

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Taiwan: Exports / Imports YoY	Dec	9.40%/9.10%	14.0%/9.0%
Australia: Foreign Reserve	Dec	N/A	AUD85.8bn
UK: House Prices YoY	Dec	3.30%	3.90%
Eurozone: Sentix Investor Confidence	Jan	31.3	31.1
Eurozone: Economic Confidence	Dec	114.8	114.6

Source: Bloomberg

II. Macro News

- **Investment, consumption to drive Chinese economy in 2018.** Driven by the manufacturing and the primary sectors, fixed-asset investment (FAI) is projected to grow at around 6.5 percent while consumption is expected to reach 10 percent for 2018 boosted by increasing residential income, according to a report by Economic Information Daily. [SCMP]
- **China-Pakistan Economic Corridor to bring benefits to investors.** Pakistani Federal Minister for Planning, Development and Reform Ahsan Iqbal on Thursday said that the China-Pakistan Economic Corridor (CPEC) will bring enormous benefits to investors, inviting other countries to join the multi-million-US dollar project. [China Daily]
- **China to Set Economic Growth Target 'Around 6.5%'.** China will set its economic growth target at "around 6.5 percent" this year. Top officials decided to maintain the same numerical goal as in 2017 at the Communist Party's Central Economic Work Conference last month. [Bloomberg]

III. Industry News

- **China's benchmark power coal price edges up.** The Bohai-Rim Steam-Coal Price Index, a gauge of coal prices in northern China's major ports published weekly, went up 0.17 percent from a week ago to 578 yuan (nearly \$90) per metric ton, according to Qinhuangdao Ocean Shipping Coal Trading Market Co. Ltd. [China Daily]
- **Global Debt Hits Record \$233 Trillion.** Global debt rose to a record \$233 trillion in the third quarter of 2017, more than \$16 trillion higher from end-2016, according to an analysis by the Institute of International Finance. Private non-financial sector debt hit all-time highs in Canada, France, Hong Kong, South Korea, Switzerland and Turkey. [Bloomberg]
- **China Removes 1,400 Baby Formula Products From Shelves.** A safety overhaul of China's notorious baby-formula industry removed about 1,400 products from store shelves this week, clearing the way for international brands such as Nestle SA and Danone to grab greater shares of a \$20 billion market. [Bloomberg]

IV. Corporate News

- **China Resources Beer 'Moderately' Adjusts Some Product Prices.** China Resources Beer is "moderately" adjusting prices of some of its products in some regions to "mitigate the heightened costs pressure", according to statement to Hong Kong stock exchange. [Bloomberg]
- **LeEco Founder's Wife Says HK\$807M Debt Repaid to Merchants Bank.** LeEco founder Jia Yueting's wife Gan Wei says company repaid the debt, which accounts for about 60% of the debt LeEco owes to China Merchants Bank, after Leview MobileHK sold shares in Coolpad, according to a statement on Gan's microblog Sunday. [Bloomberg]

- **Country Garden Proposes to Issue USD Senior Notes.** Aggregate principal amount, offer price and interest rate, will be determined through book-building exercise, it says in filing to Hong Kong stock exchange. Proceeds to be used for early redemption of the 2023 notes and general working capital purposes. [Bloomberg]
- **HNA Said to Walk Away From Late-Stage Value Partners Talks.** HNA Group Co. walked away from late-stage negotiations to buy a stake in Hong Kong fund house Value Partners Group Ltd., people with knowledge of the matter said. [Bloomberg]
- **HNA Units Missed Payments to More Chinese Banks.** Units of HNA Group missed payments due to several Chinese banks in recent weeks, prompting three lenders to freeze some of the borrowers' unused credit lines, people with knowledge of the matter said. [Bloomberg]
- **HNA seeking advice on Canary Wharf buildings sale.** HNA Group has approached brokers about the possible sale of two office buildings in London's Canary Wharf financial district as it seeks to shed assets and cut its debt burden. The conglomerate had sought advice from brokers on the value of 30 South Colonnade and 17 Columbus Courtyard with a view to selling them. [SCMP]
- **Swiss firm keen to get back in Mainland market.** Zurich Insurance is seeking a joint venture partner in China, as the country's recent easing of financial sector rules tempts it to return to the mainland's life insurance market which it quit five years ago. [SCMP]
- **Hong Kong's first listed Chinese rural bank moves closer to a return to A-share market.** Chongqing Rural Commercial Bank, one of China's largest lenders to farmers and small businesses, said its A-share IPO application has been accepted by China Securities Regulatory Commission, marking a major step for the first Hong Kong-listed lender to return home. [SCMP]
- **China Vanke-led consortium buys 20 malls from Singapore's CapitaLand for US\$1.29 billion.** China Vanke, one of China's largest developers, its commercial property unit SCPG Commercial Real Estate and private equity company Hopu Investment Management have teamed up to acquire 20 shopping malls across China from Singapore's CapitaLand. [SCMP]
- **China consumer group accuses Baidu of snooping on users of its smartphone apps.** Baidu Inc. has been accused by a Chinese consumer rights protection group of collecting personal information without obtaining users' permission, the latest instance of the country's tech giants facing scrutiny over the way they handle personal data. [SCMP]
- **China Aircraft Leasing buys another 15 Airbus A320 jets, taking order size to US\$7.5 billion.** China Aircraft Leasing Group has agreed to buy an additional 15 Airbus A320neo jets on top of the 55 ordered in Dec, as it increases its fleet to meet the growing demand for air travel in China, which is set to overtake the US as the world's largest market. [SCMP]
- **Developer Greenland views e-sports as engine that will drive traffic to its malls and hotels.** Greenland Holdings wants to tap the rising popularity of e-sports to drive traffic and sales at its properties. The company wants to create the mainland's largest business platform for e-sports in 2-3 yrs, and plans to build e-sport towns and stadiums in the country's 10 largest cities. [SCMP]
- **Chinese firm adds more coaches to boost Nigeria's rail transport.** Launching the coaches and locomotive engines provided by Chinese construction firm China Civil Engineering Construction Corporation, Nigerian leader Muhammadu Buhari said the aim of the government was to vigorously pursue rail development in Nigeria. [China Daily]
- **Bank of China, China Development Bank sign cooperation agreement.** Bank of China Ltd, the country's fourth largest commercial lender by assets, and China Development Bank, a policy financial institution, signed a comprehensive cooperation agreement Thursday in Beijing. [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. [Shanghai Daily]

V. Overnight Market Recap

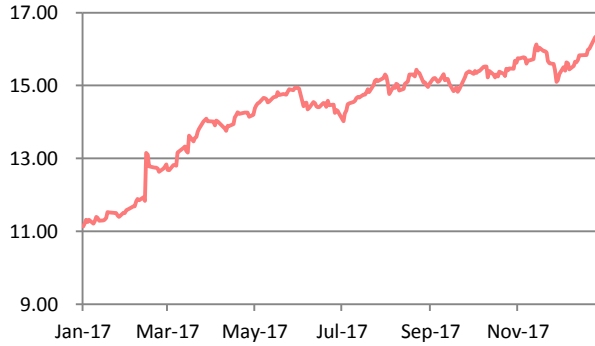
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,743	19.2	0.7	2.1	3.5	7.6	13.1	20.5	2.6
	Dow Jones	25,296	220.7	0.9	1.8	4.0	11.1	18.1	26.7	2.3
	Nasdaq Composite	7,137	58.6	0.8	2.7	4.3	8.3	16.0	29.3	3.4
	Russell 2000	1,560	4.3	0.3	0.7	2.5	3.3	10.2	14.1	1.6
	VIX Index	9.22	-	-	(9.4)	(3.8)	(4.5)	(17.6)	(18.6)	(16.5)
Europe Equity	Euro Stoxx 50	3,608	38.8	1.1	2.4	0.5	0.1	4.2	8.6	3.0
	DAX	13,320	151.8	1.2	2.6	1.3	2.8	7.5	14.8	3.1
	CAC	5,471	57.1	1.1	2.5	1.3	2.1	6.3	11.4	3.0
	FTSE 100	7,724	28.3	0.4	1.3	4.5	2.7	5.1	7.1	0.5
APAC Equity	HSI	30,815	78.2	0.3	3.2	7.6	8.3	21.6	36.9	3.0
	HSCEI	12,212	8.1	0.1	4.5	8.2	6.6	19.1	27.1	4.3
	HSI VIX	13.39	(0.3)	(2.2)	(10.3)	(17.5)	(3.9)	(6.6)	(8.5)	(8.3)
	CSI 300	4,139	9.9	0.2	3.0	3.4	7.9	13.2	23.6	2.7
	SH Composite	3,392	6.0	0.2	2.9	3.1	1.3	5.4	7.5	2.6
	SZ Composite	1,942	0.8	0.0	2.9	2.7	(2.3)	1.2	(2.3)	2.2
	Nikkei 225	23,715	208.2	0.9	3.6	4.0	14.6	19.0	21.9	4.2
Commodities (USD)	KOSPI	2,498	31.1	1.3	2.5	1.4	4.3	4.9	21.9	1.2
	Brent (Future)	67.62	(0.5)	(0.7)	1.4	6.9	21.9	45.1	18.7	1.4
	WTI (Future)	61.44	(0.6)	(0.9)	2.7	7.5	25.1	39.4	14.2	2.1
	Gold	1,320	(3.4)	(0.3)	1.9	5.8	2.8	8.7	11.8	1.4
	Copper (Future)	7,121	(67.5)	(0.9)	(2.3)	8.8	6.3	21.9	27.6	(1.7)
FX	Baltic Dry Index	1,371.00	30.0	2.2	0.4	(19.4)	(2.4)	66.8	42.4	0.4
	Dollar Index	91.95	0.1	0.1	(0.2)	(2.0)	(1.9)	(4.2)	(10.0)	(0.1)
	EUR	1.20	(0.0)	(0.3)	0.2	2.3	2.5	5.6	13.8	0.3
	JPY	113.05	0.3	0.3	0.3	0.3	(0.4)	0.8	2.5	(0.4)
	CNY	6.49	(0.0)	0.1	0.3	2.0	2.5	4.8	6.0	0.3
CDS	CNH	6.48	(0.0)	(0.2)	(0.6)	2.3	2.1	5.1	6.2	0.6
	ChinaGov CDS	47.67	(1.1)	(2.3)	(5.3)	(15.1)	(19.5)	(32.0)	(58.5)	(4.8)
	CDX Emerging Market	99.48	0.5	0.5	0.4	3.1	3.4	4.2	5.8	0.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.39	(0.0)	(0.2)	1.4	1.3	1.1	1.0	0.5	1.4
	2-Year Treasury Yield	1.96	0.0	0.4	1.9	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.29	0.0	0.9	2.2	2.1	2.0	1.9	1.9	2.2
	10-Year Treasury Yield	2.48	0.0	1.0	2.4	2.4	2.4	2.4	2.4	2.4
	2-10 Spread	51.24	1.5	3.1	51.8	57.7	85.1	98.6	120.6	51.8
China rates	O/N China Repo Rate	2.40	(0.0)	(1.2)	3.0	2.6	3.0	2.7	2.1	3.0
	1-Week China Repo Rate	2.69	(0.0)	(0.4)	3.1	3.1	3.4	2.8	1.9	3.1
	O/N SHIBOR	2.48	(0.0)	(0.8)	2.8	2.6	2.7	2.5	2.1	2.8
	1-Week SHIBOR	2.75	(0.0)	(0.5)	3.0	2.8	2.9	2.8	2.4	3.0

Source: Bloomberg

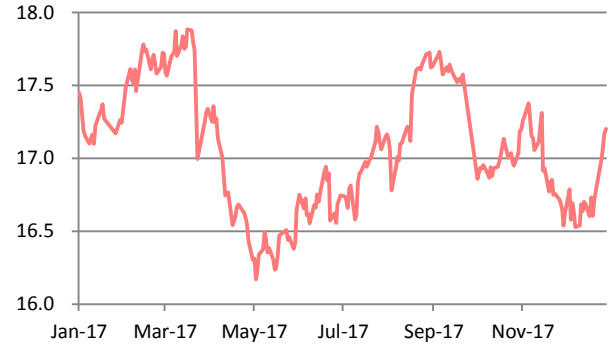
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



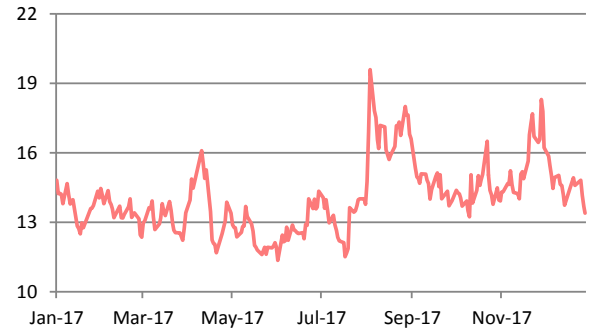
Source: Bloomberg

China 5Y CDS Index_USD



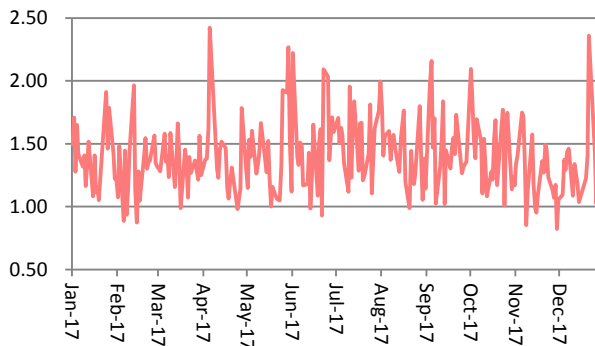
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

Research

LIU Taisheng, Steven

TMT
(852) 3465 5652
stevenliu@csci.hk

SO Lai Shan, Jennifer

Consumer
(852) 3465 5781
jenniferso@csci.hk

CHAN Ka Yeung, Duncan

Commodity
(852) 3465 5654
duncanchan@csci.hk

TIAN Yang

Automotive
(852) 3465 5775
tianyong@csci.hk

SUN Lingxiao, Roger

Industrials
(852) 3465 5785
rogersun@csci.hk

YAO Xue, Snowy

(852) 3465 5675
snowyyao@csci.hk

SHEN Xiangfei, Thomas

(852) 3465 8689
thomasshen@csci.hk

XU Qiwen

(852) 3465 8690
xuqiwen@csci.hk

Institutional Sales & Trading

XIANG Xinrong, Ron

(852) 3465 5633
ronxiang@csci.hk

HO Wen Hao, Jack

(852) 3465 5685
jackho@csci.hk

WANG Zhuo, Gary

(852) 3465 8655
wangzhuo@csci.hk

LEE Ying Ju, Rose

(852) 3465 5707
roselee@csci.hk

XIA Tian

(852) 3465 5670
xiatian@csci.hk

XU Xiaowei, Vincent

(852) 3465 5795
vincentxu@csci.hk

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China Securities (International) Research

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

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