

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Industrial Profits YoY	Dec	N/A	14.9%
US: Personal Consumption YoY	4Q17	3.60%	2.20%
Japan: National CPI YoY	Dec	1.10%	0.60%
Japan: PPI Service YoY	Dec	0.80%	0.80%
S. Korea: Consumer Confidence	Jan	N/A	110.9

Source: Bloomberg

II. Macro News

- **US Treasury Secretary Mnuchin's 'weaker dollar' comment takes heavy toll on currency.** The dollar wallowed near three-year lows against its peers on Thursday after caving on comments by US Treasury Secretary Steven Mnuchin that he welcomed a weaker currency, while the euro steadied ahead of the European Central Bank's policy decision. [SCMP]
- **Serbia Says China's Zijin Mining Among Suitors for RTB Bor.** Talks on possible sale of Serbia's sole copper miner and smelter RTB Bor to Zijin Mining were held in Beijing during visit by Serbia's former president Tomislav Nikolic, govt in Belgrade says on website. [Bloomberg]
- **China Vows Surprise Reforms.** China will introduce more reform measures to open up its economy this year, according to Liu He, the top financial and economic adviser to President Xi Jinping. "Some measures will exceed the expectations of the international community," Liu said. [Bloomberg]

III. Industry News

- **Mergers, acquisitions facilitate Shanxi's coal capacity cutbacks.** Shanxi province, China's major coal-producing region, plans to phase out all small coal mines with an annual production capacity of less than 600,000 metric tons by the end of 2020, according to the local authorities. [China Daily]
- **China to Expand VAT Reforms, Review Rules.** China has committed to expand VAT reforms this year in what experts believe could be a positive sign for foreign companies operating on the mainland. Officials said they plan to strengthen cooperation between state tax and local governments, optimise the business tax environment and improve collection and management. [Bloomberg]
- **China CSRC Approves IPO of Richinfo Tech, Rejects Three.** China Securities Regulatory Commission rejects IPO applications of Henan Lanxin Technology, New POS Technology and Guangdong Green Precision, according to statements on CSRC website. The regulator to postpone review of Yusys Technologies IPO. [Bloomberg]

IV. Corporate News

- **China Unicom deepens reform.** Robin Li, CEO of Baidu Inc, will shoulder a new role as a board member at China United Network Communications Ltd, or China Unicom, the country's second-largest telecom carrier by subscribers. The move is the latest push by China Unicom to deepen its \$11.7bn mixed-ownership reform. [China Daily]
- **JD plans listing of logistics business.** JD Logistics, the logistics unit of e-commerce player JD, is raising funds for eventually going public as an independent company, said Liu Qiangdong, founder and CEO of JD. The company hasn't decided on the location to list its logistics arm, and the initial public offering is still way off, Liu said. [China Daily]

- **Haier moves to upgrade its products.** Haier Group has inked a strategic cooperation deal with search engine company Sogou Inc in AI. The two will set up a joint R&D team to explore terminal devices and intelligent products that can smooth interaction between users and home appliances. [China Daily]
- **China's BYD wins second electric bus order in tough to crack Africa market.** BYD has won its second electric bus order in Africa. BYD on Wed signed a contract to supply 15 of its K9 model electric buses to Alexandria Passenger Transportation Authority in Egypt after some "intense" bidding in a tender process. [SCMP]
- **Chinese banks freeze HNA's accounts after finding multiple loans tied to the same collateral.** Bank accounts related to HNA Group were temporarily frozen after one of its lenders concluded that the collateral being put up by a group unit was being used for multiple borrowings. [SCMP]
- **Alibaba joins Tencent in the exclusive US\$500bn market value club.** Alibaba Group Holding on Wednesday joined an elite global tech club of companies with a market capitalisation of US\$500 billion that includes China's Tencent Holdings and US giants like Apple, Alphabet, the parent of Google, Microsoft, Amazon and Facebook. [SCMP]
- **MGM China delays opening of US\$3.4bn Cotai casino resort for fourth time.** MGM China Holdings has delayed for a fourth time the opening of its much anticipated US\$3.4 billion new resort, MGM Cotai, saying it was still going through an administrative approval process. [SCMP]
- **Jack Ma calls on global leaders to resist protectionism, says globalisation must be inclusive.** Alibaba Group executive chairman Jack Ma Yun urged global leaders to resist the rising tide of protectionism and instead embrace trade as a means to reduce global tensions. [SCMP]
- **Thong Guan in Talks to List Food Unit in Hong Kong or Malaysia.** The company is in talks with bankers in Hong Kong for a separate listing for its food-related business that may raise more than 100m ringgit, Executive Director Alvin Ang See Ming says in interview. [Bloomberg]
- **MMG Expects to Produce 560,000–590,000 Tons of Copper in 2018.** The company also expects to produce 190,000–220,000 tons of zinc this year, MMG says in Hong Kong stock exchange filing. Full-year copper production in 2017 rose by 19% on year to record 598,196 tons. [Bloomberg]
- **Esprit Sees 6-Month Loss of HK\$950M-HK\$980M vs Profit Year Ago.** Esprit expects a loss of ~HK\$950m-HK\$980m for the 6 months ended December 2017, compared with a profit of HK\$61m in the same period year earlier, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Kingsoft Expects 2017 Profit to Increase 'Significantly'.** Kingsoft cites Cheetah Mobile ceasing to be a subsidiary after delegation of voting power of Cheetah Mobile Class B shares held by company to Cheetah Mobile CEO Sheng Fu becoming effective Oct. 1, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Tencent Backed Super-App Emerges to Rival its Own WeChat.** Meituan is the kind of Chinese technology company few people outside the country understand. That's because its services aren't quite like anything you might find abroad. [Bloomberg]
- **JD.com Says Chinese Companies Finding It Harder to Enter U.S.** The head of China's second-largest e-commerce operator said mainland companies are finding it harder to enter the U.S. market. Increased protectionism will hurt the American economy, JD.com Inc. Chief Executive Officer Richard Liu said. [Bloomberg]
- **Fortune REIT Eyes Acquisitions to Boost Future Growth.** Acquisitions will be important strategy for future growth, and co. is seeking targets primarily in Hong Kong, Hong Kong Economic Journal reports. It's eyeing mature malls with stable incomes and good occupancy rates with targeted return of 10%-15%. [Bloomberg]
- **Las Vegas Sands Profit Surges on Continuing Macau Rebound.** Las Vegas Sands Corp.'s big bet on Macau continues to pay off. For the fourth quarter, profit rose to 88 cents a share, excluding some items, Sands said in a statement. That beat analysts' projections of 77 cents. [Bloomberg]

V. Overnight Market Recap

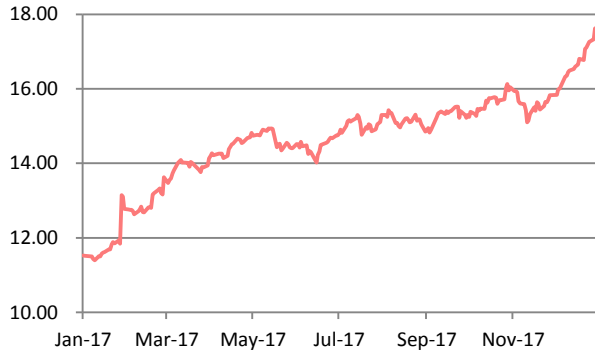
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,839	1.7	0.1	1.5	5.9	10.9	14.6	23.6	6.2
	Dow Jones	26,393	140.7	0.5	1.4	6.7	12.8	21.6	31.3	6.8
	Nasdaq Composite	7,411	(3.9)	(0.1)	1.6	6.8	13.0	15.4	31.1	7.4
	Russell 2000	1,602	2.1	0.1	1.6	3.7	7.0	11.1	16.4	4.3
	VIX Index	11.58	0.1	1.0	(5.2)	13.0	2.5	20.6	8.9	4.9
Europe Equity	Euro Stoxx 50	3,630	(13.1)	(0.4)	0.3	2.2	(0.2)	4.0	9.4	3.6
	DAX	13,298	(116.4)	(0.9)	0.1	1.7	1.3	8.1	12.2	2.9
	CAC	5,481	(14.0)	(0.3)	(0.2)	2.2	0.5	5.6	12.6	3.2
	FTSE 100	7,616	(27.6)	(0.4)	(1.1)	0.3	1.7	2.2	6.3	(0.9)
APAC Equity	HSI	32,654	(304.2)	(0.9)	1.7	10.4	15.8	21.2	39.7	9.1
	HSCEI	13,388	(232.8)	(1.7)	2.2	14.9	17.0	23.6	35.9	14.3
	HSI VIX	17.60	0.3	1.9	9.2	28.1	18.7	50.8	35.6	20.5
	CSI 300	4,365	(24.8)	(0.6)	2.2	7.7	9.3	17.8	28.8	8.3
	SH Composite	3,548	(11.2)	(0.3)	2.1	7.3	4.1	9.3	12.3	7.3
	SZ Composite	1,953	(7.6)	(0.4)	1.5	3.2	(3.8)	6.0	1.9	2.8
	Nikkei 225	23,669	(271.3)	(1.1)	(0.4)	3.8	9.3	18.5	22.5	4.4
Commodities (USD)	KOSPI	2,562	24.2	1.0	1.9	5.3	3.0	5.0	22.6	3.6
	Brent (Future)	70.42	(0.1)	(0.2)	1.6	7.9	20.5	40.3	27.9	5.3
	WTI (Future)	65.51	(0.1)	(0.2)	2.4	8.7	23.9	33.8	21.3	7.9
	Gold	1,348	(10.2)	(0.8)	1.6	5.0	6.4	6.9	13.4	3.5
	Copper (Future)	7,138	(12.0)	(0.2)	0.9	0.2	1.8	14.7	20.1	(1.5)
FX	Baltic Dry Index	1,200.00	43.0	3.7	5.4	(12.2)	(22.8)	24.0	42.9	(12.2)
	Dollar Index	89.39	0.2	0.2	(1.2)	(4.2)	(4.6)	(5.0)	(10.6)	(3.0)
	EUR	1.24	(0.0)	(0.1)	1.3	4.6	6.5	5.7	16.1	3.3
	JPY	109.41	0.2	0.2	(1.5)	3.3	3.9	1.4	4.5	2.8
	CNY	6.33	(0.0)	0.5	1.5	3.4	4.9	6.7	8.8	2.9
CDS	CNH	6.33	(0.0)	(0.3)	(1.4)	3.3	5.1	6.5	8.2	2.9
	ChinaGov CDS	51.29	1.5	3.0	5.0	(1.0)	4.0	(22.0)	(52.3)	2.4
	CDX Emerging Market	99.38	-	0.0	(0.1)	0.4	3.1	3.8	5.7	0.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.42	(0.0)	(0.9)	1.4	1.4	1.1	1.1	0.5	1.4
	2-Year Treasury Yield	2.08	0.0	0.4	2.1	1.9	1.6	1.3	1.2	1.9
	5-Year Treasury Yield	2.42	(0.0)	(0.6)	2.4	2.2	2.0	1.8	2.0	2.2
	10-Year Treasury Yield	2.62	(0.0)	(1.1)	2.7	2.4	2.4	2.3	2.5	2.4
	2-10 Spread	52.88	(3.8)	(6.6)	59.0	51.6	81.5	93.8	127.6	51.8
China rates	O/N China Repo Rate	2.54	(0.1)	(2.7)	2.9	3.2	2.9	2.9	2.7	3.0
	1-Week China Repo Rate	2.90	(0.3)	(9.4)	3.2	2.9	3.4	2.8	2.6	3.1
	O/N SHIBOR	2.56	(0.0)	(0.4)	2.8	2.7	2.7	2.8	2.5	2.8
	1-Week SHIBOR	2.85	0.0	0.6	2.9	2.9	2.9	2.9	2.7	3.0

Source: Bloomberg

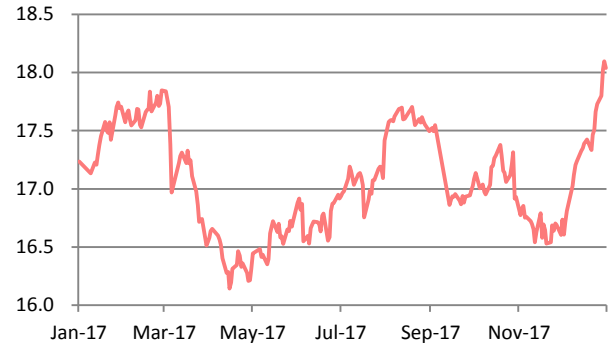
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



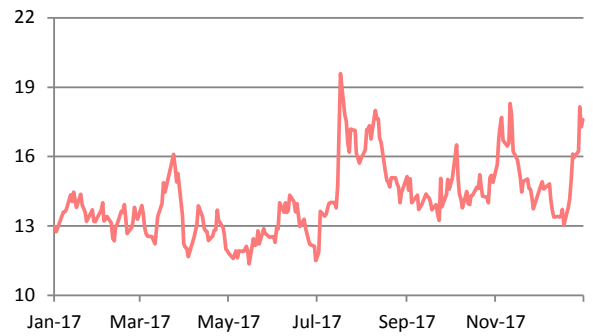
Source: Bloomberg

China 5Y CDS Index_USD



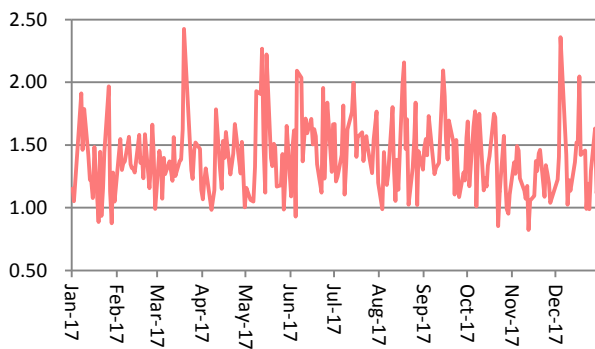
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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