

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: CPI / PPI YoY	Dec	1.90%/4.80%	1.70%/5.80%
US: NFIB Small Business Optimism	Dec	108.0	107.5
Japan: Labour Cash Earnings YoY	Nov	0.60%	0.60%
Japan: Consumer Confidence Index	Dec	45.0	44.9
UK: BRC Sales like-for-like YoY	Dec	0.30%	0.60%

Source: Bloomberg

## II. Macro News

- **German Nov Factory Orders Fell in Run-Up to Holiday Season.** German factory orders fell in November, snapping three months of gains as the euro area's biggest economy approached the end of the year. Orders, adjusted for seasonal swings and inflation, fell 0.4% after a revised 0.7% gain in October, Economy Ministry in Berlin said. [Bloomberg]
- **Reserves Rise 4.3% in 2017, Likely Stable in 2018.** An 11th straight monthly increase in China's foreign exchange reserves in December reflects a combination of factors: favorable valuation effects, robust growth, yuan strength, tight capital-account controls, and an expected large trade surplus. [Bloomberg]
- **China key partner for Cambodia in infrastructure development.** China is a major partner for Cambodia in the development of infrastructure, which is a key element to boost economic growth and to reduce poverty, Cambodian officials said. [China Daily]

## III. Industry News

- **China Releases New Rules to Govern Banks' Entrusted Loans.** Banks must strictly separate entrusted loans made for clients from their proprietary operations and can't get involved in decision-making of such loans or provide guarantees, according to new rules posted in statement on China Banking Regulatory Commission's website. [Bloomberg]
- **China Is Said to Plan Reinstating Coal Import Limits Feb. 16.** Recent easing of coal import restrictions is scheduled to end Feb. 15, according to people with knowledge of the plan.. The National Energy Agency will ask cos. for advice on policies related to coal supply for power generation. [Bloomberg]
- **Hong Kong Government Won't Review Stamp Duty on Stocks.** Hong Kong Economic Journal reports, citing government spokesman, after HKEX CEO Charles Li said in interview that the exchange is considering whether to ask the government to reduce or remove stamp duty. [Bloomberg]

## IV. Corporate News

- **HK Eyes New Trading Rules, Adding Rebates to Spur Volume.** HKEX is considering rule changes aimed at increasing trading, according to CEO Charles Li. Rebates to market makers, simplified rules for using collateral across multiple positions, and the removal or reduction of stamp duty charges are among measures being considered. [Bloomberg]
- **Longfor Is Said to Plan to Raise \$800mn in 2-Part Bond Sale.** The total issue size for Longfor's 5.25Y and 10Y bonds will be \$800mn. The \$800m issue size represents the full quota the company obtained from China's NDRC last year, the company said on the investor call. [Bloomberg]

- **Geely Auto Sets 2018 Sales Volume Target at 1.58mn Units.** Target for 2018 represents an increase of c.27% over 2017, Geely Auto says in Hong Kong stock exchange filing. Total sales volume for 2017 was 1.25m units, an increase of ~63% from year ago. [Bloomberg]
- **Sino Biopharm to Take Control of Tide Pharma for 12.9bn Yuan.** Sino Biopharmaceutical to hold 57.6% of Beijing Tide Pharmaceutical after deal completion, according to statement to Hong Kong stock exchange. Sino Biopharm to issue 1.01b shares at HK\$12.73 apiece for consideration. [Bloomberg]
- **Hong Kong IPO Is Said to Be 1,500 Times Oversubscribed in Frenzy.** Individual buyers placed orders for at least 1,557 times the stock initially set aside for them in the sale of C-Mer Eye Care Holdings Ltd. That's the highest retail participation in 11 years for Hong Kong IPOs worth at least \$50mn, data compiled by Bloomberg show. [Bloomberg]
- **Huawei aims to make a big splash in Apple's home market.** More than five years since a US Congressional investigation named it a national security threat, Huawei Technologies is set to relaunch in America as a major smartphone brand, backed by one of the country's biggest mobile network operators. [SCMP]
- **ChemChina seeks loan for Syngenta takeover.** Mainland chemicals conglomerate ChemChina is inviting banks to join the US\$5.5bn loan to refinance the firm's US\$12.7bn bridging loan needed to complete the US\$43bn takeover of Syngenta, Bloomberg reported yesterday. [SCMP]
- **China's battle for top AI talent heats up as JD.com creates new R&D unit.** JD.com said it has named Pei Jian, who was a leading big data researcher and computing science professor at Simon Fraser University in Canada, to head its recently established data platform and product R&D department. [SCMP]
- **GAC Honda to buy out other Honda China stakeholders.** Joint venture GAC Honda Automobile is moving to take over Honda Automobile (China), enhancing its productivity with the additional capacity of the Japanese brand's currently plant in Guangzhou, Guangdong province. [China Daily]
- **China Vanke plans financing for investment in long-lease apartments.** China Vanke, the country's top property developer, said it plans to issue up to 35bn yuan (\$5.39bn) of direct debt financing instruments to boost liquidity or finance projects such as long-lease apartments. [China Daily]
- **Haier's sales revenue rises 20% in 2017.** China's leading home appliance maker Haier said its global revenue increased 20% YoY to RMB241.9bn in 2017 thanks to its expanding share in the high-end market. Its outgoing Chief Operating Officer Fabrice Brégier will hold early stage discussions on the subject with Chinese companies. [China Daily]
- **China Evergrande property sales up 34.2%.** China Evergrande Group said that its contracted property sales rose 34.2 percent to RMB500.96bn (\$77bn) in 2017. Total floor area of property sold last year stood at 50.3mn square meters, up 19.2% from 2016, the company said in an unaudited report. [China Daily]
- **Geely Auto Dec Total Sales Volume Up 42% YoY.** Geely Auto announced that the total sales volume of the group for the month of December 2017 reached another record high level of 153,600 units, an increase of approximately 42% over the same period last year and up around 9% from November 2017. [AAStocks]
- **China Longyuan 2017 Power Generation Up 12.35%.** China Longyuan announced that as of 31 December 2017, the total power generation of the group for 2017 amounted to 45.5829mn MWh, representing an increase of 12.35% compared with the corresponding period of 2016. [AAStocks]
- **Report Says Xiaomi To List in HK This Year End; Valuation at US\$200bn.** Xiaomi has decided to go listing in Hong Kong at this year-end with specific month undetermined, as Mainland media news.ifeng.com learnt from sources close to Xiaomi's management. Lei Jun, Xiaomi's chairman, had approached investment banks and synchronised a target of US\$200bn. [AAStocks]
- **Cogobuy, Xiamen Govt Build First Batch of AI+Big Health Industry Base.** Cogobuy announced that the company entered into a strategic cooperation agreement with People's Government of Xiang'an District, Xiamen to assist the city in building first batch of big health industry centers in China. [AAStocks]

## V. Overnight Market Recap

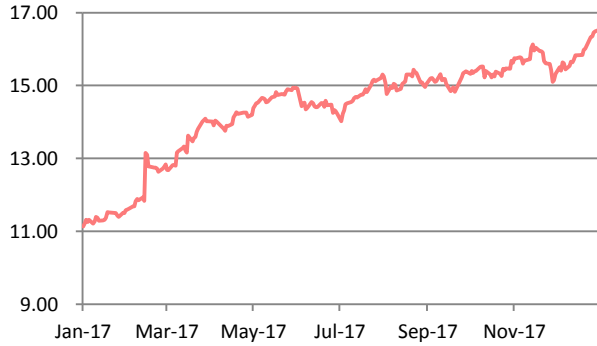
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,748	4.6	0.2	2.8	3.6	8.0	13.3	21.1	2.8
	Dow Jones	25,283	(12.9)	(0.1)	2.3	3.9	11.1	18.1	27.1	2.3
	Nasdaq Composite	7,157	20.8	0.3	3.7	4.6	8.8	16.3	29.4	3.7
	Russell 2000	1,562	1.8	0.1	1.7	2.6	3.9	10.3	15.1	1.7
	VIX Index	9.52	0.3	3.3	(13.8)	(0.6)	(1.3)	(14.9)	(17.6)	(13.8)
Europe Equity	Euro Stoxx 50	3,616	8.8	0.2	3.2	0.7	0.2	4.4	9.3	3.2
	DAX	13,368	48.1	0.4	3.5	1.6	3.0	7.9	15.6	3.5
	CAC	5,487	16.7	0.3	3.3	1.6	2.3	6.7	12.3	3.3
	FTSE 100	7,697	(27.7)	(0.4)	0.1	4.1	2.5	4.7	6.3	0.1
APAC Equity	HSI	30,900	84.9	0.3	3.3	7.9	9.1	21.9	37.0	3.3
	HSCEI	12,235	23.6	0.2	4.5	8.4	7.5	19.3	27.4	4.5
	HSI VIX	13.41	0.0	0.1	(8.2)	(17.4)	(6.8)	(6.5)	(9.5)	(8.2)
	CSI 300	4,160	21.4	0.5	3.2	3.9	7.2	13.8	23.7	3.2
	SH Composite	3,409	17.7	0.5	3.1	3.6	1.0	6.0	7.5	3.1
	SZ Composite	1,946	4.2	0.2	2.5	2.9	(3.4)	1.5	(2.4)	2.5
	Nikkei 225	23,715	208.2	0.9	3.6	4.0	14.6	19.0	21.9	4.2
Commodities (USD)	KOSPI	2,513	15.8	0.6	1.9	2.0	5.0	5.6	22.7	1.9
	Brent (Future)	67.78	0.2	0.2	1.4	6.9	21.9	45.1	18.7	1.4
	WTI (Future)	61.73	0.3	0.5	2.2	8.6	25.6	40.8	19.9	3.1
	Gold	1,320	0.8	0.1	1.4	6.2	2.7	8.6	11.6	1.2
	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	92.36	0.4	0.4	0.1	(1.6)	(1.5)	(3.8)	(9.6)	0.3
	EUR	1.20	(0.0)	(0.5)	(0.4)	1.7	2.0	5.0	13.2	(0.3)
	JPY	113.09	0.0	0.0	0.4	0.4	(0.4)	0.8	2.6	(0.4)
	CNY	6.50	0.0	(0.2)	0.1	1.9	1.9	4.7	6.7	0.1
CDS	CNH	6.50	0.0	0.3	(0.3)	1.9	1.8	4.7	5.9	0.3
	ChinaGov CDS	45.31	(2.4)	(4.9)	(9.5)	(18.4)	(23.4)	(35.4)	(60.6)	(9.5)
	CDX Emerging Market	99.50	0.0	0.0	0.4	3.1	3.4	4.2	5.9	0.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.41	0.0	0.9	1.4	1.3	1.1	1.0	0.5	1.4
	2-Year Treasury Yield	1.96	(0.0)	(0.1)	1.9	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.29	(0.0)	(0.1)	2.2	2.1	2.0	1.9	1.9	2.2
	10-Year Treasury Yield	2.48	0.0	0.1	2.5	2.4	2.4	2.4	2.4	2.4
	2-10 Spread	52.00	0.8	1.5	54.0	57.7	84.4	98.1	117.9	51.8
China rates	O/N China Repo Rate	2.45	0.1	2.1	2.6	2.6	2.6	2.6	2.1	3.0
	1-Week China Repo Rate	2.70	0.0	0.4	3.1	3.1	3.3	3.0	2.3	3.1
	O/N SHIBOR	2.46	(0.0)	(0.9)	2.7	2.6	2.7	2.6	2.1	2.8
	1-Week SHIBOR	2.74	(0.0)	(0.3)	2.8	2.8	2.9	2.8	2.4	3.0

Source: Bloomberg

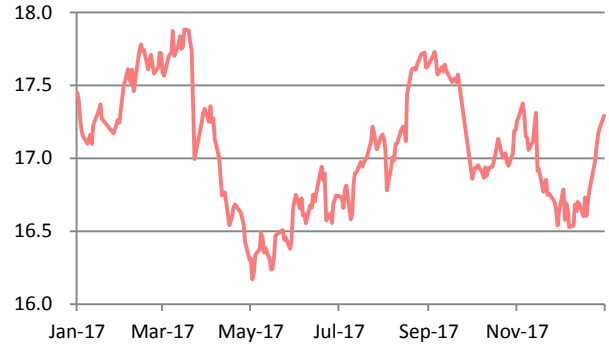
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



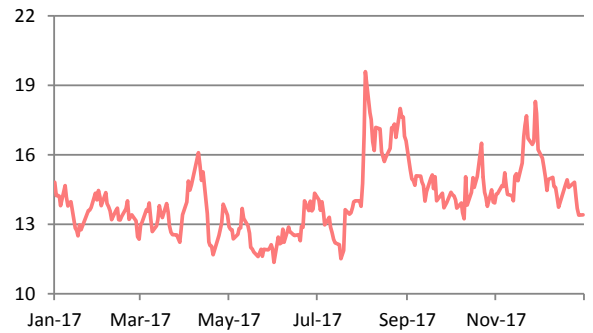
Source: Bloomberg

**China 5Y CDS Index\_USD**



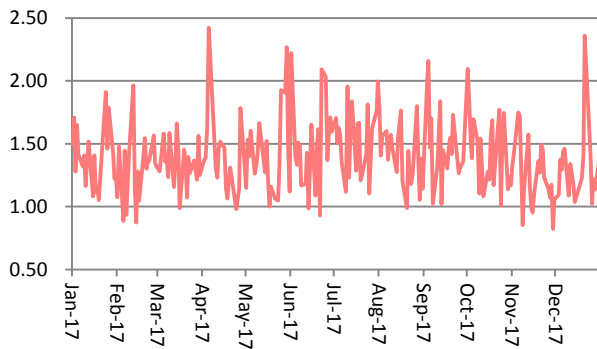
Source: Bloomberg

**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