

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Australia: Export (YoY)	Nov		-3%
Australia: Import (YoY)	Nov		2%
Germany: retail sales YoY	Nov	2.50%	-1.40%
France: Consumer confidence	Dec	103	102

Source: Bloomberg

II. Macro News

- **China Premier Li Keqiang to Visit Cambodia Jan. 10-11.** Li will attend the second Lancang-Mekong Cooperation Leaders Meeting in Phnom Penh and visit Cambodia in Jan. 10-11, according to a statement on website of Chinese Ministry of Foreign Affairs. [Bloomberg]
- **India Seeks Approval for \$12.6 Billion Bank Recap Bonds.** India's finance ministry sought parliamentary approval to issue about 800 billion rupees (\$12.6 billion) of bank recapitalisation bonds before the end of the current fiscal year. [Bloomberg]
- **Researcher Expects China GDP to Grow 6.3% Annually by 2020.** GDP growth of 6.3% in the coming three years is "enough" to meet China's targets for 2020, Liu Shijin, vice director of the China Development Research Foundation, a government-backed think tank, writes in 21st Century Business Herald. [Bloomberg]

III. Industry News

- **China Exceeds Steel Overcapacity Cut Target in 2017.** China cut more than target of 50m tons of steel overcapacity last year and eliminated 140m tons of sub-standard steel production capacity, Ministry of Industry and Information Technology says in statement on website. [Bloomberg]
- **London Link May Allow U.K. Stock Trading in China Hours.** China and U.K. will select listed companies of good quality to participate in Shanghai-London stock connect program and choose market makers for each side, China Business News reports. [Bloomberg]
- **China Is Said to Curb Power Supply for Some Bitcoin Miners.** China plans to limit power use by some bitcoin miners. Officials are concerned that bitcoin miners are taking advantage of low power prices in some areas and affecting normal electricity use in some cases. [Bloomberg]

IV. Corporate News

- **China Jinmao Expects FY Profit to Rise at Least 80% on Year.** China Jinmao sees "significant increase" of FY net excluding the impact of fair value change of investment properties, co. says in Hong Kong stock exchange filing. 2017 contract sales 69.3b yuan, co. says in separate filing. [Bloomberg]
- **DuluxGroup JV Sells China, HK Coatings Ops to Yip's Chemical.** DGL Camel International, 51%-owned by DuluxGroup, enters pact to sell most of its coatings portfolio in mainland China and Hong Kong to Yip's Chemical Holdings, co. says in a statement to the ASX. [Bloomberg]
- **Chinese Estates Expects HK\$9.9B Evergrande Fair Value Gain.** Chinese Estates would record HK\$9.9bn unrealised gain of fair value change of its Evergrande stake as other comprehensive income for 2017, according to statement to Hong Kong stock exchange. [Bloomberg]

- **Allianz Plans to Double Asian Property Investments Over 3 Years.** Allianz SE's property unit plans to double investments in Asia over three years as the German firm is drawing in more money from its insurance operations in the region. Property investments may swell to 3.75bn euros by end-2020 from c.1.8bn euros, according to its Asia-Pacific CEO. [Bloomberg]
- **C-Mer Eye Care IPO Draws More Than HK\$10B of Margin Loans.** More than HK\$10b in margins have been lent out for C-Mer Eye Care's Hong Kong IPO, Hong Kong Economic Journal reports, citing data from six brokers. This compares with HK\$57m of new shares offered to retail investors. [Bloomberg]
- **H.K. C-Mer Eye IPO Retail Part is 138 Times Oversubscribed.** Retail investors have placed orders for at least 138 times stock available to them in the Hong Kong IPO of C-Mer Eye Care Holdings, according to margin-financing data from two brokerages. [Bloomberg]
- **Guangzhou Auto 2017 Vehicle Sales Rise 21% to 2mn Units.** Guangzhou Auto reported that its December 2017 sales rose 21% to 178,264 units vs 168,597 units year ago, according to a filing to Shanghai stock exchange. [Bloomberg]
- **China Vanke 2017 Contract Sales 529.9bn Yuan.** December contract sales was 62.2b yuan, Vanke says in a statement to Shenzhen stock exchange, without giving comparison figures. Sales area was 4.53m sqm in December., 36m sqm in 2017. Sales area was 4.53m sqm in Dec., 36m sqm in 2017. [Bloomberg]
- **Convoy Global Says Received Petition Issued in Hong Kong Court.** Convoy Global Holdings Ltd. says it is seeking legal advice regarding the petition, according to co.'s filing to Hong Kong stock exchange. filing to Hong Kong stock exchange. Petition is against 33 respondents, including the co. and four of its subsidiaries. [Bloomberg]
- **CRRC Times Electric Buys 1.35B Yuan Wealth Management Products.** Zhuzhou CRRC Times Electric entered into agreements to subscribe 10 wealth management products for combined 1.35b yuan, according to statement to Hong Kong stock exchange. [Bloomberg]
- **BlackBerry, Baidu Partner to Work on Driverless Car Software.** BlackBerry Ltd.'s efforts to push into self-driving cars took a new step forward as the former smartphone maker signed a deal with Chinese internet giant Baidu Inc. to work together on automotive software. [Bloomberg]
- **Didi Buys 99 Taxis, Igniting Fight With Uber in Latin America.** Didi Chuxing is buying Brazilian ride-hailing company 99 Taxis, placing Didi in direct competition with Uber Technologies Inc. in one of the U.S. company's busiest international markets. [Bloomberg]
- **Yingde Plans Dollar Bond After Buyout Ends Boardroom Battle.** Yingde Gases Group Co. is marketing a dollar bond for the first time since its takeover by private-equity firm PAG Asia Capital ended a boardroom feud and improved refinancing visibility. [Bloomberg]
- **China's Ant Financial apologises over Alipay user data gaffe.** Ant Financial has apologised for making the opt-in to its social credit scoring service the default when users opened a new report in the app, a move that angered some people who felt the company was misleading them into handing over their data. [SCMP]
- **Alibaba opening more fresh food stores.** Alibaba Group Holding Ltd announced on Wednesday the opening of another 30 Hema Xiansheng fresh food supermarkets throughout Beijing this year, as internet giants focus increasingly on the lucrative fresh-food retail sector. [China Daily]
- **Honda in tie-up with internet giant.** Japan's Honda Motor Co said it is partnering with Alibaba Group Holding Ltd to develop a smart and internet-connected system, one of the latest examples of closer cooperation between carmakers and tech companies to herald the age of smart mobility. [China Daily]
- **Huawei looks afresh at low-end smartphone market.** Huawei Technologies has called for a greater focus on low-end smartphones, marking the latest move to better tap into the global market. Huawei's President had earlier said that he would like to see a focus towards low-end smartphones in the future to cover the larger user base. [China Daily]

V. Overnight Market Recap

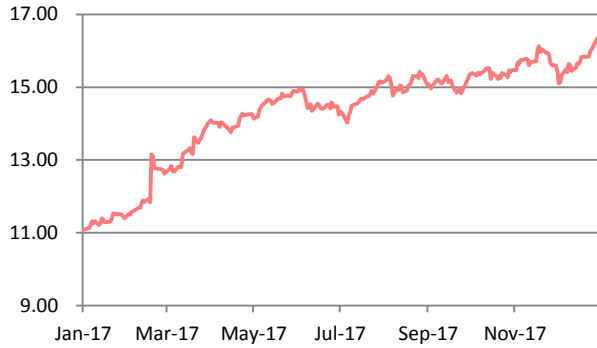
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,724	10.9	0.4	1.5	3.6	6.7	12.0	20.1	1.9
	Dow Jones	25,075	152.5	0.6	1.2	3.7	10.1	16.7	26.0	1.4
	Nasdaq Composite	7,078	12.4	0.2	2.0	4.7	7.5	15.1	29.0	2.5
	Russell 2000	1,556	3.1	0.2	0.8	2.6	2.9	9.5	13.4	1.3
	VIX Index	9.22	0.1	0.8	(11.9)	(18.6)	0.3	(16.7)	(21.0)	(16.5)
Europe Equity	Euro Stoxx 50	3,569	59.0	1.7	0.5	(0.0)	(1.2)	2.6	7.6	1.9
	DAX	13,168	189.7	1.5	0.7	0.9	1.5	5.7	13.7	1.9
	CAC	5,414	82.4	1.5	0.8	0.7	0.6	4.5	10.5	1.9
	FTSE 100	7,696	24.8	0.3	1.0	5.0	2.5	4.5	7.0	0.1
APAC Equity	HSI	30,736	157.4	0.5	3.4	7.1	8.9	21.0	37.6	3.3
	HSCEI	12,204	63.4	0.5	5.0	6.8	7.6	18.2	27.8	4.8
	HSI VIX	13.69	(0.5)	(3.3)	(8.2)	(17.4)	(0.1)	0.8	(10.1)	(6.2)
	CSI 300	4,129	4.5	0.1	2.8	2.3	7.7	12.9	22.7	2.5
	SH Composite	3,386	0.8	0.0	2.7	2.5	1.1	5.6	7.0	2.4
	SZ Composite	1,941	(1.2)	(0.1)	2.8	3.9	(2.4)	1.4	(3.3)	2.1
	Nikkei 225	23,506	741.4	3.3	2.5	4.2	14.3	17.4	20.8	3.6
Commodities (USD)	KOSPI	2,466	(19.9)	(0.8)	1.6	(1.2)	3.6	3.9	21.5	0.5
	Brent (Future)	68.07	0.2	0.3	2.5	8.3	19.4	42.4	19.6	1.8
	WTI (Future)	62.01	0.4	0.6	4.0	7.6	22.1	37.4	15.3	2.6
	Gold	1,323	9.8	0.7	2.8	4.4	4.2	7.7	12.0	1.4
	Copper (Future)	7,189	41.5	0.6	(0.7)	5.3	10.2	22.0	27.4	(0.8)
FX	Baltic Dry Index	1,262.00	32.0	2.6	(14.5)	(24.2)	(8.7)	49.0	28.4	(7.6)
	Dollar Index	91.85	(0.3)	(0.3)	(0.8)	(1.6)	(2.3)	(4.6)	(9.5)	(0.3)
	EUR	1.21	0.0	0.4	1.1	2.1	3.1	6.3	13.8	0.6
	JPY	112.75	0.2	0.2	(0.1)	(0.1)	0.1	0.4	2.3	(0.1)
	CNY	6.49	(0.0)	0.1	0.3	2.1	2.6	4.9	6.0	0.3
CDS	CNH	6.49	(0.0)	(0.1)	(0.6)	2.1	2.7	4.9	4.7	0.5
	ChinaGov CDS	48.11	(0.8)	(1.7)	(3.9)	(13.8)	(18.7)	(31.9)	(57.7)	(3.9)
	CDX Emerging Market	98.97	(0.4)	(0.4)	(0.1)	2.5	2.7	3.9	4.9	(0.1)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.40	0.0	0.4	1.4	1.3	1.1	1.0	0.5	1.4
	2-Year Treasury Yield	1.95	0.0	1.0	1.9	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.27	0.0	1.0	2.2	2.1	2.0	1.9	1.8	2.2
	10-Year Treasury Yield	2.45	0.0	0.2	2.4	2.3	2.4	2.4	2.3	2.4
	2-10 Spread	49.70	(1.5)	(2.9)	51.8	52.8	85.1	98.3	117.8	51.8
China rates	O/N China Repo Rate	2.46	0.0	1.2	3.0	2.6	3.0	2.8	2.1	3.0
	1-Week China Repo Rate	2.75	0.0	1.9	3.1	2.9	3.4	2.7	2.3	3.1
	O/N SHIBOR	2.51	(0.1)	(2.3)	2.8	2.6	2.9	2.5	2.1	2.8
	1-Week SHIBOR	2.76	(0.0)	(0.9)	3.0	2.8	3.0	2.8	2.5	3.0

Source: Bloomberg

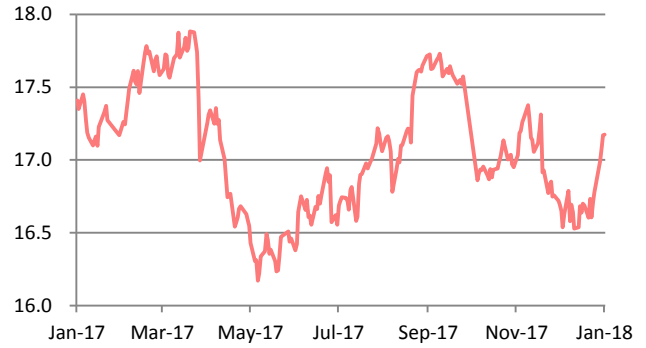
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



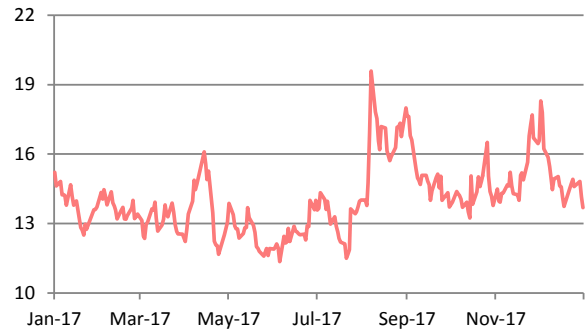
Source: Bloomberg

China 5Y CDS Index_USD



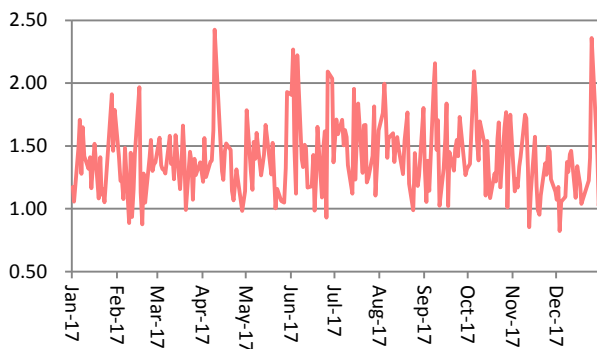
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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