

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Composite PMI	Jan	53.5	53.9
Japan: Nikkei Composite PMI	Jan	N/A	52.2
Eurozone: Retail Sales YoY	Dec	N/A	2.80%
Indonesia: GDP YoY	4Q17	5.10%	5.06%

Source: Bloomberg

## II. Macro News

- **Xi, May push to advance ties.** China and Britain should enhance connection of development strategies and deepen cooperation in such areas as finance, nuclear power and investment, President Xi Jinping told visiting British Prime Minister Theresa May. [China Daily]
- **Chinese consumption posts faster growth than GDP.** Consumption has remained the primary force driving China's economic growth in the past four years, with its growth rate 3.2 percentage points higher than GDP on average, said Gao Feng, a spokesperson for the Ministry of Commerce. [China Daily]
- **Company Tax Cut by India Falls Short of Narrowing Gap With Peers.** India cut the corporate tax rate for some firms while excluding the biggest companies that contribute bulk of the collections, falling short of narrowing a gap with several other economies that have lowered the levy to attract investments. [Bloomberg]

## III. Industry News

- **China's benchmark power coal price ends decline.** China's benchmark power coal price ended declines during the past week due to rising consumption from coal-fired power plants. The Bohai-Rim Steam-Coal Price Index, a gauge of coal prices in northern China's major ports published weekly, stayed flat with a week ago at RMB577/ton. [China Daily]
- **May's visit yields US\$1.3bn in Chinese funds for British biotech and life sciences companies.** China's increasing zeal for improving biotechnology and medical services is music to the ears of the British government after two venture capital firms received RMB8bn (US\$1.3bn) in funding commitments from mainland investors during Prime Minister Theresa May's three-day visit last week. [SCMP]
- **India Hits Apple, Rivals With Higher Duties on Imported Phones.** India is raising custom duties on imported mobile phones to 20 percent from 15 percent, a bid to promote domestic manufacturing that may hurt Apple Inc.'s ability to compete in the world's fastest-growing smartphone market. [Bloomberg]

## IV. Corporate News

- **Alibaba to acquire 33pc stake in Ant Financial, clearing the way for Alipay operator's IPO.** Alibaba Group Holding has agreed to acquire a 33% stake in affiliate Ant Financial Services, deepening its participation in China's fast-growing financial technology sector and paving the way for the public listing of the firm that runs payments giant Alipay. [SCMP]
- **Alibaba Market Value Tumbles \$30 Billion After Margins Decline.** Alibaba Group Holding Ltd. shares fell the most in 18 months and cut its market valuation by about \$30bn after investments in brick-and-mortar assets and digital media squeezed profit margins in the December quarter. [Bloomberg]

- **Country Garden 10B Yuan REITs Gets Regulatory Approval.** The REITs to fund development of rental apartments got clearance from Shenzhen stock exchange on Feb. 2, Shanghai Securities News reports. This is the largest securitization product in rental apartment sector. [Bloomberg]
- **Apple Forecast Falls Short After iPhone Sales Miss Estimates.** Apple Inc. forecast lower-than-expected revenue for the current quarter and reported iPhone sales from the crucial holiday period that missed analysts' forecasts, suggesting waning demand for its most-important product. [Bloomberg]
- **Xiamen Airlines, GE to strengthen strategic cooperation.** Xiamen Airlines signed a MOU with GE to further strengthen strategic cooperation. The MOU will cover several areas incl. fleet management support and services, digital solutions, leadership training and aviation health management programs, as well as intra-industrial alignment and cooperation to support the globalisation of Xiamen Airlines. [China Daily]
- **Alibaba Q3 revenue soars.** Alibaba said that its revenue jumped 56% YoY to RMB83bn (\$12.7bn) in the third fiscal quarter ending December last year, driven by the continued strength of the Chinese consumer and the wide and innovative range of services we provide for merchants and consumers. [China Daily]
- **Vanke may evolve with new leader.** Zhu Jiusheng, the new president of Chinese real estate developer Vanke Co Ltd, on Thursday made his debut at a news conference in Shenzhen, Guangdong province, replacing Yu Liang, who will leave the position after 18 years of service. [China Daily]
- **China Minmetals posts record revenue, profits in 2017.** China Minmetals Corporation recorded its highest ever revenue and profits in 2017, according to figures released. The corporation raked in RMB500bn yuan (\$78.9bn) in revenue last year, up 14 percent from the 2016 level. Meanwhile, total profits jumped 222% to RMB13bn. [China Daily]
- **Alibaba buys stake in Ant Financial.** Country's e-commerce behemoth, Alibaba Group Holding Ltd, announced to have purchased 33 percent stake in its payment arm, Ant Financial Services Group, which is reportedly a move aiming at clearing the way for an initial public offering. [China Daily]
- **Cosco Shipping predicts 40pc rise in net.** Cosco Shipping International (Hong Kong) said it expects net profit for the year ended December 31, to increase by not less than 40 percent compared with that of the same period of last year. This is mainly due to the increases in exchange gains and net finance income, the company reported.
- **Lenovo Posts Surprise Loss as Mobile Unit Struggles Continue.** Lenovo Group Ltd. posted a surprise loss after taking a \$400mn charge due to U.S. tax reforms as its mobile business continues to struggle with shrinking revenue. It reported a \$289mn net loss in the three months ended Dec. That compares with projection of a \$124.5mn profit. [Bloomberg]
- **Ping Ans Good Doctor wins Hong Kong IPO approval despite losses.** Ping An Healthcare and Technology, China's largest health care and online medical platform, has been accepted by the Hong Kong stock exchange for an initial public offering, despite making hefty losses for the past two years. [Bloomberg]
- **Alibaba's Tmall HK Opens First Cross-Border Store in Hangzhou.** Alibaba Group Holding Ltd. will soon open the doors of its first physical store for cross-border e-commerce platform Tmall HK in Hangzhou, as it takes advantage of preferential policies in the city due to its status as a national pilot city for the sector. [Bloomberg]
- **Evergrande Sells HK\$18B 4.25% Convertible Bonds Due 2023.** Initial conversion price is HK\$38.99/shr, representing 40% premium to last close, according to statement to HK stock exchange. Assuming full conversion at HK\$38.99 apiece, bonds will be converted into 461.7mn shares, representing c.3.39% of enlarged issued share capital. [Bloomberg]
- **PetroChina looking to tap Indonesia's LNG reserves.** Once a lucrative natural resources hub, Indonesia has been struggling to attract investment in recent years and is looking to Chinese companies such as PetroChina for capital and partnerships. [China Daily]
- **Foxconn shareholders clear plan to list unit on Shanghai Stock Exchange.** Shareholders of Hon Hai Precision Industry Co Ltd, better known as Foxconn, the world's largest contract electronics manufacturer, on Wednesday approved the company's plan to list its Foxconn Industrial Internet Co Ltd unit on the Shanghai Stock Exchange. [China Daily]

## V. Overnight Market Recap

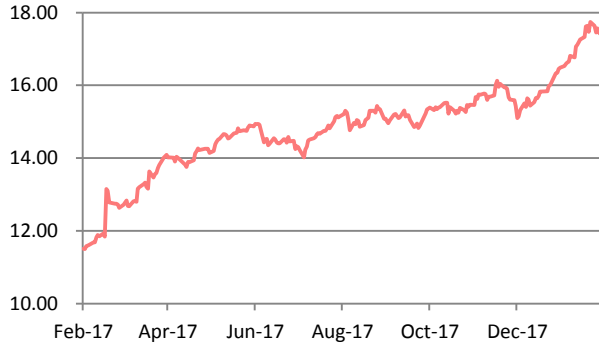
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,762	(59.9)	(2.1)	(3.9)	0.7	6.7	11.5	20.2	3.3
	Dow Jones	25,521	(665.8)	(2.5)	(4.1)	0.9	8.4	15.5	27.2	3.2
	Nasdaq Composite	7,241	(144.9)	(2.0)	(3.5)	1.5	7.0	14.0	27.8	4.9
	Russell 2000	1,547	(32.6)	(2.1)	(3.8)	(0.8)	3.5	9.6	12.3	0.8
	VIX Index	17.31	3.8	28.5	56.2	87.7	89.4	72.6	57.8	56.8
Europe Equity	Euro Stoxx 50	3,523	(54.1)	(1.5)	(3.4)	(2.3)	(4.5)	0.5	7.6	0.6
	DAX	12,785	(218.7)	(1.7)	(4.2)	(4.0)	(5.1)	4.0	9.7	(1.0)
	CAC	5,365	(89.6)	(1.6)	(3.0)	(1.9)	(2.8)	3.1	11.2	1.0
	FTSE 100	7,443	(47.0)	(0.6)	(2.9)	(3.6)	(1.5)	(0.9)	3.5	(3.2)
APAC Equity	HSI	32,602	(40.3)	(0.1)	(1.7)	5.8	14.0	18.3	41.0	9.0
	HSCEI	13,539	104.5	0.8	(1.4)	10.9	16.7	23.0	39.8	15.6
	HSI VIX	17.32	(0.5)	(3.0)	(1.2)	29.4	25.7	23.5	26.2	18.6
	CSI 300	4,271	25.3	0.6	(2.5)	3.2	7.0	15.2	27.0	6.0
	SH Composite	3,462	15.1	0.4	(2.7)	2.1	2.7	6.1	10.3	4.7
	SZ Composite	1,822	0.5	0.0	(6.6)	(6.2)	(7.8)	(2.0)	(4.6)	(4.1)
	Nikkei 225	23,275	(211.6)	(0.9)	(1.5)	(1.9)	3.3	16.7	23.0	2.2
KOSPI	2,525	(43.2)	(1.7)	(1.9)	1.1	(1.3)	5.4	21.8	2.3	
Commodities (USD)	Brent (Future)	68.58	(1.1)	(1.5)	(2.8)	0.8	9.8	30.0	20.0	1.9
	WTI (Future)	65.45	(0.4)	(0.5)	(1.0)	5.9	16.9	31.2	20.8	7.6
	Gold	1,333	(15.4)	(1.1)	(1.2)	1.1	4.0	6.0	8.0	2.4
	Copper (Future)	7,045	(74.0)	(1.0)	(0.6)	(2.2)	1.7	10.9	19.7	(2.8)
	Baltic Dry Index	1,095.00	(19.0)	(1.7)	(9.8)	(20.1)	(25.8)	6.1	45.6	(19.8)
FX	Dollar Index	89.20	0.5	0.6	0.1	(2.9)	(6.0)	(4.6)	(10.6)	(3.1)
	EUR	1.25	(0.0)	(0.4)	0.3	3.5	7.3	5.6	15.8	3.7
	JPY	110.17	0.8	0.7	1.5	2.7	3.3	0.6	1.5	2.4
	CNY	6.30	0.0	(0.1)	0.4	3.1	4.9	6.7	9.3	3.3
	CNH	6.31	0.0	0.3	(0.2)	2.6	4.9	6.6	7.7	3.2
CDS	ChinaGov CDS	55.78	2.2	4.1	9.7	17.0	0.5	(11.7)	(47.3)	11.4
	CDX Emerging Market	99.15	(0.2)	(0.2)	(0.2)	(0.3)	3.0	2.9	5.0	0.1

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.47	(0.0)	(0.4)	1.4	1.4	1.2	1.1	0.5	1.4
	2-Year Treasury Yield	2.14	(0.0)	(0.9)	2.1	2.0	1.6	1.4	1.2	1.9
	5-Year Treasury Yield	2.59	0.0	0.7	2.5	2.3	2.0	1.8	1.9	2.2
	10-Year Treasury Yield	2.84	0.1	1.8	2.7	2.5	2.3	2.3	2.5	2.4
	2-10 Spread	69.58	7.1	11.4	57.3	51.2	69.2	89.8	126.4	51.8
China rates	O/N China Repo Rate	2.48	-	-	2.3	2.4	2.5	2.8	2.2	3.0
	1-Week China Repo Rate	2.79	0.0	1.5	3.0	2.7	2.8	2.9	2.4	3.1
	O/N SHIBOR	#N/A N/A	0.0	0.1	2.6	2.5	2.5	2.7	2.3	2.8
	1-Week SHIBOR	2.79	(0.0)	(0.2)	2.8	2.7	2.8	2.9	2.6	3.0

Source: Bloomberg

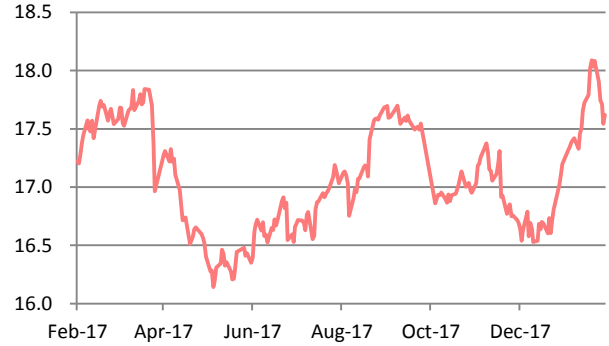
## VI. Key Indicators

**Hang Seng Index PE Ratio**



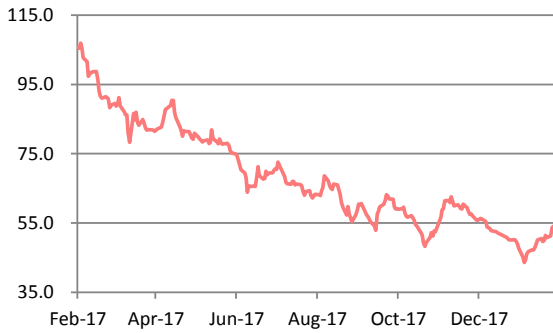
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



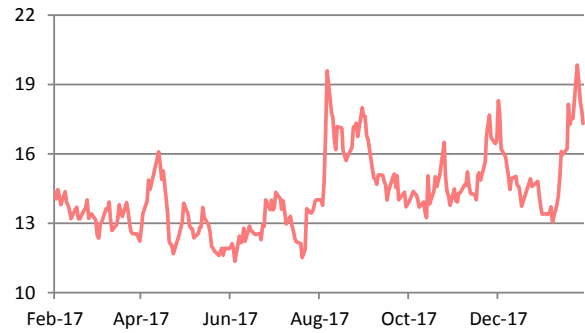
Source: Bloomberg

**China 5Y CDS Index\_USD**



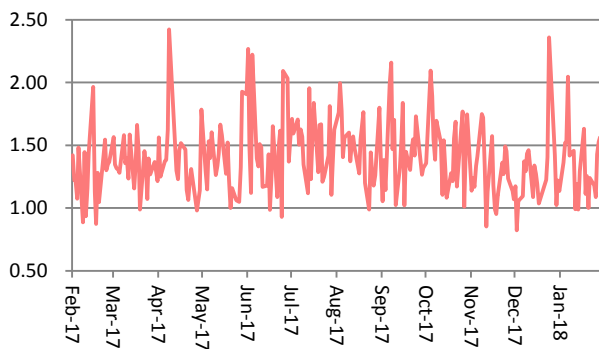
Source: Bloomberg

**Hang Seng Index VIX**



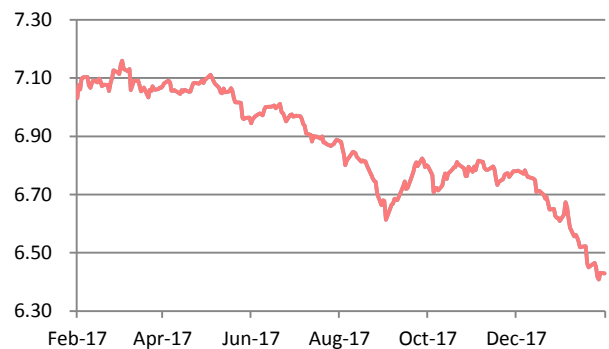
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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