

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Reserve	Jan	N/A	USD3139.9bn
UK: Halifax House Prices YoY	Jan	N/A	2.70%
Germany: Industrial Production YoY	Dec	N/A	5.60%
Taiwan: Exports / Imports YoY	Jan	16.9%/N/A	14.8%/12.2%
India: RBI Cash Reserve Ratio	7-Feb	N/A	4.00%

Source: Bloomberg

## II. Macro News

- **US trade deficit is at its widest monthly and yearly levels since 2008 recession.** The US trade deficit widened to the biggest monthly and annual levels since the last recession. The deficit rose 5.3% in Dec to a larger-than-expected US\$53.1bn, widest since Oct 2008, as imports outpaced exports, the Commerce Department reported Tues. [SCMP]
- **Mainland pledges new policies to facilitate development of Taiwan businesses.** In 2018, China will work to promote cooperation between mainland and Taiwanese businesses, and improve financial services to give more support to Taiwanese businesses on the mainland. [China Daily]
- **China's ageing population is creating a new debt crisis for Beijing as pension shortfall widens.** China's pension shortfall is emerging as the next big challenge for policymakers as they intensify their years-long campaign to keep rising debt from derailing the economy. [SCMP]

## III. Industry News

- **Singapore, Malaysia Agree to New Stock Exchange Trading Link.** Singapore and Malaysia said they will create a trading link to connect their national stock exchanges. Singapore and Malaysia's regulators and national exchanges will work on the arrangements for the system, which will connect markets with more than \$1.2tn in value and about 1,600 listed companies. [Bloomberg]
- **Philippine Central Bank Pledges Timely Action as CPI Surges.** The Philippine central bank pledged to take timely action after data showed consumer prices increased at fastest pace in more than three years in January. It'll be closely monitoring the situation and stands ready to take timely action based on evaluation of all relevant data. [Bloomberg]
- **Shanghai Exchange to Step up Oversight on Dividend Payment.** The stock exchange will suggest China's CSRC conducting on-site inspection of listed companies which refuse to pay cash dividend to shareholders while capable of doing so, Shanghai Securities News reports, citing officials from the exchange. [Bloomberg]

## IV. Corporate News

- **Cathay Pacific reviews state of emergency as Maldives political crisis deepens.** Cathay Pacific Airways is reviewing a 15-day state of emergency in the Maldives. "Operations at the airport in Male, the capital of the Maldives, are reported as normal. We are monitoring the developments closely." Cathay Pacific said. [SCMP]
- **HK's idsMED to join Tencent-backed WeDoctor in medical e-commerce venture.** Health care products distributor idsMED Group, backed by HK tycoon Victor Fung Kwok-king's Fung Group, and online medical platform operator WeDoctor, which is backed by internet giant Tencent Holdings, will set up a JV to tap China's growing demand for online medical commerce. [SCMP]

- **Tencent to Be Added to Hang Seng China Index in Major Revamp.** Tencent among 10 cos to be included in Hang Seng China Enterprises Index, according to Hang Seng Indexes Company. Wharf REIC to replace Wharf as Hang Seng Index member. ZhongAn Online P&C to be included as H-share constituent; China Railway Construction to be removed as H-share constituent. All changes effective March 5. [Bloomberg]
- **China NDRC Signs MOU With Samsung on Chip Cooperation.** National Development and Reform Commission, the top economic planner of the country, signed MOU with Samsung Electronics on possible cooperation in chip making, artificial intelligence and semiconductor manufacturing, China Daily reports. [Bloomberg]
- **Baosteel Leapfrogs Arcelor as World's Most Valuable Mill.** Baoshan Iron & Steel Co., the listed unit of China's top producer, has usurped ArcelorMittal as the largest steelmaker by market value. Nippon Steel & Sumitomo Metal Corp. held the crown about two years ago when the industry was emerging from its worst crisis in years. [Bloomberg]
- **Huabao to Spin Off Flavors and Fragrances Business in Shenzhen.** Huabao International spinoff, Huabao Flavours & Fragrances, proposes to issue 61.6m A shares at an offer price to be determined, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Biocept Gets Added Patent Issuances in Europe, Japan, Hong Kong.** Biocept Gets Added Patent Issuances in Europe, Japan, Hong Kong The company says it received the additional patents for its core Target Selector liquid biopsy technology. [Bloomberg]
- **Golden Wheel Tiandi to Buy CSI Properties' H.K. Site for HK\$844mn.** Golden Wheel Tiandi unit entered provisional agreement to buy a land parcel in Hong Kong's Tin Hau and shareholders' loan for HK\$844m, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Honeywell Expects China's C919 Jet to Get Certification by 2020.** Honeywell International Inc., one of the contractors involved in China's local commercial jet development program, expects the country's single-aisle plane C919 to get full certification at the end of 2020. [Bloomberg]
- **China Overseas Land Jan.** China Overseas Land posted contract sales of HK\$25.8bn in January. It also acquired 4 land parcels in Foshan, Hangzhou, Beijing and Guangzhou in January for combined 11.3bn yuan, the company says in a filing to the stock exchange of Hong Kong. [Bloomberg]
- **CNOOC eyes more gas fields abroad.** China is eyeing more overseas opportunities for its offshore drilling and completion technologies at high-temperature and high-pressure gas fields, according to the nation's largest producer of offshore oil and gas, China National Offshore Oil Corp. [China Daily]
- **Lender to enhance efforts with HK on B&R.** The Asian Infrastructure Investment Bank will further enhance cooperation with the HK Special Administrative Region in boosting the B&R Initiative, its President Jin Liqun said. "Hong Kong, as one of the major int'l financial centers, has advantages in a wide range of areas including investment, risk assessment, finance, insurance, accounting, legal services and arbitration," Jin said. [China Daily]
- **Dow Chemical banks on product innovation.** Dow Chemical, the world's second-largest chemical company, is banking on product innovation to better cater to demand from Chinese customers and further expand its presence in the country. [China Daily]
- **Tightening cash flows compound Leshi's debt woes.** Leshi Internet Information and Technology, the listed arm of technology company LeEco, expects RMB5.62bn of debts to mature this year. The debts were only a part of the company's total unpaid liabilities from financing and loans worth RMB9.29bn as of end of last year, according to a statement issued by Leshi. [China Daily]
- **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 percent from the previous year. The company reported 3.408 million wholesale vehicle deliveries last year, up by 7.2 percent annually. [China Daily]

## V. Overnight Market Recap

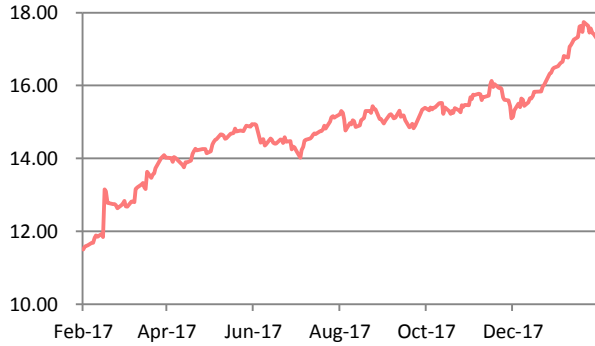
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,695	46.2	1.7	(4.5)	(1.8)	4.0	8.6	17.5	0.8
	Dow Jones	24,913	567.0	2.3	(4.5)	(1.5)	5.8	12.6	24.0	0.8
	Nasdaq Composite	7,116	148.4	2.1	(3.9)	(0.3)	5.1	11.5	25.4	3.1
	Russell 2000	1,507	16.1	1.1	(4.8)	(3.4)	1.9	6.6	10.7	(1.8)
	VIX Index	29.98	(7.3)	(19.7)	102.7	225.2	203.1	201.9	165.5	171.6
Europe Equity	Euro Stoxx 50	3,395	(83.9)	(2.4)	(5.9)	(5.9)	(7.2)	(3.2)	4.9	(3.1)
	DAX	12,393	(294.8)	(2.3)	(6.1)	(7.0)	(7.4)	1.1	7.3	(4.1)
	CAC	5,162	(124.0)	(2.3)	(5.7)	(5.6)	(5.8)	(0.9)	8.6	(2.8)
	FTSE 100	7,141	(193.6)	(2.6)	(5.9)	(7.5)	(4.9)	(5.2)	(0.6)	(7.1)
APAC Equity	HSI	30,595	(1,649.8)	(5.1)	(6.2)	(0.7)	5.5	10.5	31.1	2.3
	HSCEI	12,687	(793.2)	(5.9)	(5.2)	3.9	8.9	14.8	28.8	8.3
	HSI VIX	27.25	8.3	44.0	42.3	103.5	95.2	94.4	93.8	86.6
	CSI 300	4,149	(125.3)	(2.9)	(2.5)	0.2	2.3	11.3	23.3	2.9
	SH Composite	3,371	(116.8)	(3.4)	(3.4)	(0.6)	(1.3)	2.8	6.9	1.9
	SZ Composite	1,726	(80.2)	(4.4)	(9.6)	(11.1)	(14.2)	(7.8)	(10.4)	(9.1)
	Nikkei 225	21,610	(1,071.8)	(4.7)	(7.2)	(8.9)	(5.8)	7.8	14.3	(5.1)
Commodities (USD)	KOSPI	2,453	(38.4)	(1.5)	(4.5)	(1.8)	(3.6)	2.3	18.2	(0.6)
	Brent (Future)	66.86	(0.8)	(1.1)	(3.1)	(1.1)	4.0	27.5	20.0	(0.0)
	WTI (Future)	63.39	(0.8)	(1.2)	(1.7)	4.0	11.7	29.3	22.4	5.7
	Gold	1,324	(15.5)	(1.2)	(1.1)	0.4	3.9	5.4	7.4	1.8
	Copper (Future)	7,169	124.0	1.8	1.2	0.7	4.0	12.5	24.2	(1.1)
FX	Baltic Dry Index	1,082.00	(13.0)	(1.2)	(9.2)	(21.1)	(26.5)	4.8	47.2	(20.8)
	Dollar Index	89.59	0.0	0.0	0.5	(2.6)	(5.5)	(4.2)	(10.3)	(2.8)
	EUR	1.24	0.0	0.1	(0.2)	3.5	6.9	5.0	15.9	3.1
	JPY	109.56	0.5	0.4	0.7	3.2	4.0	1.0	2.5	2.8
	CNY	6.29	(0.0)	0.0	0.5	3.3	5.5	6.8	9.1	3.4
CDS	CNH	6.28	(0.0)	(0.5)	(0.7)	3.4	5.7	7.1	8.8	3.6
	ChinaGov CDS	59.57	2.3	4.0	10.8	31.5	5.3	(5.7)	(43.5)	18.9
	CDX Emerging Market	99.12	0.2	0.2	(0.1)	(0.4)	3.4	2.9	5.0	0.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.52	0.0	2.4	1.5	1.4	1.2	1.0	0.5	1.4
	2-Year Treasury Yield	2.11	0.1	4.0	2.1	2.0	1.6	1.3	1.2	1.9
	5-Year Treasury Yield	2.54	0.1	4.2	2.5	2.3	2.0	1.8	1.8	2.2
	10-Year Treasury Yield	2.80	0.1	3.6	2.7	2.5	2.3	2.2	2.4	2.4
	2-10 Spread	69.06	1.3	1.9	56.0	52.0	68.5	90.5	122.4	51.8
China rates	O/N China Repo Rate	2.60	0.1	3.2	2.6	2.5	2.6	2.9	2.3	3.0
	1-Week China Repo Rate	2.67	(0.1)	(1.8)	3.2	2.7	3.2	2.9	2.3	3.1
	O/N SHIBOR	2.54	0.0	0.3	2.6	2.5	2.6	2.8	2.3	2.8
	1-Week SHIBOR	2.77	(0.0)	(0.2)	2.8	2.7	2.8	2.9	2.6	3.0

Source: Bloomberg

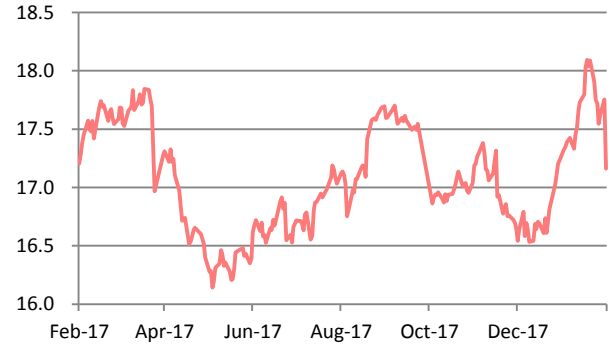
## VI. Key Indicators

**Hang Seng Index PE Ratio**



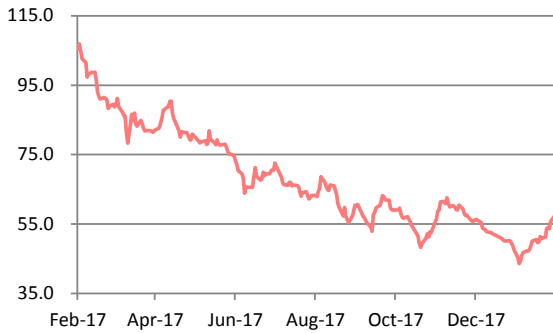
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



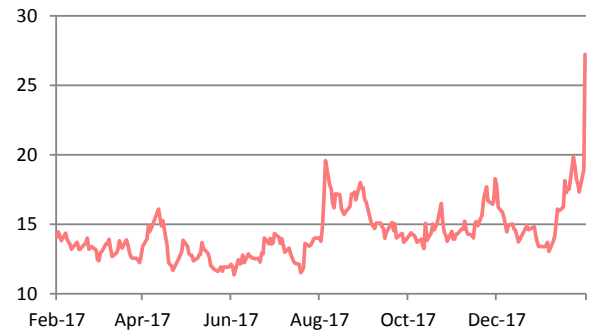
Source: Bloomberg

**China 5Y CDS Index\_USD**



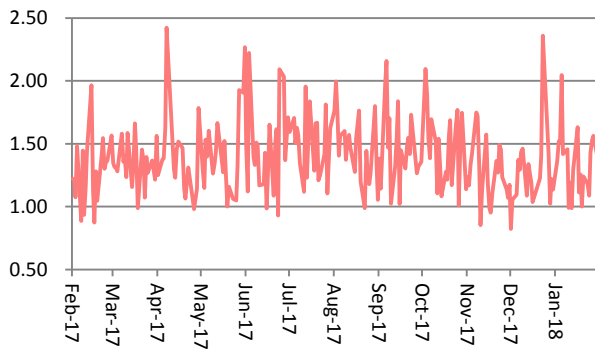
Source: Bloomberg

**Hang Seng Index VIX**



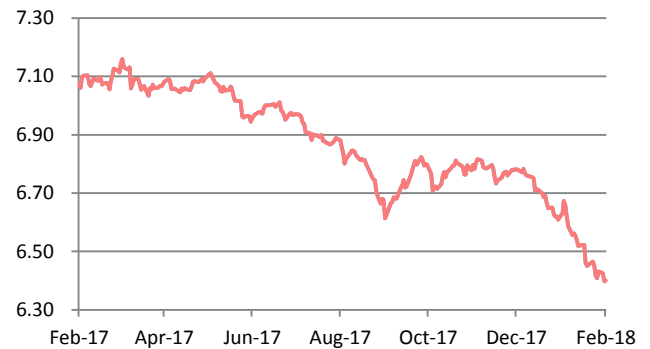
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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