

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
S. Korea: Exports / Imports YoY	Jan	N/A	19.5%/16.4%
S. Korea: PPI YoY	Dec	N/A	3.10%
Thailand: Exports / Imports YoY	Dec	11.1%/10.7%	13.4%/13.7%
Taiwan: Export Order YoY	Dec	11.4%	11.6%

Source: Bloomberg

II. Macro News

- **China's consumption upgrades accelerate.** China's consumption upgrades picked up pace last year with increasing demand for high-quality goods and services, Ministry of Commerce said Friday. The Engel's coefficient, which measures food expenditure as a proportion of total household spending, dropped to 29.3% in 2017, from 30.1% in 2016 and 33% around five years ago. [China Daily]
- **With an eye on global technology IPOs, Hong Kong kicks off its biggest auditor reform in decade.** Under the Financial Reporting Council (Amendment) Bill 2018, which the government gazetted on Friday and is to be presented before lawmakers on Wednesday, the Financial Reporting Council will be empowered to inspect, investigate, as well as discipline auditors in more than 2,000 listed companies. [SCMP]
- **India Cuts GST Levies, Simplifies Rules Ahead of Federal Budget.** India slashed tax rates on some goods and services just days ahead of the country's budget, as it continues to rationalize its six-month-old regime to ease the pain for businesses hit by its chaotic roll out. [Bloomberg]

III. Industry News

- **Sri Lanka, China to co-build dendro power plant.** Sri Lanka and China on Friday signed a joint venture agreement to construct Sri Lanka's largest dendro power plant in Moneragala in the country's south. The power plant will produce 70,000 megawatts of renewable energy per year to the country's national power grid. [SCMP]
- **India Seeks Steel Ministry Control of Iron Ore, Coal.** India is considering a plan to hand over control of iron ore and coking coal mining to the steel ministry to boost supplies of the key steelmaking materials as the country is poised to become the world's second-biggest producer, according to a person with knowledge of the plan. [Bloomberg]
- **IEA Sees 'Explosive' Growth in U.S. Oil Output as Prices Rally.** U.S. oil output is set for "explosive" growth this year as prices rally, the Int'l Energy Agency said on Friday. That was just one of a chorus of voices from Goldman Sachs group Inc. to OPEC itself warning of a looming output surge reminiscent of the "heady days" of the first shale boom. [Bloomberg]

IV. Corporate News

- **Yue Yuen set to reap HKD6.76bn windfall.** Yue Yuen Industrial (Holdings) is set to receive HKD6.76bn from the proposed privatisation of its retail arm, according to a stock exchange filing yesterday. Yue Yuen plans to sell its 62.41% stake in mainland footwear retailer Pou Sheng Int'l (Holdings) to its Taiwan-listed parent, Pou Chen Corp, in a HKD10.9bn privatisation. [SCMP]
- **Wang Jianlin comes out swinging as he vows to slash debt, projects 9% revenue growth in 2018.** Dalian Wanda Group, one of China's biggest private enterprises, has projected a 9 per cent increase in its 2018 revenue, as it regains its growth momentum after a year under regulatory scrutiny for its debt-fuelled overseas shopping spree. [SCMP]

- **Tencent, Google sign long-term patent cross-licensing agreement.** Tencent announced Friday it has signed a long-term patent cross-licensing agreement with Google, covering a broad range of products and technologies. Both companies are open to future deeper collaboration on innovative technologies, according to the agreement. [China Daily]
- **Huawei eyes \$100bn revenue in 2018.** Huawei Technologies Co Ltd expects to post \$102.2 billion in revenue in 2018, up about 9 percent year-on-year, as the Chinese tech giant steps up effort to push its smartphone and enterprise business amid a slowing telecom equipment industry. [China Daily]
- **JD to deliver goods via unmanned vehicles in Tianjin.** JD launched its unmanned delivery vehicles in Tianjin on Thursday, and expected to begin real delivery operations via its autonomous vehicles in Tianjin before the company's June 18 anniversary this year. [China Daily]
- **Baidu upgrades research institute to accelerate AI application.** Chinese artificial intelligence giant Baidu has upgraded its research institute to speed up industrial application of AI technology. It has set up two more labs focusing on business intelligence, robotics and autonomous driving while bringing three more top AI scientists on board. [China Daily]
- **GAC Motor gears up for North American market.** GAC Motor plans to launch its high-end vehicles in the North American market in 2H19, according to a senior manager. It's developing systems of global research and development, sales service, marketing, processing and purchasing and supply to boost presence in the int'l market. [China Daily]
- **Ping An shares rise on unit listing plan.** Ping An Insurance(Group) Co of China Ltd shares listed in Hong Kong zoomed to a historical high of HK\$93.40 (\$11.94) on Friday after the insurer released an announcement about the financing channels of its technology subsidiaries. [China Daily]
- **Time Asia cover labels Baidu's Li 'The Innovator'.** Time Asia's latest edition features Baidu's co-founder and CEO, Robin Li, on the cover with the text that reads "The Innovator". The headline reads "Baidu's Robin Li is Helping China Win the 21st Century", the first time that a Chinese IT entrepreneur has featured on the magazine's cover. [China Daily]
- **Airbus delivers 176 aircraft to China in 2017.** Airbus delivered 176 commercial aircraft to China in 2017, its eighth consecutive year of more than 100 deliveries, announced Airbus China on Friday. One fourth of Airbus' total global deliveries went to China in 2017, including 141 A320, 32 A330, and three A350XWB wide-body aircraft. [China Daily]
- **Dell designing products for women in push to diversify.** The US technology company Dell Inc strives to innovate its products to meet more diversified needs from consumers in China, especially women, as the company believes that women are a very important part of its consumer market. [China Daily]
- **Apple responds to Shanghai Consumer Council's inquiry.** Apple replied to an inquiry from the Shanghai Consumer Council over the slowing down of older iPhones after iOS updates to offset battery performance. It said an upcoming version of Apple's mobile iOS will allow iPhone owners to make the decision between their iPhone's speed and battery condition. [China Daily]
- **China Yongda Auto Expects 2017 Net to Rise More Than 70% YoY.** China Yongda Automobiles Services cites "steady" increase in sales volume of new vehicles and improvement in gross margin, rise in after-sales services revenue, "fast growth" in finance and insurance services and pre-owned vehicles services, according to HKEX statement dated Jan. 19. [Bloomberg]
- **HNA Group CEO to Skip Gathering of Leaders at Davos.** The chief executive officer of HNA Group Co., the Chinese conglomerate that's under scrutiny because of its debt-fueled acquisition spree and ballooning financing costs, has canceled plans to attend next week's annual meeting of the World Economic Forum. [Bloomberg]
- **Baidu upgrades research institute to accelerate AI application.** Chinese AI giant Baidu has upgraded its research institute to speed up industrial application of AI technology. Baidu Research announced Friday that it has set up two more labs focusing on business intelligence, robotics and autonomous driving while bringing three more top AI scientists on board. [Shanghai Daily]

V. Overnight Market Recap

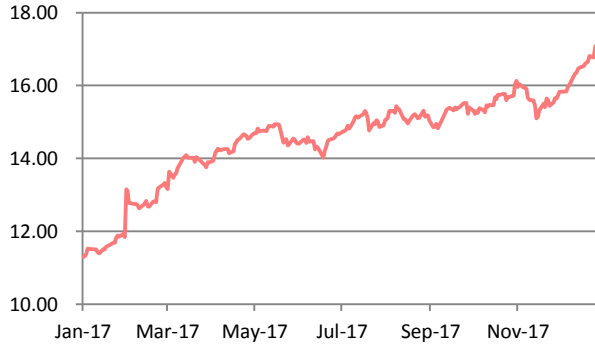
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,810	12.3	0.4	1.5	4.7	9.1	13.7	23.7	5.1
	Dow Jones	26,072	53.9	0.2	1.9	5.3	11.8	20.8	31.5	5.5
	Nasdaq Composite	7,336	40.3	0.6	1.7	5.4	10.7	14.9	32.1	6.3
	Russell 2000	1,598	20.9	1.3	0.7	3.5	5.9	11.3	18.2	4.0
	VIX Index	11.27	(1.0)	(7.8)	14.1	13.8	13.0	20.4	(2.3)	2.1
Europe Equity	Euro Stoxx 50	3,649	28.2	0.8	1.0	2.7	1.2	5.7	10.6	4.1
	DAX	13,434	153.0	1.2	1.4	2.8	3.4	9.8	15.5	4.0
	CAC	5,527	31.7	0.6	0.2	3.0	2.9	8.0	13.9	4.0
	FTSE 100	7,731	29.8	0.4	(0.6)	1.8	2.8	3.7	7.4	0.6
APAC Equity	HSI	32,255	133.0	0.4	2.7	9.1	13.2	20.8	40.9	7.8
	HSCEI	13,180	84.6	0.6	5.7	13.1	14.0	22.2	35.7	12.6
	HSI VIX	15.97	(0.1)	(0.9)	22.4	16.2	15.5	30.9	14.2	9.4
	CSI 300	4,285	14.0	0.3	1.4	5.7	9.1	14.9	27.7	6.3
	SH Composite	3,488	13.1	0.4	1.7	5.8	3.2	7.7	11.7	5.5
	SZ Composite	1,922	(2.7)	(0.1)	(1.4)	1.1	(3.9)	4.1	1.9	1.2
	Nikkei 225	23,808	44.7	0.2	0.7	4.0	11.0	18.4	24.4	4.6
KOSPI	2,520	4.5	0.2	1.0	3.3	1.2	2.9	22.0	2.1	
Commodities (USD)	Brent (Future)	68.61	(0.7)	(1.0)	(1.8)	5.3	18.9	42.9	23.8	2.7
	WTI (Future)	63.37	(0.6)	(0.9)	(0.7)	8.5	23.3	38.6	21.0	5.0
	Gold	1,332	4.8	0.4	(0.4)	4.6	4.0	6.2	9.4	2.3
	Copper (Future)	7,041	(35.0)	(0.5)	(1.0)	1.4	1.1	18.0	22.7	(2.8)
	Baltic Dry Index	1,125.00	(14.0)	(1.2)	(11.0)	(17.6)	(28.7)	15.1	21.6	(17.6)
FX	Dollar Index	90.57	0.1	0.1	(0.4)	(3.1)	(3.4)	(3.6)	(10.2)	(1.8)
	EUR	1.22	(0.0)	(0.1)	0.2	3.2	4.2	5.2	13.8	2.0
	JPY	110.77	(0.3)	(0.3)	(0.3)	2.3	2.4	0.3	1.8	1.8
	CNY	6.40	(0.0)	0.2	1.0	3.1	3.3	5.4	7.3	1.6
	CNH	6.40	(0.0)	(0.3)	(0.9)	2.6	3.7	5.5	6.5	1.8
CDS	ChinaGov CDS	50.12	1.1	2.3	7.1	(3.3)	(4.0)	(24.1)	(55.6)	0.1
	CDX Emerging Market	99.39	(0.1)	(0.1)	(0.2)	0.4	3.0	3.8	5.8	0.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.43	(0.0)	(0.0)	1.4	1.3	1.1	1.2	0.5	1.4
	2-Year Treasury Yield	2.06	0.0	1.0	2.0	1.9	1.6	1.4	1.2	1.9
	5-Year Treasury Yield	2.45	0.0	1.3	2.3	2.2	2.0	1.8	1.9	2.2
	10-Year Treasury Yield	2.66	0.0	1.3	2.5	2.5	2.4	2.3	2.5	2.4
	2-10 Spread	59.04	1.2	2.1	54.4	58.8	79.8	89.4	127.4	51.8
China rates	O/N China Repo Rate	2.88	0.1	3.6	3.2	2.5	2.6	2.9	2.1	3.0
	1-Week China Repo Rate	3.20	0.3	10.0	3.5	2.8	3.2	3.4	2.3	3.1
	O/N SHIBOR	2.84	0.1	2.5	2.8	2.6	2.6	2.7	2.2	2.8
	1-Week SHIBOR	2.89	0.0	0.5	2.9	2.9	2.8	2.8	2.6	3.0

Source: Bloomberg

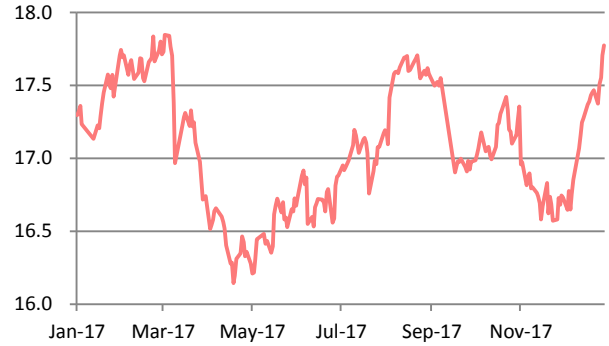
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



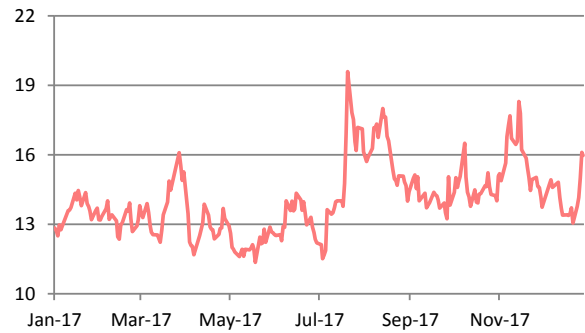
Source: Bloomberg

China 5Y CDS Index_USD



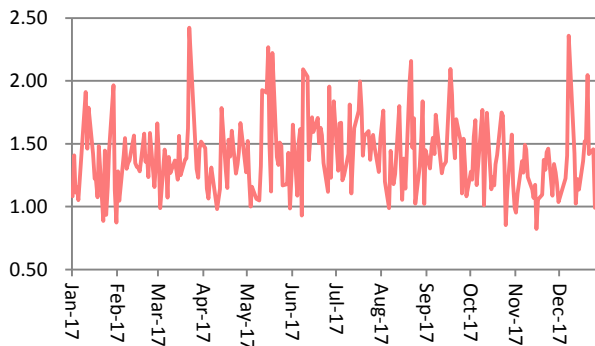
Source: Bloomberg

Hang Seng Index VIX



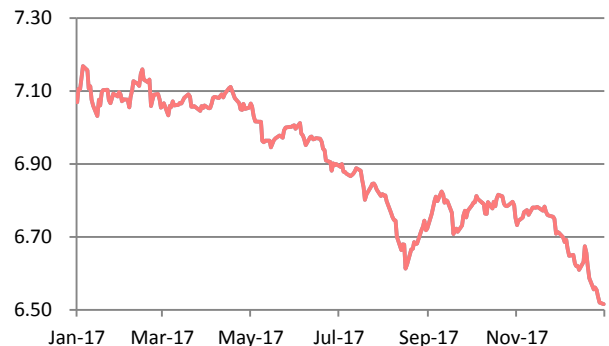
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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