

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: GDP YoY	4Q17	6.70%	6.80%
China: Retail Sales YoY	Dec	10.20%	10.20%
China: Industrial Production YoY	Dec	6.10%	6.10%
US: Housing Starts	Dec	1270k	1297k
Australia: Full-Time Employment Change	Dec	N/A	41.9k

Source: Bloomberg

## II. Macro News

- **India Cuts Planned Extra Borrowing to \$3.1 Billion.** India will cut planned additional borrowing for the current fiscal year to 200 billion rupees (\$3.13bn) from 500bn rupees, Economic Affairs Secretary Subhash Garg said in a Twitter post Wednesday.
- **Money supply slows as deleveraging gains ground.** Slower growth in China's money supply will become common as the country continues its deleveraging efforts under tighter regulations, experts said. By end of last year, the M2 rose 8.2% to RMB167.68tn, the slowest pace since 1994 when it was calculated the first time in China, according to data from the PBOC, the central bank. [China Daily]
- **China's investments into US fell 35pc in 2017.** FDI from China into the US tumbled 35% in 2017 to US\$30bn due to Beijing's curbs on capital outflows, tougher deal scrutiny by US authorities and rising trade tension between the two economies, according to a joint study by Baker McKenzie and Rhodium Group. [SCMP]

## III. Industry News

- **Singapore Exchange chief says Asia's tech sector is big enough for more than one exchange to profit.** Asia's booming technology landscape will become large enough for more than one stock exchange to cater for future initial public offerings, according to the chief of Singapore's bourse. [SCMP]
- **HK bourse to accept IPOs from new economy sectors.** The HK Stock Exchange is looking to accept initial public offering applications from new economy companies by the end of this June. Charles Li Xiaojia told the Asia Financial Forum in HK that a round of consultation on the new listing rules will be launched after the Spring Festival holiday. [China Daily]
- **Mixed reforms at SOEs to get impetus.** China will accelerate mixed-ownership reforms at its centrally administered, State-owned enterprises through equity diversification and corporate governance changes, the country's State asset regulator said. [China Daily]

## IV. Corporate News

- **What's in a name? Chinese automaker nixes 'Trumpchi'.** GAC is changing the name of models it plans to introduce in the US market next year, because "Trumpchi" sounds too much like its linked to Donald Trump. The name will change for the US market to avoid the wrong connotation or misunderstanding," a GAC spokesman told AFP. [Bloomberg]
- **Geely unit CaoCao promises to shake up China ride-hailing market after US\$1.5b valuation.** CaoCao Car, a unit of Geely Auto and electric car ride-hailing app, has completed its first major funding round, at a valuation of more than 10 billion yuan (US\$1.5 billion), the company said on Wednesday. [SCMP]

- **Country Garden's US\$3bn fundraising plans hit market.** Plans by Country Garden Holdings to raise HK\$23.5 billion (US\$3 billion) from placement of 460mn shares and issuing convertible bonds triggered a plunge in its shares and a retreat in Hong Kong stocks from record highs on Wednesday. [SCMP]
- **China's Guangzhou R&F emerges as buyer of Dalian Wanda's London hotel and residential project.** Chinese developer Guangzhou R&F Properties was the buyer of conglomerate Dalian Wanda Group's hotel and residential project under construction in London. [SCMP]
- **Ford China vehicle sales down 6% in 2017.** Ford Motor delivered more than 1.19mn automobiles in China last year, down 6% YoY, according to Ford Motor (China). Changan Ford Automobile sold 826,740 vehicles to Chinese customers in 2017, down 14% YoY, while Jiangling Motors Corp sold 292,942 vehicles last year, up 11% YoY. [SCMP]
- **Wanda close to deal to sell luxury Australian projects.** Billionaire Wang Jianlin's Dalian Wanda Group is close to reaching an agreement to sell two Australian luxury property projects – one in Sydney and one on the Gold Coast. The buyer was of Chinese origin. A deal could be announced in the coming days, according to sources. [SCMP]
- **Alibaba chooses Xi'an Hi-tech Zone for regional headquarters.** Internet giant Alibaba is to expedite development of Northwest China by establishing its regional headquarters at the Xi'an Hi-tech Industries Development Zone. The unveiling ceremony was held in Xi'an, Shaanxi province, on Jan 16. [China Daily]
- **Tencent, Lego partner to create digital entertainment experience for Chinese children.** Chinese internet giant Tencent teamed up with global toy-maker Lego to develop a safe internet eco-system covering games, short videos, smart toys and social networking to empower Chinese children online. [China Daily]
- **Shanghai consumer council demands Apple's explanation over slow-down.** The Shanghai Consumer Council said Monday it has sent an inquiry letter to Apple over the slow-down of older iPhones after an iOS update, demanding a reply before Friday. [China Daily]
- **JD enters Vietnam e-commerce scene.** China's second-largest e-commerce player JD announced on Tuesday a strategic investment in Tiki.vn, Vietnam's leading business-to-consumer e-commerce platform, expanding its presence in the Southeast Asia market amid fierce competition from Alibaba Group Holding Ltd and Amazon.com Inc. [China Daily]
- **BMW optimistic about electrified car prospects in China.** With an eye to launching more electrified vehicles in China, German automaker BMW is optimistic about selling more such eco-friendly cars in the world's fastest-growing market, BMW chief financial officer Nicolas Peter told Xinhua. [China Daily]
- **ICONIQ promotes new EV in UAE.** China's ICONIQ Motors said it's promoting its latest electric vehicle model "SEVEN" in the ongoing Abu Dhabi Sustainability Week. ICONIQ has signed a MOU with Abu Dhabi Motors, one of the biggest retailers of premium passenger cars in the Middle East, to establish a distribution partnership in the Middle East. [China Daily]
- **Volkswagen sales hit record high in China in 2017.** Volkswagen Group China registered strong sales in the domestic market in 2017, the company announced. The company, along with two JV - SAIC Volkswagen and FAW-Volkswagen - delivered nearly 3.18 million automobiles to the Chinese mainland and Hong Kong last year, up 5.9% YoY. [China Daily]
- **Country Garden Places Shares to Raise Over \$7.8B Net Proceeds; Issues \$15.6B CBs.** Country Garden announced that the placing agent agreed to place 460mn existing shares at \$17.13 each, an approx.. 3.66% discount to the closing price of \$17.78 on last trading day. The company estimated to raise net proceeds approximately \$7.816bn. [AASocks]
- **Sinopec SSC H Shares Issue Approved.** Sinopec SSC announced that the Company has received the H Shares Placement Approval from CSRC, approving the Company to issue new overseas listed foreign shares of not more than 4.2bn shares, all of which are ordinary shares with the nominal value of RMB1 per share. [AASocks]
- **CNBM Expects Annual Net Profit to Soar.** CNBM issued a positive profit alert and expected that profit attributable to equity holders of the group for the 12 months ended 31 Dec 2017 will increase substantially as compared with that of the same period in 2016, primarily due to an increase in the price of cement, being the major product of the group. [AASocks]

## V. Overnight Market Recap

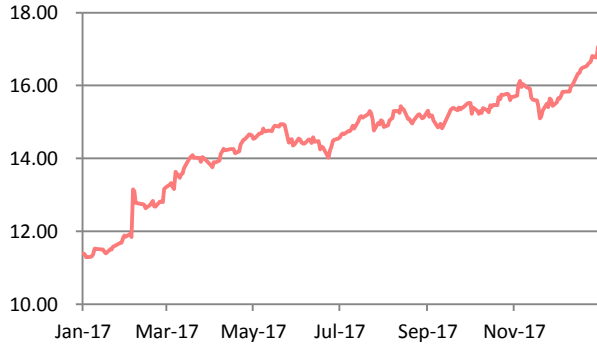
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,803	26.1	0.9	1.9	4.2	9.4	13.9	23.4	4.8
	Dow Jones	26,116	322.8	1.3	2.9	5.3	12.8	21.0	31.9	5.6
	Nasdaq Composite	7,298	74.6	1.0	1.9	4.3	10.2	15.0	31.4	5.7
	Russell 2000	1,587	13.7	0.9	1.7	2.4	5.4	11.1	16.8	3.3
	VIX Index	11.91	0.3	2.1	18.2	25.0	18.3	20.4	(4.6)	7.9
Europe Equity	Euro Stoxx 50	3,613	(9.2)	(0.3)	0.1	0.1	(0.2)	3.9	9.7	3.1
	DAX	13,184	(62.4)	(0.5)	(0.7)	(1.0)	1.1	6.1	13.7	2.1
	CAC	5,494	(19.8)	(0.4)	(0.2)	1.4	2.0	6.2	13.2	3.4
	FTSE 100	7,725	(30.5)	(0.4)	(0.3)	2.5	2.4	4.5	6.6	0.5
APAC Equity	HSI	31,983	78.7	0.2	2.9	10.1	11.4	20.6	38.5	6.9
	HSCEI	12,869	81.5	0.6	4.7	12.7	10.7	19.7	31.3	9.9
	HSI VIX	15.00	0.8	5.9	11.6	(0.2)	13.3	16.5	8.8	2.7
	CSI 300	4,248	(10.4)	(0.2)	1.0	6.6	7.7	15.8	27.2	5.4
	SH Composite	3,445	8.1	0.2	0.7	5.5	1.9	8.1	10.7	4.2
	SZ Composite	1,922	(5.8)	(0.3)	(1.2)	1.1	(3.9)	6.1	3.1	1.2
	Nikkei 225	23,868	(83.5)	(0.4)	0.3	4.2	11.7	19.3	26.3	4.8
Commodities (USD)	KOSPI	2,515	(6.3)	(0.3)	0.6	1.8	1.7	4.1	22.0	2.4
	Brent (Future)	69.38	0.2	0.3	0.3	9.7	19.9	43.3	25.1	3.8
	WTI (Future)	63.97	0.2	0.4	1.6	12.4	23.4	38.4	25.8	6.3
	Gold	1,327	(11.6)	(0.9)	0.8	5.3	3.8	7.0	10.4	2.0
	Copper (Future)	7,034	(44.0)	(0.6)	(1.7)	2.1	0.1	17.3	22.2	(2.9)
FX	Baltic Dry Index	1,221.00	(43.0)	(3.4)	(10.6)	(23.1)	(22.0)	31.0	28.3	(10.6)
	Dollar Index	90.54	0.1	0.2	(1.9)	(3.6)	(3.2)	(4.8)	(9.8)	(1.7)
	EUR	1.22	(0.0)	(0.6)	2.0	3.5	3.5	5.6	14.7	1.6
	JPY	111.29	0.8	0.8	(0.1)	1.2	1.5	0.7	3.0	1.3
	CNY	6.43	(0.0)	0.2	1.1	2.8	2.9	5.2	6.4	1.1
CDS	CNH	6.43	(0.0)	(0.1)	(1.4)	2.7	2.9	4.9	6.3	1.2
	ChinaGov CDS	47.83	0.6	1.2	7.7	(9.0)	(14.2)	(28.7)	(58.2)	(4.5)
	CDX Emerging Market	99.54	-	0.0	0.1	0.6	3.2	4.0	6.0	0.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.44	0.0	1.5	1.4	1.4	1.1	1.1	0.5	1.4
	2-Year Treasury Yield	2.04	0.0	1.4	2.0	1.9	1.5	1.4	1.2	1.9
	5-Year Treasury Yield	2.40	0.1	2.2	2.3	2.2	2.0	1.8	1.9	2.2
	10-Year Treasury Yield	2.59	0.1	2.1	2.5	2.5	2.3	2.3	2.4	2.4
	2-10 Spread	54.32	2.4	4.7	55.6	60.8	78.3	90.3	120.4	51.8
China rates	O/N China Repo Rate	2.77	(0.0)	(1.4)	2.8	2.5	2.6	3.3	2.7	3.0
	1-Week China Repo Rate	3.50	0.1	2.9	3.2	3.5	3.0	3.4	3.2	3.1
	O/N SHIBOR	2.77	(0.0)	(0.7)	2.8	2.7	2.6	2.8	2.3	2.8
	1-Week SHIBOR	2.88	(0.0)	(0.0)	2.8	2.9	2.8	2.9	2.5	3.0

Source: Bloomberg

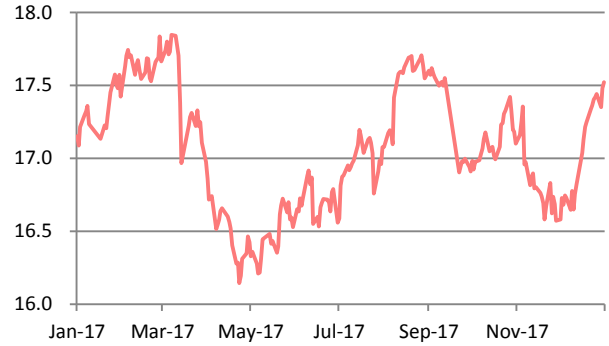
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



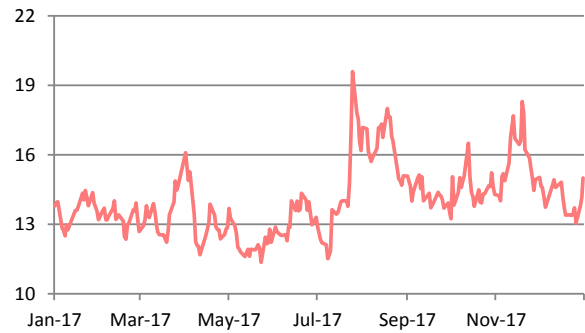
Source: Bloomberg

**China 5Y CDS Index\_USD**



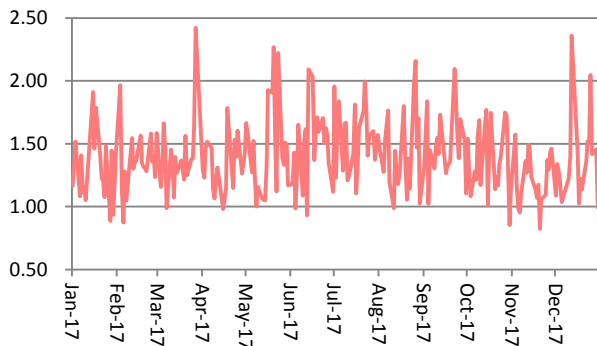
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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