

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Indonesia: Exports / Imports YoY	Dec	12.12% / 16.71%	13.18% / 19.62%
Japan: Machine Tool Orders YoY	Dec	N/A	46.80%
S. Korea: Import Price Index YoY	Dec	N/A	3.90%
Australia: Melbourne Institute Inflation YoY	Dec	N/A	2.70%
India: Wholesale Prices YoY	Dec	4.00%	3.93%

Source: Bloomberg

II. Macro News

- **China Credit Growth Decelerates as Xi's Campaign Gains Traction.** Aggregate financing stood at RMB1.1tn in Dec, PBOC said Friday, vs. an estimated RMB1.5tn in a Bloomberg survey and RMB1.6tn yuan in prior month. New yuan loans stood at RMB584bn vs a projected RMB1tn. The broad M2 money supply grew 8.2% vs. a projected 9.2%. [Bloomberg]
- **China's trade surplus continues to narrow in 2017.** China's trade surplus continued to narrow in 2017, official data showed Friday. Trade surplus shrank 14.2% in 2017 to stand at RMB2.87tn (\$442.4bn), compared with a 9.1% reduction registered in 2016, according to the General Administration of Customs.
- **China's trade surplus with US widens in 2017.** China's trade surplus with the United States widened in 2017 while total foreign trade volume maintained rapid growth, customs data showed Friday. Trade surplus with the United States soared 13% YoY to RMB1.87tn. [China Daily]

III. Industry News

- **China index could put new spin on trade gap.** China has teamed up with two world trade bodies on a new index to bolster Beijing's arguments that it is not the biggest winner from its exports, and that benefits flow on to buyers. The index of the global value chain is expected to be released next year and is meant to track how countries gain from being involved in different stages of the production process. [SCMP]
- **China shuts loophole on non-standard credit to property and infrastructure sectors.** China has banned non-bank financial institutions from channelling funds into the property and infrastructure sectors via entrusted loans. Verbal instructions from securities regulators stipulate that new collective asset management plans designed to invest in entrusted loans, trust loans and other credit assets can no longer register. [SCMP]
- **Shanghai Seeks to Break Foreign Stake Cap in Bank JVs.** Shanghai is seeking a "breakthrough" in the limits on foreign ownership in bank joint ventures and will start some trials, China News Service says in website Chinanews.com, citing Zheng Yang, the city's financial services office director. [Bloomberg]

IV. Corporate News

- **C-Mer Eye Care Hong Kong IPO Retail Portion 1,569.3x Subscribed.** C-Mer Eye Care raises Hong Kong's retail offer shares to 98.5mn from 19.7mn under a claw-back rule, according to statement published in South China Morning Post. [Bloomberg]
- **Sany International to Hold Board Meeting for Special Dividend.** Sany International's board is hold meeting Jan. 23 to consider declaration of a special dividend, company says in stock exchange filing. [Bloomberg]

- **SA SA Intl 3-Month H.K., Macau Same-Store Sales Rises 3.7% YoY.** Group's combined retail and wholesale sales for three months ended Dec. rose 6.5% on year to HK\$2.28b, company says in a filing to stock exchange. Avg sales per transaction in Hong Kong and Macau rose 2.8% on year to HK\$367 during the period. [Bloomberg]
- **Hainan Airlines, CFM Sign \$4.2bn MOU for LEAP-1A Engines.** Hainan Airlines Holding, a subsidiary of HNA Group, signs MOU with CFM International for the purchase of LEAP-1A engines to power 55 Airbus A320neo aircraft, along with a long-term support agreement for Hainan Airlines Holding and its affiliates. [Bloomberg]
- **NWS Seeks Up to \$252mn Paring Beijing Airport Stake.** Fortland Ventures Ltd. offers 170mn shares of Beijing Capital International Airport Co. at HK\$11.29 to HK\$11.60 apiece, according to Bloomberg. Proceeds to fund general working capital, other investment projects, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Chalco Signs Framework Pact on Asset Restructuring.** Chalco plans to buy stakes in four of its units from eight companies, including China Life and China Pacific Insurance, via share swap, according to a statement to Shanghai stock exchange. [Bloomberg]
- **China Maple Leaf to Raise Net HK\$989.5mn in Top-Up Placement.** China Maple Leaf Educational Systems to issue up to 110m new shares at HK\$9.10 apiece to Sherman Investment, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China ZhengTong Auto to Raise HK\$1.74B in Share Placement.** The company enters placement agreement to sell 226m shares at HK\$7.70 apiece, according to statement to Hong Kong stock exchange. Placement shares represent ~9.07% of enlarged issued share capital. [Bloomberg]
- **H.K., London, NY Are Said Shortlisted for Aramco Intl IPO.** Saudi Arabia has shortlisted New York, London and Hong Kong for the international portion of the listing of Aramco, Saudi Aramco told Reuters that a range of listing options continue to be held under active review, adding no decision has been taken. [Bloomberg]
- **China Energy Investment Signs 3-Yr Coal Supply Deals.** China Energy Investment Corp. signed three-year thermal coal supply contracts with six power companies, including Datang and SDIC, Securities Daily reports. The base price of the contracts is 535 yuan per ton with fluctuations allowed. [Bloomberg]
- **HNA Said to be in Talks With Sun Hung Kai for Debt.** HNA Group is in talks with leading Hong Kong property developer Sun Hung Kai Properties for a loan to refinance its repayment liabilities linked to a land parcel in Hong Kong, Reuters reports. [Bloomberg]
- **Tencent Sells \$5 Billion Bond, Drawing Comparisons to Alibaba.** Tencent Holdings Ltd. sold \$5 billion bonds, the company's biggest U.S. dollar offering and the first time its issued debt since 2015, drawing comparisons to the debt of internet giant Alibaba Group Holding Ltd. [Bloomberg]
- **Foxconn posts 50pc revenue growth in Dec on iPhone X shipments.** Foxconn Technology Group, the world's largest contract manufacturer of consumer electronics, posted 50 per cent year-on-year growth in Dec revenue mainly from iPhone X sales, the company said in a filing to the Taiwan stock exchange. [SCMP]
- **HKMA launches consultation on opening up banks' systems to third parties.** The Hong Kong Monetary Authority has invited comments on a proposal to allow third parties greater access to banks' systems, with a view of improving the experience for customers. [SCMP]
- **BYD bets on Xi'an to reach annual output of 300,000 new energy vehicles.** BYD is making an ambitious plan to expand production at its base at the Xi'an Hi-tech Industries Development Zone. RMB2bn will be invested to further expand capacity to achieve annual output of over 300,000 new energy passenger cars, with turnover reaching RMB40bn. [China Daily]
- **CNPC unit eyes new gas sources.** CNPC Southeast Asia Pipeline Co Ltd, a subsidiary of China National Petroleum Corp, the country's biggest oil producer, is actively looking for new gas sources to ensure sufficient natural gas supply for the China-Myanmar gas pipeline. [China Daily]

V. Overnight Market Recap

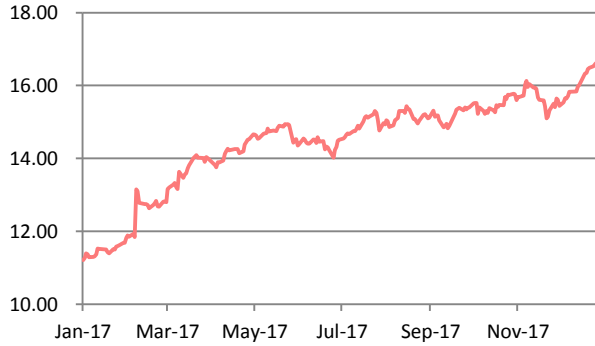
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,786	18.7	0.7	1.6	4.1	9.1	13.3	22.5	4.2
	Dow Jones	25,803	228.5	0.9	2.0	4.7	12.8	19.3	29.8	4.4
	Nasdaq Composite	7,261	49.3	0.7	1.7	4.7	9.9	15.0	30.3	5.2
	Russell 2000	1,592	5.2	0.3	2.0	4.0	5.9	11.4	16.0	3.7
	VIX Index	10.16	0.3	2.8	10.2	7.9	5.7	6.8	(9.5)	(8.0)
Europe Equity	Euro Stoxx 50	3,613	17.4	0.5	0.1	1.5	0.2	2.5	8.7	3.1
	DAX	13,245	42.1	0.3	(0.6)	1.1	1.9	4.9	13.9	2.5
	CAC	5,517	28.5	0.5	0.8	3.1	3.1	5.4	12.1	3.8
	FTSE 100	7,779	15.7	0.2	0.7	3.8	3.2	5.4	6.0	1.2
APAC Equity	HSI	31,413	292.2	0.9	1.9	8.9	10.3	19.0	36.9	5.0
	HSCEI	12,469	173.4	1.4	2.1	9.7	8.2	16.2	27.4	6.5
	HSI VIX	13.05	(0.7)	(4.8)	(2.5)	(12.6)	(4.7)	0.5	(5.4)	(10.6)
	CSI 300	4,225	19.4	0.5	2.1	6.1	7.8	14.1	27.3	4.8
	SH Composite	3,429	3.6	0.1	1.1	5.0	1.1	6.4	10.2	3.7
	SZ Composite	1,949	(4.2)	(0.2)	0.4	2.5	(4.3)	3.6	1.5	2.6
	Nikkei 225	23,654	(56.6)	(0.2)	0.6	4.9	11.8	17.6	22.6	3.9
Commodities (USD)	KOSPI	2,496	8.5	0.3	(0.0)	0.6	0.9	3.4	20.2	1.2
	Brent (Future)	69.87	0.6	0.9	3.3	10.4	22.1	42.8	25.9	4.4
	WTI (Future)	64.30	0.5	0.8	4.7	12.3	25.1	38.2	22.9	6.5
	Gold	1,338	15.2	1.1	1.4	6.4	3.2	8.3	11.2	2.6
	Copper (Future)	7,110	(30.5)	(0.4)	(0.2)	6.7	3.2	20.4	21.7	(1.9)
FX	Baltic Dry Index	1,279.00	(24.0)	(1.8)	(7.7)	(21.0)	(13.9)	42.1	40.5	(6.4)
	Dollar Index	90.97	(0.9)	(1.0)	(1.1)	(3.3)	(2.4)	(4.5)	(10.2)	(1.4)
	EUR	1.22	0.0	1.4	1.4	3.8	3.4	6.3	15.1	1.6
	JPY	111.06	(0.2)	(0.2)	(1.8)	1.4	1.0	1.4	2.8	1.5
	CNY	6.47	(0.0)	0.6	0.3	2.4	1.8	4.9	6.6	0.6
CDS	CNH	6.46	(0.0)	(0.5)	(0.3)	2.3	1.9	4.7	6.2	0.9
	ChinaGov CDS	46.80	0.7	1.5	(1.8)	(11.5)	(18.1)	(29.3)	(58.8)	(6.6)
	CDX Emerging Market	99.56	0.0	0.0	0.1	0.8	3.3	4.0	6.0	0.5

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.44	0.0	0.7	1.4	1.3	1.1	1.0	0.5	1.4
	2-Year Treasury Yield	2.00	0.0	1.0	2.0	1.8	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.35	0.0	0.9	2.3	2.2	1.9	1.9	1.9	2.2
	10-Year Treasury Yield	2.55	0.0	0.4	2.5	2.4	2.3	2.3	2.4	2.4
	2-10 Spread	54.63	(1.0)	(1.8)	52.0	51.3	76.1	95.4	119.9	51.8
China rates	O/N China Repo Rate	2.80	(0.0)	(1.4)	2.5	2.7	2.6	2.7	2.1	3.0
	1-Week China Repo Rate	3.10	(0.1)	(3.1)	2.7	2.9	2.9	3.4	2.3	3.1
	O/N SHIBOR	2.83	(0.0)	(0.1)	2.5	2.7	2.6	2.6	2.1	2.8
	1-Week SHIBOR	2.86	0.0	1.1	2.7	2.9	2.8	2.8	2.4	3.0

Source: Bloomberg

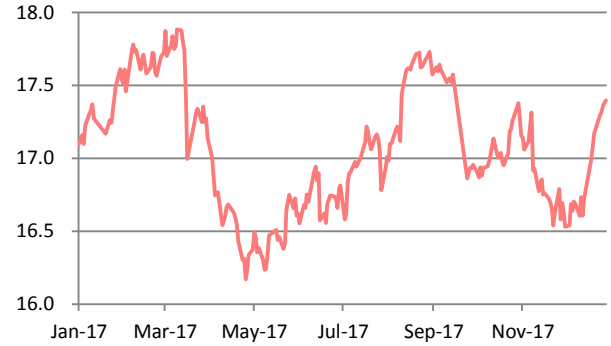
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



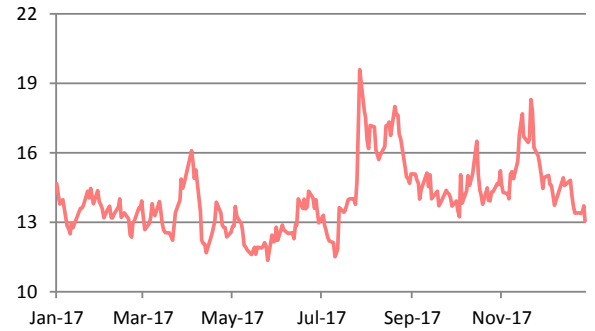
Source: Bloomberg

China 5Y CDS Index_USD



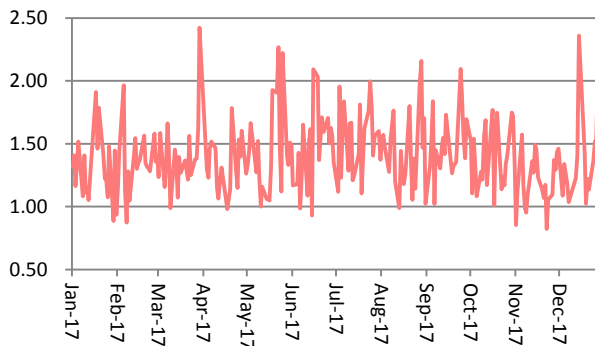
Source: Bloomberg

Hang Seng Index VIX



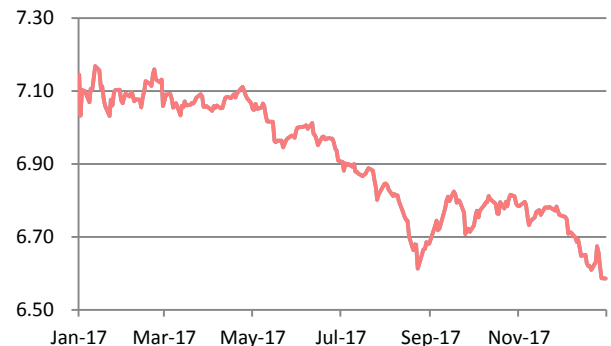
Source: Bloomberg

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