

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD Exports / Imports YoY	Jan	8.0%/6.30%	10.9%/4.50%
UK: BOE Bank Rate	8-Feb	0.50%	0.50%
Thailand: Consumer Confidence	Jan	N/A	79.20
Australia: NAB Business Confidence	4Q17	N/A	7.00

Source: Bloomberg

II. Macro News

- **Trump Said He'd Shrink the Trade Deficit With China.** It Just Hit a Record High. The trade deficit with China hit a record high in 2017, defying President Trump's repeated promises to shrink a number that he regards as a test of whether other nations are treating the United States fairly. [Bloomberg]
- **Asia Pacific 1Q GDP Forecast Steady in Past Week.** The median first-quarter gross domestic product growth forecast for Asia Pacific was unchanged from the past week at 5.0%, according to Bloomberg surveys. Weightings are based on the country's nominal GDP in U.S. dollar terms, as supplied by the International Monetary Fund. [Bloomberg]
- **German Industrial Output Slips as Economy Wraps Bumper Year.** German industrial production slipped in Dec after strong momentum throughout the year helped Europe's largest economy expand at the fastest pace since 2011. Factory output declined 0.6% from Nov, when it increased a revised 3.1%, the Economy Ministry said on Wed. [Bloomberg]

III. Industry News

- **China's biggest internet firms offer millions, keeping users glued to their apps.** Some of the country's biggest internet cos give away money as reward to customers using their apps ahead of the Lunar New Year holiday. Alibaba and Tencent have pledged to give away a combined RMB5.2bn worth of "Hongbao" and shopping coupons, all in digital form. [Bloomberg]
- **China to Invest \$800mn in Belt & Road Project in Abu Dhabi.** Twelve Chinese companies will invest in an industrial park project in Abu Dhabi under framework of the Belt and Road initiative, Xinhua News Agency reports. The project to create more than 2,000 jobs. [Bloomberg]
- **China Warns Clean Energy Pilots to Curb Idle Rates or Face Cuts.** China warned clean energy pilot regions to reduce idle renewable capacity and improve other metrics or they could be removed from demonstration programs that help channel investment flows from the private sector into green ventures. [Bloomberg]

IV. Corporate News

- **Steve Wynn steps down as CEO of Wynn Resorts.** Steve Wynn has stepped down as chief executive of Wynn Resort amid sexual abuse allegations levelled against him by his former and current employees late last month, and Matt Maddox, the current president, will be appointed as the new CEO, according to a company statement. [SCMP]
- **China's Geely buys shares in Germany's Daimler.** Chinese carmaker Geely has bought shares in German car and truck maker Daimler, two people familiar with the matter told Reuters, as the Chinese owner of Volvo cars seeks to strike an alliance over electric cars technology. [China Daily]

- **GAC Xinjiang car plant starts operation.** Guangzhou Automobile Group Co., Ltd. Tuesday began production at its car plant in Xinjiang Uygur autonomous region in a bid to increase its market share in China's northwest. With an annual capacity of 50,000 units, the first phase of the assembly plant in Urumqi will produce GAC's Trumpchi GS4. [China Daily]
- **China Running Coal Restock Race as Weak Holiday Supply Looms.** China's major power producers face a race against time to replenish coal stockpiles at the lowest level in at least three years before a holiday that may slow much-needed supply. China National Coal Group Corp has ordered 23 of its mines to sustain normal output during the Lunar New Year. [Bloomberg]
- **Geely Auto Jan. Sales Volume Rises 51% Y/y to 155,089 Units.** Total sales volume in the China market was 154,035 unit in Jan., up 52% from year ago, co. says in Hong Kong stock exchange filing. Jan. sales volumes of "LYNK & CO 01" was 6,173 units. [Bloomberg]
- **Sinopec Receives First LNG Cargo at New Tianjin Terminal.** Tanker carrying first LNG cargo arrives at Tianjin on Tuesday, according to post on Sinopec website. LNG tanker CESI Beihai arrived at Tianjin on Feb. 6; left AP LNG project Jan. 10, stopped at Dongjiakou on Jan. 24: vessel tracking data on Bloomberg. [Bloomberg]
- **China Merchants Port to Buy 50% of Port of Newcastle From Holder.** China Merchants Port agreed to buy 50% interest in Port of Newcastle for A\$607.5m from substantial holder China Merchants Union (BVI) Ltd, according to Hong Kong stock exchange filing. [Bloomberg]
- **Huishan Dairy Subsidiaries Get Joint Provisional Liquidators.** Derek Lai and Edmund Yeung of Deloitte Touche Tohmatsu in Hong Kong were nominated as liquidators of Huishan HK, according to statement to Hong Kong stock exchange dated Feb. 6. [Bloomberg]
- **China National Coal Plans to Add 54.7M Tons of Capacity in 2018.** China National Coal Group Corp. plans to add 15 coal mines with total capacity of 54.7mn metric tons this year, co. says in Feb. 5 statement on its website. [Bloomberg]
- **Apple to Build Second Data Center in China.** Apple's second tech center is to be built in Ulanqab City in north China's Inner Mongolia Autonomous Region, Xinhua reports, citing a local government's announcement. Tech center to be put into operation in 2020, will offer iCloud services on the Chinese mainland. [Bloomberg]
- **Fosun International Bought Back 2mn Shares for HK\$33.6M Feb. 6.** The company paid HK\$16.66-HK\$16.92 apiece for the shares, representing 0.023% of issued share capital, according to statement to Hong Kong stock exchange dated February 6. [Bloomberg]
- **Baowu Steel Group 2017 Profit Rises to 14bn Yuan.** China Baowu Steel Group recorded more than 460b yuan in revenue in 2017, with profit doubling from a year earlier, China Daily reports, citing co.'s general manager Chen Derong. [Bloomberg]
- **Genworth to Turn to Borrowing as Deal for China Buyout Drags.** Genworth Financial Inc. said it's pursuing a secured debt transaction to address some bonds maturing this year even as it appeals again to U.S. national-security officials for its \$2.7bn buyout by China Oceanwide Holdings Group Co. [Bloomberg]
- **HNA Infrastructure Denies Repayment Issues for Property Unit.** HNA Real Estate doesn't have repayment issues and will work with Citic Trust, HNA Infrastructure Investment Group says in exchange filing, in denial to local media reports saying co. may default on trust loan. [Bloomberg]
- **Rio Tinto Rewards Investors.** Rio Tinto Group met investors' calls for higher returns with a record dividend after reporting annual profit soared to a three-year high amid buoyant commodity prices. It raised full-year dividend payments by 71%, beating estimates and said it would also extend a share buyback program, responding to a request from shareholders. [Bloomberg]
- **Huawei to spend \$4.2b in Britain.** Huawei will spend 3bn pounds (\$4.2bn) on British technology and services during the next five years. Huawei is likely to spend the money in a number of areas, including British telecommunications technology, chipset intellectual property, and financial services from companies in the UK. [China Daily]

V. Overnight Market Recap

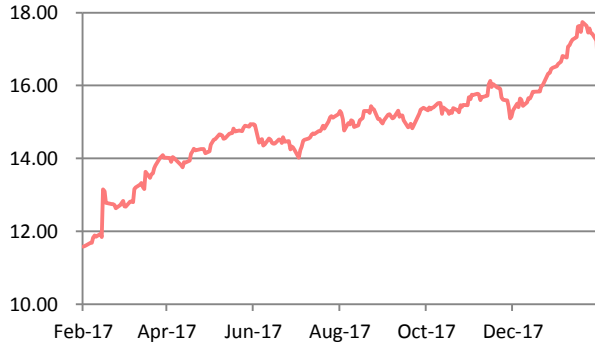
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,682	(13.5)	(0.5)	(5.0)	(2.4)	3.4	8.4	16.9	0.3
	Dow Jones	24,893	(19.4)	(0.1)	(4.8)	(1.5)	5.6	12.7	24.1	0.7
	Nasdaq Composite	7,052	(63.9)	(0.9)	(4.9)	(1.5)	3.9	10.7	24.1	2.2
	Russell 2000	1,508	0.8	0.1	(4.3)	(3.4)	1.8	6.9	11.0	(1.8)
	VIX Index	27.73	(2.3)	(7.5)	104.8	191.3	183.5	153.0	142.2	151.2
Europe Equity	Euro Stoxx 50	3,455	59.6	1.8	(4.3)	(4.5)	(5.5)	(1.7)	6.7	(1.4)
	DAX	12,590	197.8	1.6	(4.5)	(5.8)	(5.9)	2.4	9.1	(2.5)
	CAC	5,256	94.1	1.8	(4.1)	(4.2)	(3.9)	0.7	10.3	(1.1)
	FTSE 100	7,279	138.0	1.9	(3.4)	(5.4)	(3.3)	(3.5)	1.3	(5.3)
APAC Equity	HSI	30,323	(272.2)	(0.9)	(7.8)	(1.9)	4.9	8.9	29.1	1.4
	HSCEI	12,433	(253.3)	(2.0)	(8.3)	1.6	7.4	12.2	24.9	6.2
	HSI VIX	25.72	(1.5)	(5.6)	40.9	91.8	84.8	86.6	77.9	76.2
	CSI 300	4,050	(98.4)	(2.4)	(5.3)	(2.6)	0.1	8.5	19.7	0.5
	SH Composite	3,309	(61.4)	(1.8)	(4.9)	(2.9)	(3.1)	0.8	4.5	0.1
	SZ Composite	1,714	(11.7)	(0.7)	(8.7)	(11.9)	(14.9)	(8.8)	(11.7)	(9.7)
	Nikkei 225	21,645	35.1	0.2	(6.3)	(8.7)	(5.5)	8.2	13.9	(4.9)
KOSPI	2,397	(56.8)	(2.3)	(6.6)	(4.6)	(6.1)	0.1	16.1	(2.9)	
Commodities (USD)	Brent (Future)	65.51	(1.4)	(2.0)	(5.1)	(3.1)	2.9	25.1	19.0	(2.0)
	WTI (Future)	61.79	(1.6)	(2.5)	(4.5)	(0.1)	8.5	25.4	17.8	2.1
	Gold	1,318	(5.8)	(0.4)	(2.0)	(0.2)	2.8	4.5	6.1	1.1
	Copper (Future)	7,076	(93.0)	(1.3)	0.4	(0.6)	1.5	11.0	21.0	(2.4)
	Baltic Dry Index	1,095.00	13.0	1.2	(4.9)	(20.1)	(25.9)	5.7	53.4	(19.8)
FX	Dollar Index	90.26	0.7	0.8	1.3	(1.8)	(4.9)	(3.4)	(10.0)	(2.0)
	EUR	1.23	(0.0)	(0.9)	(1.2)	2.5	5.7	4.3	14.6	2.1
	JPY	109.33	(0.2)	(0.2)	0.1	3.5	4.2	1.0	2.4	3.1
	CNY	6.28	(0.0)	0.2	0.2	3.5	5.8	7.1	9.7	3.6
	CNH	6.32	0.0	0.6	0.3	2.9	5.0	6.3	8.4	3.2
CDS	ChinaGov CDS	58.64	(0.9)	(1.6)	8.4	29.4	(0.2)	(6.8)	(45.1)	17.1
	CDX Emerging Market	99.06	(0.1)	(0.1)	(0.3)	(0.4)	3.3	3.0	5.1	(0.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.54	0.0	1.7	1.5	1.4	1.2	1.0	0.5	1.4
	2-Year Treasury Yield	2.12	0.0	0.9	2.2	2.0	1.6	1.3	1.1	1.9
	5-Year Treasury Yield	2.56	0.0	0.7	2.6	2.3	2.0	1.8	1.8	2.2
	10-Year Treasury Yield	2.84	0.0	1.2	2.8	2.6	2.3	2.2	2.3	2.4
	2-10 Spread	71.03	2.0	2.9	62.5	58.1	70.2	86.7	119.1	51.8
China rates	O/N China Repo Rate	2.56	(0.0)	(1.5)	2.5	2.5	2.7	2.8	2.2	3.0
	1-Week China Repo Rate	2.71	0.0	1.5	2.8	3.1	2.9	2.9	2.7	3.1
	O/N SHIBOR	2.57	0.0	1.3	2.5	2.5	2.6	2.8	2.3	2.8
	1-Week SHIBOR	2.77	0.0	0.0	2.8	2.7	2.8	2.9	2.6	3.0

Source: Bloomberg

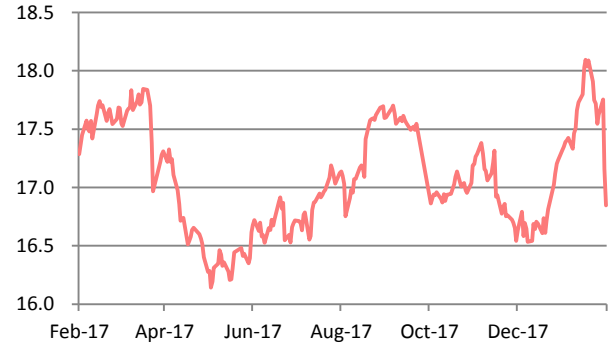
VI. Key Indicators

Hang Seng Index PE Ratio



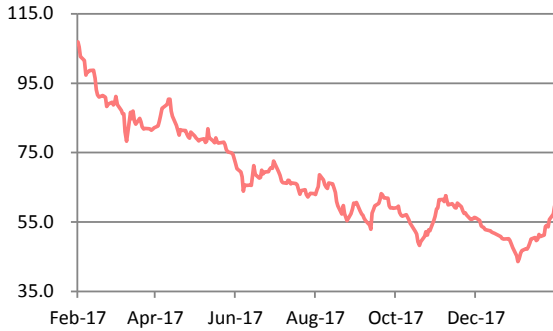
Source: Bloomberg

Shanghai Composite Index PE Ratio



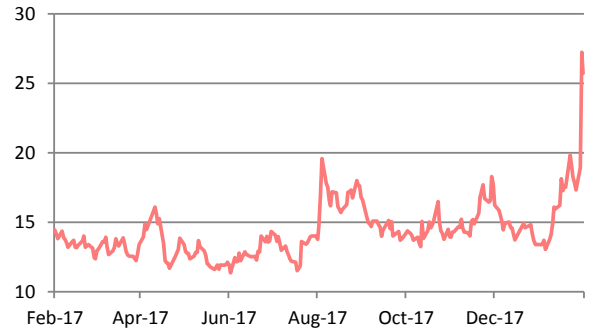
Source: Bloomberg

China 5Y CDS Index_USD



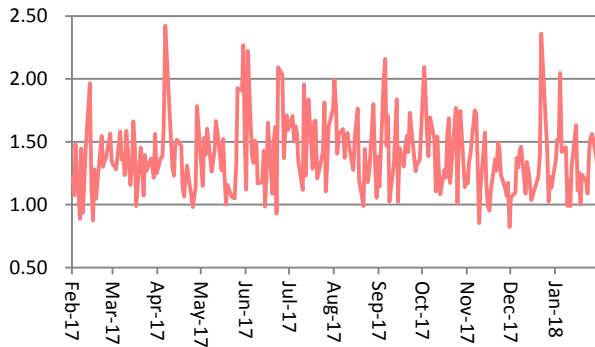
Source: Bloomberg

Hang Seng Index VIX



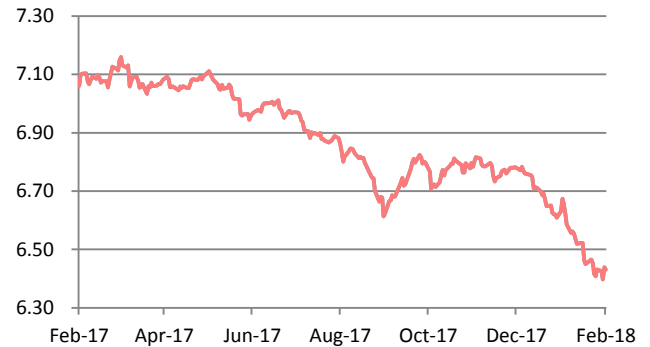
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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