

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Manufacturing PMI	Dec	50.7	50.8
Indonesia: CPI / Core YoY	Dec	3.38%/3.08%	3.3%/3.05%
India: Nikkei Manufacturing PMI	Dec	N/A	52.6
UK: Nikkei Manufacturing PMI	Dec	57.9	58.2
Taiwan: Nikkei Manufacturing PMI	Dec	N/A	56.3

Source: Bloomberg

## II. Macro News

- **China Factory Momentum Remains Intact Amid Smog and Debt Curbs.** China's official factory gauge maintained momentum, signaling campaigns to reduce both pollution and debt risk haven't curbed output. The manufacturing PMI edged down to 51.6 in Dec, in line with the forecast in Bloomberg's survey of economists, from 51.8 the prior month. [Bloomberg]
- **Singapore GDP Grew 3.5% in 2017, Prime Minister Lee Says.** Singapore's economy expanded 3.5 percent this year more than double the initial government forecast as the country benefited from the global economic upswing, Prime Minister Lee Hsien Loong said in his New Year message Sunday. [Bloomberg]
- **US grows at fastest pace in over 2 years in Q3.** The US economy grew at its fastest pace in more than two years in the third quarter, powered by robust business spending. GDP grew at a 3.2% annual rate last quarter, the Commerce Dept said in its third GDP estimate for the period. [Bloomberg]

## III. Industry News

- **Profits slow at China's industrial firms as nation's economic growth ebbs.** Profits for China's industrial firms rose at a sharply slower pace in November as demand and producer price gains eased in further confirmation of ebbing growth in the world's second-largest economy. Profits in Nov rose 14.9% to RMB785.8bn, the NBS said on its website. [SCMP]
- **IMF Calls for Overhaul of India Banks.** The IMF said India's record \$32bn bank-recapitalisation plan must be accompanied by restructuring of state-run lenders, as the central bank warned of rising bad loans. Under the baseline scenario in a stress test, the Indian banking sector's gross bad-loan ratio will increase to 10.8% in March and 11.1% by Sept 2018, from 10.2% in Sept 2017. [Bloomberg]
- **Auto industry highlights of 2017.** China is expected to maintain its status as the world's largest auto market this year, with a record-high 29 million cars sold, according to the Ministry of Commerce. That's just over a third of the cars expected to be sold worldwide this year, according to the website Statista. [Bloomberg]

## IV. Corporate News

- **HKEX Sees More Than 10 New-Economy Firms Seeking H.K. IPO.** Hong Kong Exchanges & Clearing has received inquiries from more than 10 so called new-economy companies for either primary or secondary listing in the city, Oriental Daily reports, citing HKEX Chairman Chow Chung-kong. [Bloomberg]
- **Pan-United Gets Approval in-Principle for Hong Kong Listing.** Singapore's Pan-United Corp. Ltd. says has approval in-principle to list its Xinghua Port Holdings Ltd. unit on the Stock Exchange of Hong Kong, co. says in filing Friday. [Bloomberg]

- **Shanghai Port Buys Local Property Developer Stake for 6B Yuan.** Shanghai International Port buys 50% stake in Shanghai Xingwaitan Development & Construction from a unit of China Jinmao Holdings via public tender, according to a filing to Shanghai stock exchange. [Bloomberg]
- **China's Goldwind Eyes Overseas Wind Farms to Boost Turbine Sales.** China's biggest wind turbine maker, Xinjiang Goldwind Science & Technology Co, is considering more projects overseas to show its technology can compete globally in an effort to boost sales and grab market share. [Bloomberg]
- **China's Fosun Said to Plan \$3bn of Local Bond Offerings.** Chinese insurance-to-pharmaceutical conglomerate Fosun Group is planning to raise as much as 21 billion yuan (\$3.2 billion) in the nation's local bond market to refinance debt and replenish working capital. [Bloomberg]
- **China Singyes Solar to Sell Unit for HK\$170.1mn.** Singyes Solar agrees to sell unit engaged in development of solar farm assets to Beijing Jingyuntong Tech, Singyes says in Hong Kong stock exchange filing. The company will use the proceeds as general working capital and for business development. [Bloomberg]
- **BaWang Says Former CEO Wan Seeks to Wind Up Controlling Holder.** Former CEO Wan Yuhua seeks to wind up BaWang International's controlling shareholder Fortune Station, BaWang says in statement to Hong Kong stock exchange. [Bloomberg]
- **Chinese EV Startup NIO, Guangzhou Auto to Set Up Venture.** Guangzhou Automobile Group and its unit will invest combined 90m yuan in the venture for 45% stake, according to a filing to Shanghai stock exchange. Total investment from all parties in the venture will be 1.28bn yuan after future capital injection. [Bloomberg]
- **LeEco founder Jia Yueting defies order to return to China.** Despite China's stock market regulator ordering LeEco founder Jia Yueting to return to China before the end of 2017 to deal with the financial woes of his Shenzhen-listed unit, there is little indication that Jia has complied, according to mainland Chinese media reports. [SCMP]
- **IPO hopeful Xiaomi set to breeze past 2017 revenue targets.** Xiaomi Inc. has told its bankers it will top its annual revenue target by as much as 18 per cent, according to sources close to organisation, marking a comeback from a sales slump in recent years that triggered a business overhaul. [SCMP]
- **China's Postal Savings Bank fined US\$80mn for role in Guangfa fraud scandal.** Postal Savings Bank of China has been fined RMB521mn (US\$80mn) by the country's banking regulator over its role in a scandal involving fake guarantees for bonds that has engulfed regional lender Guangfa Bank. [SCMP]
- **Wanda founder vows to speed up openings to hit 1,000 mall target in 10yrs.** Billionaire Wang Jianlin has vowed to accelerate the opening of his flagship malls to hit 1,000 by 2028 as he announced an upcoming cooperation with retailer Suning Commerce Group in his first high-profile speech after dumping the bulk of his domestic assets in July. [SCMP]
- **Geely to become AB Volvo's largest shareholder.** Zhejiang Geely Holding Group will become the largest shareholder of AB Volvo by capital after it agreed to acquire 8.2 percent equity and 15.6 percent voting rights in the Swedish manufacturer of trucks, buses, construction equipment and engines. [China Daily]
- **TCL bets on 'intelligent homes'.** Chinese consumer electronics giant TCL Corp is bullish on the prospects of the domestic air conditioner market, which enjoys great development potential, as annual sales of its air conditioners are set to surpass 10mn units by the end of this year. [China Daily]
- **China Unicom becomes official Olympics telecom.** China Unicom has become the official telecommunications service provider for the Beijing 2022 Winter Olympics. China Unicom will explore cutting-edge technologies to offer all telecom services for the event, and enjoy a wide range of benefits that come with the Olympic brand. [China Daily]
- **China to bid for Malaysia railway project.** A Chinese consortium led by China Railway Corp will participate in bidding for a high-speed railroad linking Singapore and Malaysia in 2018, marking another step in China's ambitious strategy to export its high-speed railway technologies to Southeast Asia. [China Daily]

## V. Overnight Market Recap

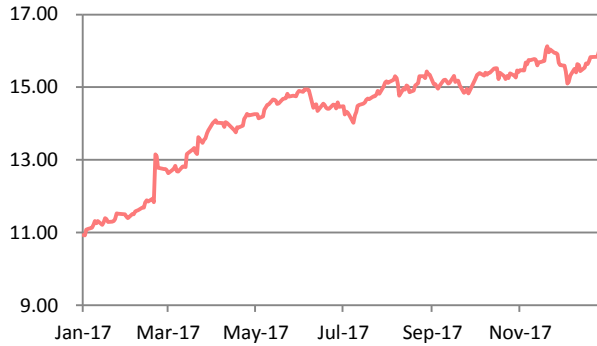
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,674	(13.9)	(0.5)	(0.4)	1.2	6.1	10.3	19.4	-
	Dow Jones	24,719	(118.3)	(0.5)	(0.3)	2.0	10.3	15.8	25.1	-
	Nasdaq Composite	6,903	(46.8)	(0.7)	(0.9)	0.8	6.3	12.4	28.2	-
	Russell 2000	1,536	(13.4)	(0.9)	(0.7)	(0.1)	3.0	8.5	13.1	-
	VIX Index	11.04	0.9	8.4	14.8	(3.4)	16.1	(1.3)	(21.4)	-
Europe Equity	Euro Stoxx 50	3,504	(20.4)	(0.6)	(1.4)	(0.7)	(2.5)	1.8	6.5	-
	DAX	12,918	(62.3)	(0.5)	(1.2)	0.4	0.7	4.8	12.5	-
	CAC	5,313	(26.9)	(0.5)	(0.8)	(0.1)	(0.3)	3.7	9.3	-
	FTSE 100	7,688	64.9	0.9	2.2	5.3	4.3	5.1	7.6	-
APAC Equity	HSI	29,919	55.4	0.2	2.3	2.9	8.6	16.1	36.0	-
	HSCEI	11,709	25.3	0.2	1.8	2.3	7.3	13.0	24.6	-
	HSI VIX	14.60	(0.3)	(2.1)	0.1	(12.6)	4.2	4.2	(13.6)	-
	CSI 300	4,031	12.0	0.3	(0.6)	0.8	5.1	9.9	21.8	-
	SH Composite	3,307	10.8	0.3	0.3	(0.3)	(1.2)	3.6	6.6	-
	SZ Composite	1,899	12.0	0.6	(0.1)	(0.9)	(4.5)	0.1	(3.5)	-
	Nikkei 225	22,765	(19.0)	(0.1)	(0.6)	(0.2)	11.8	13.6	19.1	-
KOSPI	2,467	30.8	1.3	(0.2)	(1.8)	3.0	3.0	21.8	-	
Commodities (USD)	Brent (Future)	66.87	0.2	0.2	3.0	4.9	16.2	39.5	17.7	(0.0)
	WTI (Future)	60.42	0.6	1.0	3.5	3.1	19.0	30.7	12.0	(0.4)
	Gold	1,303	7.8	0.6	2.9	2.4	2.8	7.1	13.9	0.3
	Copper (Future)	7,247	(42.0)	(0.6)	2.9	7.2	11.8	22.0	32.1	30.9
	Baltic Dry Index	1,366.00	(64.0)	(4.5)	(15.6)	(6.3)	(9.1)	57.0	42.1	-
FX	Dollar Index	92.24	0.1	0.1	(1.1)	(0.7)	(0.9)	(3.5)	(9.8)	0.1
	EUR	1.20	0.0	0.1	1.2	1.3	2.4	5.7	14.9	0.1
	JPY	112.63	(0.1)	(0.1)	(0.6)	(0.3)	0.0	0.6	4.3	(0.0)
	CNY	6.51	(0.0)	0.4	1.1	1.7	2.2	4.3	6.9	-
	CNH	6.52	0.0	0.0	(0.6)	1.6	2.4	4.4	7.1	0.0
CDS	ChinaGov CDS	50.09	(0.2)	(0.5)	(4.0)	(10.3)	(19.1)	(28.0)	(57.2)	-
	CDX Emerging Market	99.10	(0.0)	(0.0)	0.1	2.8	3.1	3.8	5.8	(0.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.38	-	-	1.3	1.3	1.0	1.0	0.5	1.4
	2-Year Treasury Yield	1.88	-	-	1.9	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.21	-	-	2.2	2.1	1.9	1.9	1.9	2.2
	10-Year Treasury Yield	2.41	-	-	2.5	2.4	2.3	2.3	2.4	2.4
	2-10 Spread	51.84	-	-	57.2	58.3	84.8	93.6	125.2	51.8
China rates	O/N China Repo Rate	2.97	(0.0)	(1.0)	2.6	2.6	3.0	2.7	2.2	3.0
	1-Week China Repo Rate	3.10	(2.9)	(48.3)	2.9	3.1	3.4	2.8	2.6	3.1
	O/N SHIBOR	2.84	0.2	6.3	2.6	2.6	2.9	2.7	2.2	2.2
	1-Week SHIBOR	2.95	0.0	1.0	2.9	2.9	3.0	2.8	2.5	2.5

Source: Bloomberg

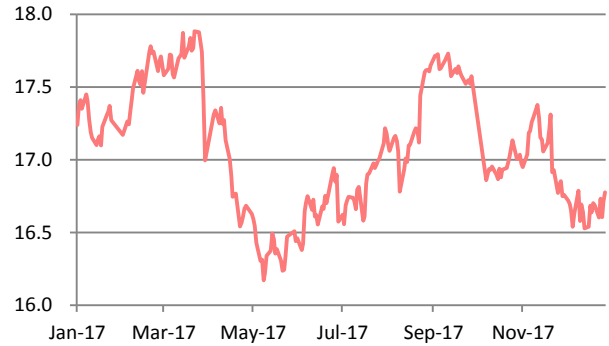
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



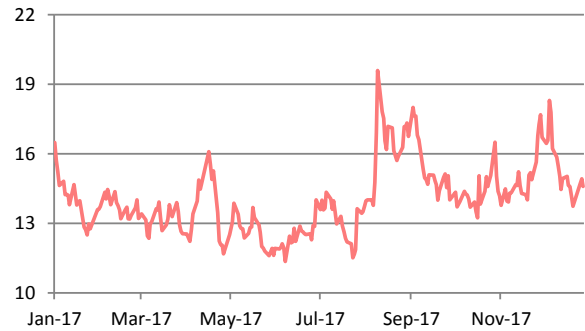
Source: Bloomberg

**China 5Y CDS Index\_USD**



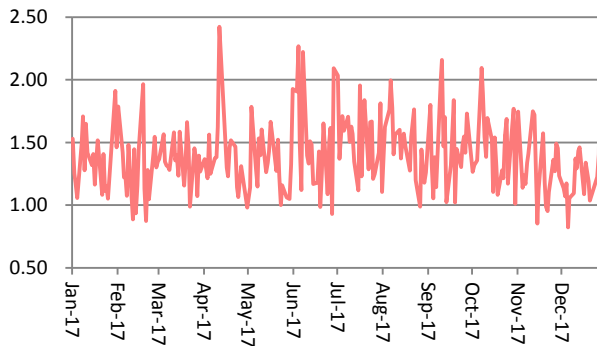
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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