

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD Exports / Imports YoY	Dec	10.6% / 15.1%	12.3% / 17.7%
US: CPI YoY	Dec	2.10%	2.20%
India: Industrial Production YoY	Nov	N/A	2.20%
India: CPI YoY	Dec	N/A	4.88%

Source: Bloomberg

## II. Macro News

- **China Says \$20bn Deals with France Signed During Macron's Visit.** Chinese, French companies signed totaled about \$20b deals in sectors of nuclear, aviation, eldercare, environmental protection, finance, energy during French President Emmanuel Marcon's visit in China, commerce ministry spokesman Gao Feng said at regular briefing. [Bloomberg]
- **China Economy Expanded About 6.9% in 2017.** Chinese Premier Li Keqiang said the country's economy expanded by about 6.9% in 2017, according to a Xinhua News Agency report. Li said the economy performed better than expected and the urban surveyed unemployment rate was the lowest in many years, according to the report. [Bloomberg]
- **London Finance Jobs Post 'Seismic' Drop in Sign of Brexit Impact.** Job vacancies in London's finance industry fell 52% in December, the most in three years, according to a survey. Recruitment firm Morgan McKinley attributed the drop partly to the holiday season and said its findings underscored the looming "Brexodus" from the City. [Bloomberg]

## III. Industry News

- **HK looks to lure more floats with new IPO rules.** With the city facing rising competition to attract IPOs, the HKEX is proposing two chapters of new rules to existing listing ones. The Hong Kong Stock Exchange is aiming to attract more high-quality emerging and innovative companies to launch IPOs in the city. [China Daily]
- **Hong Kong Boosts Banks' Capital Buffers Amid Property Risks.** Hong Kong is ratcheting up banks' capital buffers to limit the risks posed by booms in property prices and credit. A countercyclical capital buffer will rise to 2.5% from 1.875% from Jan. 1, 2019, the Hong Kong Monetary Authority said in a statement. [Bloomberg]
- **SEC Said to Scrap Stock-Market Adviser Group Amid Shift to Bonds.** The U.S. Securities and Exchange Commission disbanded a panel of industry advisers whose recommendations on improving trading in the world's largest stock market largely landed with a thud. [Bloomberg]

## IV. Corporate News

- **French President Macron confirms China will buy 184 Airbus A320 aircraft.** Macron told a press conference in Beijing that Chinese President Xi Jinping had confirmed the order and the planes would be delivered between 2019-2020 for 13 airlines, adding that China had pledged to maintain Airbus order volumes in the years ahead. [SCMP]
- **China scolds Alipay operator over breach of users' privacy.** China's cyber watchdog has scolded Ant Financial, Alibaba's payment affiliate, for compromising user privacy after many users of its Alipay service were automatically enrolled in its credit scoring system. [SCMP]

- **Chinese biotech company Ascletris seeks third round of funding that could exceed US\$100mn.** Ascletris is considering a third round of private fundraising, which could exceed US\$100mn, to fund clinical trials on a pipeline of drugs under development. The company will consider HK as a potential listing venue when the time comes for it to go public, founder and chief executive Wu Jinzi said. [SCMP]
- **LeEco Unit Sells Remaining 11% Percent Stake in Coolpad.** Coolpad says Leview Mobile HK Ltd. sold remaining 10.95% stake on Jan. 11 to Zeal Ltd., according to statement to H.K. exchange. LeEco founder's wife says HK\$807m debt repaid to Merchants Bank. [Bloomberg]
- **China CIRC Fines Zheshang P&C Insurance 1.2M Yuan for Violations.** The insurance regulator fines Zheshang P&C Insurance for violations on reinsurance business, setting of reserves and premium and issues about qualification of its staff, according to a statement from CIRC. [Bloomberg]
- **HNA's Hainan Airlines Plans Possible 'Major Asset Restructuring'.** Hainan Airlines Holding Co. said it may announce a "major assets restructuring". The company said its top shareholder, Grand China Air Co., pledged its stake to a local branch of ICBC Ltd. to meet the airline holding company's cash needs. [Bloomberg]
- **Xiaomi May List in Hong Kong With Dual-Class Shares.** Xiaomi may be among the first batch of companies listed in Hong Kong with dual-class share structure, China Business News reports. Xiaomi Is Said to Seek at Least \$50 Billion Valuation in IPO. [Bloomberg]
- **Cathay Pacific Airways denies it will be Canberra's third int'l carrier, in spite of staff speculation.** Cathay Pacific Airways has denied it will become Canberra's third international carrier, despite its executives meeting with the ACT's Chief Minister and internal speculation the Australian capital will become one of its next destinations. [Bloomberg]
- **Landsea, Ping An Real Estate to Develop Rental Apartments.** Landsea Green Properties signed cooperation agreement with Ping An Real Estate to develop apartments in top tier cities in China including Beijing, Shanghai, Guangzhou and Shenzhen in coming three years, Landsea says in filing to Hong Kong stock exchange. [Bloomberg]
- **Tencent Files Application for \$10 billion Medium Term Note Program.** Tencent Holdings says it applied the Stock Exchange of Hong Kong Limited for the listing of the program for a 12 month period starting Jan. 9. [Bloomberg]
- **HNA Unit Bohai Capital Plans Bond Offering After Cancellation.** Bohai Capital Holding Co., a unit of debt-laden Chinese conglomerate HNA Group Co., plans to tap the onshore bond market after cancelling an offering last month. The company plans to sell 1bn yuan (\$153mn) of 270-day notes on Jan. 12. [Bloomberg]
- **ASM Pacific Bought Back 146,400 Shares for HK\$16mn Jan. 9.** ASM Pacific bought back the shares, representing 0.0358% of issued share capital, at HK\$107.90-HK\$110.00 apiece, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Alibaba's Jack Ma Will Consider Listing Units in Hong Kong.** Alibaba co-founder Jack Ma will consider floating pieces of the Chinese e-commerce titan in Hong Kong, taking advantage of regulations that will allow the listing of companies with dual-class shares. [Bloomberg]
- **AMD and JD.com Announce Collaboration to Expand Availability of AMD Ryzen Desktop Processors in China.** AMD and JD.com announced the intent to establish JD.com as the newest authorized distributor of AMD microprocessors to provide Chinese consumers with greater access to high-performance AMD Ryzen™ processors. [Bloomberg]
- **Volkswagen to recall 512 cars in China with faulty air bags.** Volkswagen will recall 512 vehicles in China over defective air bags, the quality watchdog said. The recall was filed by FAW-Volkswagen Automotive Co Ltd and Volkswagen Group Import Co Ltd to the General Administration of Quality Supervision, Inspection and Quarantine. [China Daily]
- **L'Oreal signs letter of intent to boost green production in China.** International cosmetics giant L'Oreal is showing its continued confidence in the Chinese market, with a letter of intent recently signed with the administrative committee of China-Singapore Suzhou Industrial Park to advance green production in China. [China Daily]

## V. Overnight Market Recap

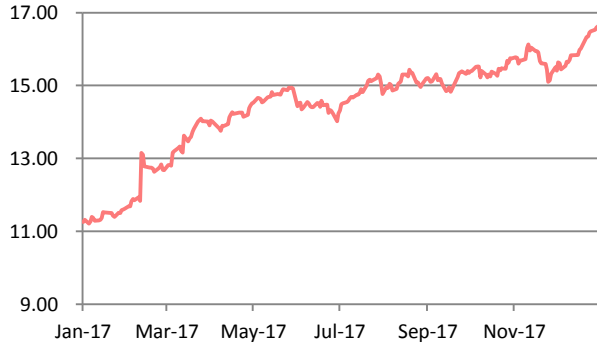
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,768	19.3	0.7	1.6	3.9	8.5	13.3	21.9	3.5
	Dow Jones	25,575	205.6	0.8	2.0	4.4	12.0	18.8	28.6	3.5
	Nasdaq Composite	7,212	58.2	0.8	1.9	5.1	9.4	15.2	30.0	4.5
	Russell 2000	1,587	27.0	1.7	2.0	4.7	5.4	11.4	16.6	3.3
	VIX Index	9.88	0.1	0.6	7.2	(0.4)	(0.3)	(4.1)	(14.4)	(10.5)
Europe Equity	Euro Stoxx 50	3,595	(14.6)	(0.4)	0.7	(0.1)	(0.3)	2.3	9.4	2.6
	DAX	13,203	(78.4)	(0.6)	0.3	0.1	1.7	4.6	14.6	2.2
	CAC	5,489	(16.1)	(0.3)	1.4	1.1	2.4	5.1	12.8	3.3
	FTSE 100	7,763	14.4	0.2	0.9	3.5	2.7	4.7	6.5	1.0
APAC Equity	HSI	31,120	46.7	0.2	1.2	8.1	9.4	19.5	36.3	4.0
	HSCEI	12,296	6.4	0.1	0.8	8.7	6.9	16.9	26.5	5.0
	HSI VIX	13.71	0.3	2.0	0.1	(11.3)	(2.5)	(1.9)	(3.5)	(6.1)
	CSI 300	4,206	(2.2)	(0.1)	1.9	4.7	7.5	14.9	26.8	4.3
	SH Composite	3,425	3.5	0.1	1.2	4.4	1.2	7.1	9.8	3.6
	SZ Composite	1,953	7.5	0.4	0.6	2.7	(3.5)	3.4	0.1	2.8
	Nikkei 225	23,710	(77.8)	(0.3)	4.2	3.7	13.2	18.0	23.9	4.2
KOSPI	2,488	(11.8)	(0.5)	0.9	1.1	0.5	4.0	19.2	0.8	
Commodities (USD)	Brent (Future)	69.26	0.1	0.1	1.8	7.1	21.6	45.7	25.7	3.6
	WTI (Future)	63.80	0.2	0.4	2.9	11.3	25.7	39.8	20.0	5.2
	Gold	1,322	5.6	0.4	(0.0)	6.3	2.2	8.3	10.6	1.5
	Copper (Future)	7,153	51.0	0.7	0.1	8.9	5.8	22.8	24.2	(1.3)
	Baltic Dry Index	1,366.00	(29.0)	(2.1)	1.9	(20.9)	(4.7)	64.6	52.8	-
FX	Dollar Index	92.33	(0.5)	(0.5)	-	(2.1)	(1.3)	(4.0)	(9.8)	(0.3)
	EUR	1.20	0.0	0.7	(0.3)	2.5	1.7	5.5	13.4	0.2
	JPY	111.26	(0.2)	(0.2)	(1.3)	2.0	0.9	1.7	3.1	1.3
	CNY	6.51	(0.0)	0.0	(0.2)	1.7	1.3	4.6	6.6	0.0
	CNH	6.49	(0.0)	(0.5)	(0.0)	2.2	1.4	4.6	5.7	0.4
CDS	ChinaGov CDS	46.11	1.7	3.9	(5.5)	(14.4)	(19.1)	(32.7)	(59.5)	(7.9)
	CDX Emerging Market	99.52	0.1	0.1	0.6	2.6	3.3	4.1	6.0	0.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.43	0.0	0.5	1.4	1.3	1.1	1.0	0.5	1.4
	2-Year Treasury Yield	1.98	0.0	0.3	2.0	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.33	(0.0)	(0.1)	2.3	2.1	1.9	1.9	1.9	2.2
	10-Year Treasury Yield	2.54	(0.0)	(0.8)	2.5	2.3	2.3	2.3	2.4	2.4
	2-10 Spread	55.61	(2.4)	(4.2)	51.2	56.4	77.6	97.2	118.4	51.8
China rates	O/N China Repo Rate	2.84	0.1	5.2	2.4	2.8	2.6	2.6	2.0	3.0
	1-Week China Repo Rate	3.20	0.1	3.2	2.7	3.0	2.9	2.6	2.3	3.1
	O/N SHIBOR	2.83	0.2	7.2	2.5	2.8	2.6	2.6	2.1	2.8
	1-Week SHIBOR	2.83	0.1	2.0	2.7	2.9	2.9	2.8	2.4	3.0

Source: Bloomberg

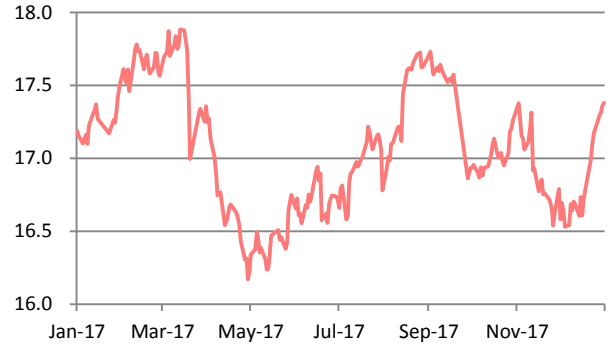
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



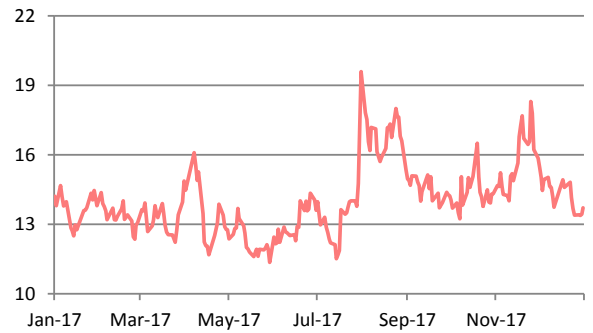
Source: Bloomberg

**China 5Y CDS Index\_USD**



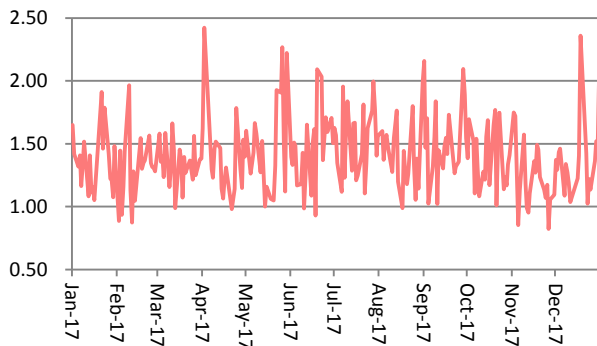
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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