

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: JOLTS Job Openings	Dec	N/A	5879k
UK: BRC Sales Like-For-Like YoY	Jan	N/A	0.60%
Germany: Factory Orders YoY	Dec	N/A	8.70%
Australia: BRA Cash Rate Target	6-Feb	1.50%	1.50%

Source: Bloomberg

II. Macro News

- **China's service sector grows at fastest pace in nearly 6 yrs.** China's services sector got off to a flying start in 2018, expanding at its fastest pace in almost six years as new orders surged and companies rushed to hire more staff, a private survey showed on Monday. The Caixin/Markit services PMI rose to 54.7 in Jan from Dec's 53.9, marking the highest reading since May 2012. [SCMP]
- **Vietnam Loses Top Asia Stock Market Crown to HK on Slump.** It took just one bad day for Vietnam's benchmark equity index to lose its spot as Asia's best-performing stock market this year to Hong Kong. The gauge tumbled 5.1% Monday, the most in Asia, as the region's equities got swept up in the biggest selloff for global stocks in two years. [Bloomberg]
- **Foreigners Flee as Philippine Stock Valuations Overheat.** International investors are withdrawing from Philippine equities at the fastest pace in ten months, cashing out \$132 million last week when valuation surpassed levels that preceded corrections in 2015 and 2016. [Bloomberg]

III. Industry News

- **China Is Said to Seek Coal Port Price Cap as Stockpiles Shrink.** China is seeking to cap coal prices near the highest in more than five years, according to people with knowledge of the plan, the latest regulatory effort to manage energy resources as surging heating demand and a winter freeze empty utilities' stockpiles. [Bloomberg]
- **China Is Said to Ask Brokerages to Help Avert Stock Declines.** China's securities regulator is urging brokerages to ask investors with stock pledges to add to their collateral when share prices drop below critical levels, instead of closing out the positions. [Bloomberg]
- **China Regulator Is Said to Allow Rollover of Share Pledged Loans.** China's securities regulator will permit companies to roll over existing loans they obtained by pledging shares at brokerages even if their shares being used as collateral exceed a certain threshold. [Bloomberg]

IV. Corporate News

- **Broadcom said to up bid for Qualcomm to around US\$120bn.** Broadcom Ltd plans to unveil a new offer of around US\$120bn for Qualcomm Inc on Monday, aiming to ratchet up pressure on its US semiconductor peer to engage in negotiations. The move comes ahead of a Qualcomm shareholder meeting scheduled for March 6. [SCMP]
- **Hang Seng Index May Delete Lenovo in Quarterly Review.** Hang Seng Index may remove Lenovo to reduce the number of constituents to 50. For Hang Seng China Enterprises Index, ZhongAn Online Insurance may be added, while China Railway Construction may be deleted. [Bloomberg]

- **China Southern Predicts Higher Passenger Yields This Year.** China Southern Airlines Co. sees passenger yields improving this year for its international as well as domestic routes, President Tan Wangeng said. Oil prices are a risk to that outlook, Tan said on the sidelines of the Singapore Airshow Monday. [Bloomberg]
- **Nissan to Invest \$9bn in China in Race for EV Dominance.** Nissan Motor Co. intends to spend 1tn yen (\$9bn) over 5 years in China as it vies to become the largest global electrified vehicle maker in the country. It aims to raise annual deliveries by 1mn units by 2022, with much of the growth coming from electrified models. [Bloomberg]
- **TCL Appoints Football Superstar Neymar Jr. Global Brand Ambassador.** TCL announced that Neymar Jr. , one of the world's most influential and widely-recognized athletes, has been appointed as the company's Global Brand Ambassador. [Bloomberg]
- **Tongda Group Considers Special Dividend Linked to Unit Spinoff.** Tongda Group proposes special interim dividend of one Tongda Hong Tai share for every 40 Tongda shares held, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Airbus, Boeing Eye 16,000-Plane Jackpot as Asia Gets Airborne.** The rapid growth of mainland Chinese carriers and the entry of many budget operators has meant billions of dollars in orders for the aircraft makers. "There's a huge market there," said Rahul Kapoor, an analyst with Bloomberg Intelligence in Singapore. [Bloomberg]
- **China's Major Aluminum Makers Facing Carbon Cost Hikes.** Chinese producers facing upward pressure on costs due to higher prices for carbon anodes and coking coal, Rusal says Monday in statement to Hong Kong stock exchange. [Bloomberg]
- **Alibaba Takes Stake in Wanda Film as Part of \$1.2 Billion Sale.** Wanda Group Co. said Alibaba Group Holding Ltd. has agreed to invest in its film unit, becoming the second-largest shareholder, as the cinema chain operator sells stakes for about 7.8 billion yuan (\$1.2 billion). [Bloomberg]
- **Okay Airways Plans IPO in China Around 2021, Vice President Says.** State-owned airlines interested in buying a stake in Okay's subsidiary Joy Air in the long term, Vice President Lu Chao says in Singapore. Okay Airways is considering selling stakes to foreign airlines to help company improve management and facilitate international expansion. [Bloomberg]
- **Agile Spinoff Is Said to Raise \$524mn in IPO Priced Below Midpt.** A-Living Services Co., the property management arm of Chinese developer Agile Group Holdings Ltd., raised HK\$4.1b (\$524m) after pricing its Hong Kong IPO below the midpoint of a marketed range. [Bloomberg]
- **China's Lianhe Credit Adds HNA Unit Lucky Air to Watch List.** Yunnan Lucky Air faces rising financing difficulties, increasing debt repayment pressure after media reported negative news on liquidity risks of HNA Group's units, China Lianhe Credit Rating says in statement posted to Shanghai Clearing House website. [Bloomberg]
- **Chinese automaker FAW sees booming exports.** Chinese auto maker First Automobile Works Group (FAW) exported 40,000 vehicles in 2017, representing robust growth of 92.7% YoY. The company reported 3.408mn wholesale vehicle deliveries last year, up by 7.2% annually. [China Daily]
- **Longfor to see big sales in 2018.** China's major property operator Longfor Properties Co Ltd expects to reap 300 billion yuan (\$47.6bn) in sales by 2020, through provision of more services in cities according to its annual meeting held earlier this year. [China Daily]
- **Malaysian e-payment company partners with China's Alipay in digital wallet solution.** Malaysia has seen a burgeoning mobile wallet segment since the entry of the Ant Financial's mobile solution Alipay into the country. MOL Global Inc, an e-payment enabler for online goods and services, is also one of them. [China Daily]
- **JD.com plans to take on Amazon in Europe.** JD will challenge Amazon in Europe with operations across the continent in the next few years, according to the company's boss. The company will launch its first European e-commerce platform and delivery services in France, with plans to roll out to the United Kingdom and Germany. [China Daily]

V. Overnight Market Recap

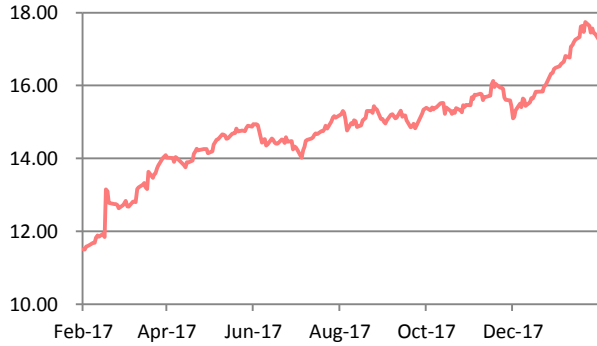
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,649	(113.2)	(4.1)	(7.2)	(3.4)	2.2	6.9	15.5	(0.9)
	Dow Jones	24,346	(1,175.2)	(4.6)	(7.9)	(3.8)	3.4	10.2	21.4	(1.5)
	Nasdaq Composite	6,968	(273.4)	(3.8)	(6.7)	(2.4)	2.7	9.7	23.0	0.9
	Russell 2000	1,491	(56.2)	(3.6)	(6.7)	(4.4)	(0.5)	5.6	9.1	(2.9)
	VIX Index	37.32	20.0	115.6	169.7	304.8	297.0	272.1	228.2	238.0
Europe Equity	Euro Stoxx 50	3,479	(44.5)	(1.3)	(4.5)	(3.6)	(5.5)	(0.8)	7.4	(0.7)
	DAX	12,687	(97.7)	(0.8)	(4.8)	(4.7)	(5.8)	3.2	10.2	(1.8)
	CAC	5,286	(79.2)	(1.5)	(4.3)	(3.4)	(4.0)	1.6	10.6	(0.5)
	FTSE 100	7,335	(108.5)	(1.5)	(4.4)	(5.0)	(3.0)	(2.4)	2.3	(4.6)
APAC Equity	HSI	32,245	(356.6)	(1.1)	(2.2)	4.6	12.8	17.0	38.1	7.8
	HSCEI	13,480	(58.8)	(0.4)	(1.3)	10.4	17.0	22.5	37.0	15.1
	HSI VIX	18.93	1.6	9.3	(4.6)	41.4	30.6	35.0	31.9	29.7
	CSI 300	4,274	2.9	0.1	(0.6)	3.3	6.3	15.3	26.7	6.0
	SH Composite	3,487	25.4	0.7	(1.0)	2.8	2.9	6.9	10.5	5.5
	SZ Composite	1,806	(15.2)	(0.8)	(5.9)	(7.0)	(9.7)	(2.8)	(6.3)	(4.9)
	Nikkei 225	22,682	(592.5)	(2.6)	(4.0)	(4.4)	0.6	13.7	19.5	(0.4)
KOSPI	2,492	(33.6)	(1.3)	(4.1)	(0.2)	(2.3)	4.0	19.9	1.0	
Commodities (USD)	Brent (Future)	67.62	(1.0)	(1.4)	(2.7)	(0.0)	8.9	29.0	19.0	1.1
	WTI (Future)	64.15	(1.3)	(2.0)	(2.2)	3.4	10.8	28.2	19.9	5.2
	Gold	1,340	6.3	0.5	(0.1)	1.4	4.5	6.5	8.4	2.8
	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	89.55	0.4	0.4	0.3	(2.6)	(5.7)	(4.3)	(10.3)	(2.8)
	EUR	1.24	(0.0)	(0.8)	(0.1)	3.4	6.6	4.9	15.1	3.1
	JPY	109.09	(1.1)	(1.0)	0.1	3.6	4.1	1.4	2.3	3.2
	CNY	6.29	(0.0)	0.1	0.8	3.1	5.4	6.8	9.1	3.4
	CNH	6.31	(0.0)	(0.0)	(0.4)	2.9	4.9	6.6	7.7	3.2
CDS	ChinaGov CDS	57.27	1.5	2.7	11.8	26.4	3.2	(9.3)	(45.9)	14.3
	CDX Emerging Market	98.95	(0.2)	(0.2)	(0.3)	(0.6)	2.8	2.7	4.8	(0.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.48	0.0	0.5	1.4	1.4	1.2	1.0	0.5	1.4
	2-Year Treasury Yield	2.02	(0.1)	(5.5)	2.1	2.0	1.6	1.4	1.1	1.9
	5-Year Treasury Yield	2.44	(0.2)	(5.9)	2.5	2.3	2.0	1.8	1.8	2.2
	10-Year Treasury Yield	2.71	(0.1)	(4.8)	2.7	2.5	2.3	2.3	2.4	2.4
	2-10 Spread	67.74	(1.8)	(2.6)	59.2	51.2	68.2	90.7	125.5	51.8
China rates	O/N China Repo Rate	2.52	0.0	1.6	2.5	2.4	2.5	2.9	2.2	3.0
	1-Week China Repo Rate	2.72	(0.1)	(2.5)	3.1	2.7	2.8	2.9	2.7	3.1
	O/N SHIBOR	2.53	0.0	0.5	2.6	2.5	2.6	2.8	2.3	2.8
	1-Week SHIBOR	2.78	(0.0)	(0.4)	2.8	2.7	2.8	2.9	2.6	3.0

Source: Bloomberg

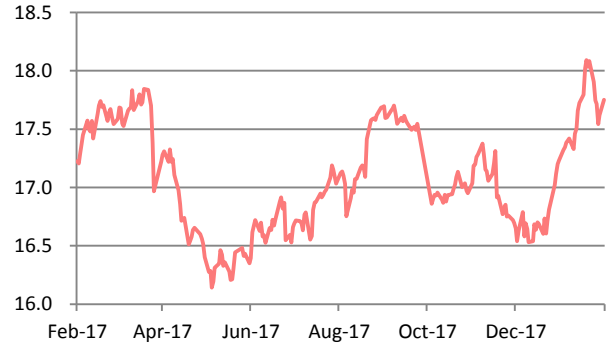
VI. Key Indicators

Hang Seng Index PE Ratio



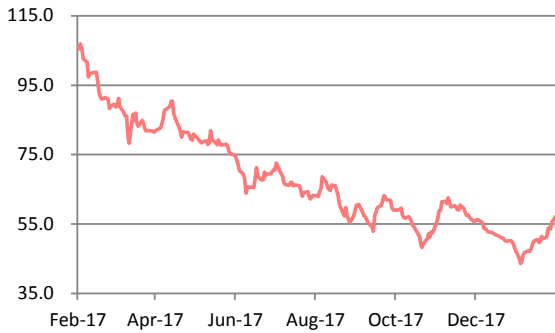
Source: Bloomberg

Shanghai Composite Index PE Ratio



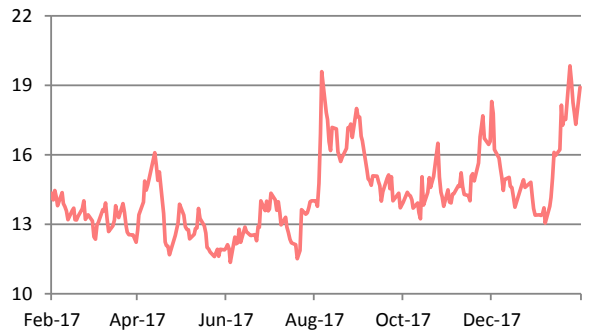
Source: Bloomberg

China 5Y CDS Index_USD



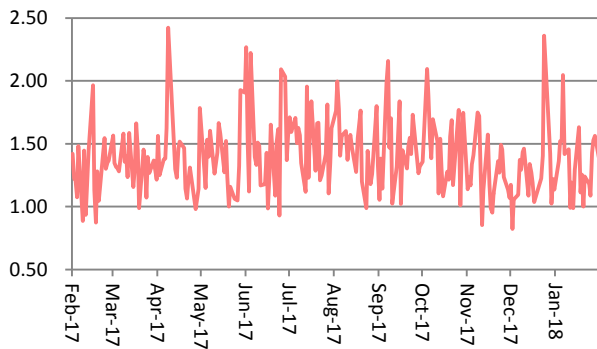
Source: Bloomberg

Hang Seng Index VIX



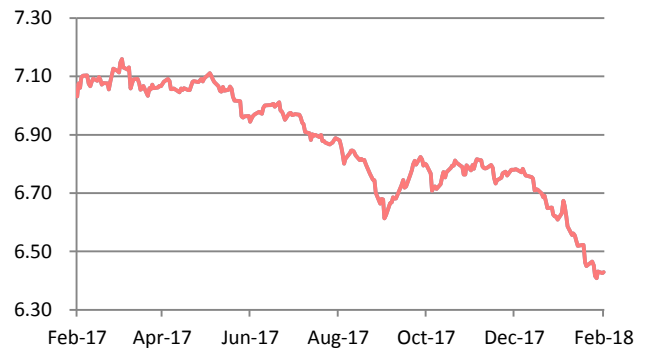
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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