huawei and Dongfeng Motor will have its debut at the auto show to be held in Shanghai in late-April, Securities Times reported. [AASocks]
- **Shenwan Hongyuan (06806.HK) to Start IPO, Entry Fee \$3,175.68.** Shenwan Hongyuan (06806.HK), to be listed on 26 April, will start IPO from 12 April through next Wednesday (17 April). Offer prices range \$3.63-3.93. Entry fee is \$3,175.68 per board lot of 800 shares. [AASocks]
- **Bonny Int'l (01906.HK) to Start IPO; Entry Fee \$3,030.23.** Bonny International (01906.HK), a China-based manufacturer of seamless inner wear, announced that it will start IPO from 12 April through 17 April. It plans to place 300mn shares, and the offer prices range \$0.46-0.6. Entry fee is about \$3,030.23 with a board lot size of 5,000 shares. [AASocks]
- **Sinopec SSC Predicts 1Q NP Up 524% YoY to RMB190M.** Sinopec SSC announced that the net profit attributable to equity shareholders of the Company is estimated to be approximately RMB188mn in the 1Q19 in accordance with PRC Accounting Standards for Business Enterprises, increased by 523.98% vs. corresponding period of last year. [AASocks]
- **China State Construction Dev 1Q New Contract Value About \$640M, 12.8% of Full-yr Target.** China State Construction Development Hldgs Ltd. announced that the Group recorded an accumulated new contract value of about HK\$640mn in the three months ended 31 Mar-19, representing a 12.8% completion of the full year target of 2019. [AASocks]
- **China Vanke Said to Mull \$1 Billion Property Management IPO.** China Vanke Co., the country's largest developer by market capitalization, is considering a Hong Kong listing of its property management business. The Shenzhen-based company has discussed with potential advisers a share sale that could raise as much as \$1 billion. [Bloomberg]
- **Uniqlo Owner Cuts Outlook for First Time in Three Years.** Fast Retailing Co. lowered its annual profit forecast for the first time in three yrs as a mild winter in Japan led the Uniqlo operator to discount unsold clothing, pressuring margins. Operating profit will probably be 260bn yen (\$2.3 bn) for the year ending in Aug, the co said on Thursday. [Bloomberg]
- **VW Is Said to Explore Buying Stake in Chinese Partner JAC.** Volkswagen AG is weighing taking a significant stake in its Chinese electric-vehicle partner Anhui Jianghuai Automobile Group Corp. after rules on ownership were eased last year. [Bloomberg]
- **China Eastern may make 737 MAX claim.** China Eastern Airlines has confirmed that it had raised its demand for claims with Boeing after two Boeing 737 MAX aircraft crashes, adding that its final demand will be in line with that of the aviation administration because more than one carrier in China is using the model. [China Daily]
- **S China furniture firm teams up with JD to boost sales.** Guangdong Dious Furniture Industry Co has signed an agreement with JD, a major e-commerce giant, aiming to boost its online sales, according to sources with the furniture company. "We will open more channels to expand the sales of office furniture," said Huang Shoujin, president of Guangdong Dious Furniture Industry Co. [China Daily]
- **Lenovo charts way ahead with smart technology.** Chinese PC maker Lenovo will push ahead its new strategy in three areas of smart technology—smart IoT, smart infrastructure and smart verticals, the company's CEO announced at the company's annual kickoff meeting in Raleigh, North Carolina. [China Daily]
- **Sinopec to focus on construction of refueling stations.** China Petroleum and Chemical Corp, or Sinopec, the world's largest refiner, is continuously laying out its hydrogen industry plans, taking advantage of its extensive network of gas stations nationwide and its chemical by-products. [China Daily]
- **SAIC announces new vehicle trade-in plan.** SAIC Motor Corporation Ltd, the largest A-share listed domestic carmaker, recently released a trade-in plan to help Shanghai car owners replace old vehicles with lower emission standards for new ones at more affordable prices, responding to the city's goal of building a green transportation system. [China Daily]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,888	0.1	0.0	0.3	3.5	11.2	4.4	8.4	15.2
	Dow Jones	26,143	(14.1)	(0.1)	(0.9)	2.3	8.9	3.2	6.8	12.1
	Nasdaq Composite	7,947	(16.9)	(0.2)	0.7	4.7	14.0	6.0	11.3	19.8
	Russell 2000	1,579	(2.4)	(0.2)	0.7	1.9	9.1	2.1	1.4	17.1
	VIX Index	13.02	(0.3)	(2.1)	(4.1)	(5.4)	(28.4)	(38.9)	(29.6)	(48.8)
Europe Equity	Euro Stoxx 50	3,435	10.7	0.3	(0.2)	4.0	11.9	7.5	(0.3)	14.5
	DAX	11,935	29.3	0.2	(0.4)	3.6	9.6	3.6	(3.9)	13.0
	CAC	5,486	35.8	0.7	0.4	4.1	14.7	7.6	3.3	16.0
	FTSE 100	7,418	(4.0)	(0.1)	0.2	3.7	7.2	6.0	2.2	10.3
APAC Equity	HSI	29,839	(280.1)	(0.9)	(0.3)	3.2	11.9	15.7	(3.2)	15.5
	HSCEI	11,618	(146.0)	(1.2)	(0.6)	1.3	11.1	12.8	(5.5)	14.7
	HSI VIX	15.86	0.2	1.4	3.3	(8.5)	(19.2)	(33.2)	(27.2)	(36.6)
	CSI 300	3,998	(88.3)	(2.2)	(1.6)	6.5	29.2	26.1	2.5	32.8
	SH Composite	3,190	(52.0)	(1.6)	(1.7)	4.2	24.9	22.4	0.3	27.9
	SZ Composite	1,740	(38.9)	(2.2)	(2.2)	2.6	32.5	34.3	(5.4)	37.3
	Nikkei 225	21,711	23.8	0.1	(0.1)	1.4	7.1	(3.9)	0.7	9.0
Commodities (USD)	KOSPI	2,224	0.1	-	0.8	3.1	7.1	2.8	(9.0)	8.9
	Brent (Future)	70.83	(0.9)	(1.3)	2.1	6.5	17.4	(11.7)	(1.4)	32.0
	WTI (Future)	63.58	(1.0)	(1.6)	2.4	12.1	23.6	(10.6)	(4.9)	40.4
	Gold	1,293	(15.5)	(1.2)	0.0	(0.6)	0.1	6.3	(3.1)	0.8
	Copper (Future)	6,408	(56.0)	(0.9)	(0.7)	0.0	7.8	2.7	(7.8)	7.4
FX	Baltic Dry Index	734.00	9.0	1.2	5.0	13.4	(37.2)	(53.5)	(26.1)	(42.3)
	Dollar Index	97.18	0.2	0.2	(0.1)	0.1	1.4	1.9	8.1	0.9
	EUR	1.13	(0.0)	(0.2)	0.3	(0.0)	(1.6)	(2.4)	(8.5)	(1.6)
	JPY	111.66	0.7	0.6	-	(0.3)	(3.2)	0.4	(3.9)	(1.8)
	CNY	6.72	0.0	(0.0)	(0.2)	(0.2)	0.7	3.0	(6.4)	2.3
CDS	CNH	6.73	0.0	0.1	0.2	(0.3)	0.5	2.8	(6.7)	2.1
	ChinaGov CDS	42.60	(0.5)	(1.2)	(7.8)	(20.1)	(30.6)	(35.0)	(30.5)	(36.3)
	CDX Emerging Market	96.30	(0.2)	(0.2)	(0.3)	(0.7)	0.5	1.2	(1.8)	1.1

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	0.0	0.3	2.4	2.4	2.4	2.3	1.7	2.4
	2-Year Treasury Yield	2.35	0.0	1.4	2.3	2.5	2.5	2.9	2.3	2.5
	5-Year Treasury Yield	2.31	0.0	1.7	2.3	2.4	2.5	3.0	2.7	2.5
	10-Year Treasury Yield	2.50	0.0	1.3	2.5	2.6	2.7	3.2	2.8	2.7
	2-10 Spread	14.09	(0.1)	(0.5)	15.2	15.0	15.6	30.4	48.6	19.2
China rates	O/N China Repo Rate	2.65	(0.1)	(3.6)	1.4	2.1	1.7	2.4	2.6	1.0
	1-Week China Repo Rate	2.66	0.1	2.3	2.3	2.4	1.8	2.5	2.6	3.5
	O/N SHIBOR	2.74	0.5	20.1	1.4	2.1	1.7	2.4	2.6	2.6
	1-Week SHIBOR	2.66	0.0	0.1	2.4	2.5	2.6	2.6	2.8	2.9

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



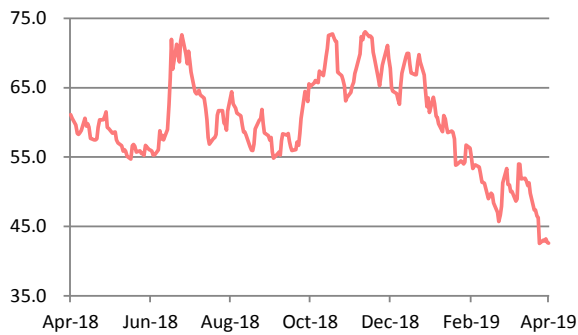
Source: Bloomberg

Shanghai Composite Index PE Ratio



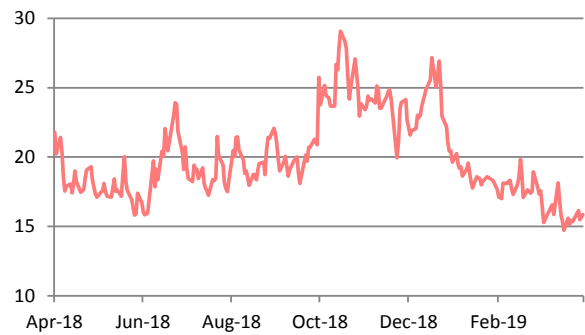
Source: Bloomberg

China 5Y CDS Index_USD



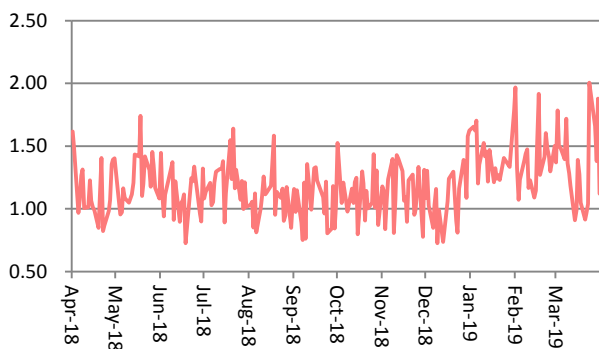
Source: Bloomberg

Hang Seng Index VIX



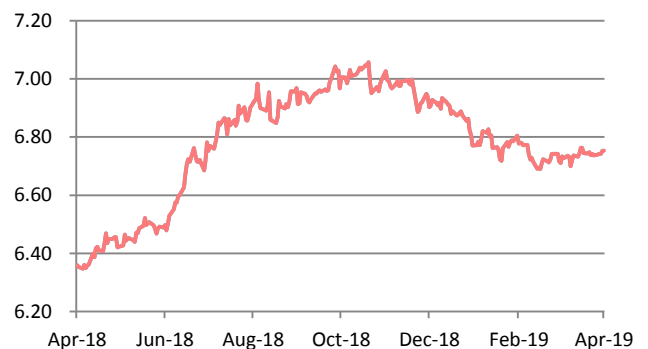
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495