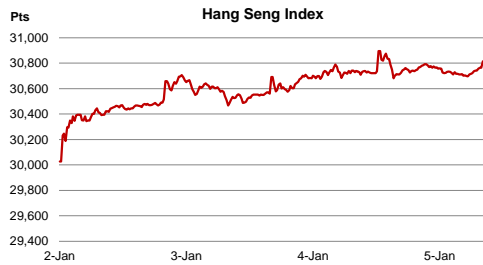


Major indices - performance



Global Index	Closing	Performance chg. (%)		
		1D	1W	1M
HANG SENG INDEX	30814.64	0.3	1.3	7.9
HANG SENG CHINA ENT INDX	12211.63	0.1	1.4	8.4
SHANGHAI SE COMPOSITE	3391.75	0.2	1.8	3.6
SHENZHEN SE COMPOSITE I	1941.795	0.0	1.4	2.9
CSI 300 INDEX	4138.75	0.24	1.8	3.9
DOW JONES INDUS. AVG	25295.87	0.88	2.3	3.9
S&P 500 INDEX	2743.15	0.7	2.8	3.6
NASDAQ COMPOSITE INDEX	7136.558	0.8	3.7	4.6
DAX INDEX	13319.64	1.2	3.5	1.6
CAC 40 INDEX	5470.75	1.1	3.3	1.6
FTSE 100 INDEX	7724.22	0.4	0.1	4.1

Sources: Bloomberg as of 8 January 18

Commodities	Closing	Performance chg. (%)		
		1D	1W	1M
Brent Crude Oil	67.62	-0.7	2.3	8.1
Gold	1319.59	-0.3	0.0	6.0
Steel (HRC China)	4259	-0.3	-1.8	-2.6
Aluminium	2202.5	-2.1	-4.1	8.2
Copper	7121	-0.9	-1.7	8.4

Sources: Bloomberg as of 8 January 18

Currencies (vs. US\$)	Closing	Performance chg. (%)		
		1D	1W	1M
CNY	6.4885	-0.08	-0.2	1.8
HKD	7.8196	0.03	-0.1	-0.2
JPY	113.05	0.27	-0.6	0.5
EUR	1.2029	-0.32	-0.8	1.7
GBP	1.3571	0.15	-0.2	1.6
AUD	0.7864	0.00	0.3	4.3
CAD	1.2412	-0.60	0.8	3.5

Sources: Bloomberg as of 8 January 18

Economic Calendar

Date	Event	Est.	Prior
10-Jan-18	China PPI YoY (Dec)	4.8%	5.8%
	China CPI YoY (Dec)	1.9%	1.7%
12-Jan-18	China trade balance (Dec)	\$37bn	\$40.21bn
	China exports YoY (Dec)	10.3%	12.3%
	China imports YoY (Dec)	15.0%	17.7%
	China trade balance CNY (Dec)	\$260.3bn	\$263.6bn
	China exports YoY CNY (Dec)	7.1%	10.3%
	China imports YoY CNY (Dec)	11.6%	15.6%
15-Jan-18	China money supply M0 YoY (Dec)	5.8%	5.7%
	China money supply M1 YoY (Dec)	12.6%	12.7%
	China money supply M2 YoY (Dec)	9.2%	9.1%
	China aggregate financing CNY (Dec)	1500.0bn	1600.0bn
	China New Yuan Loans CNY (Dec)	1000.0bn	1120.0bn
18-Jan-18	China foreign direct investments YoY CNY (Dec)	N/A	90.7%

Sources: Bloomberg as of 8 January 18

Market commentary

Hong Kong and China market outlook

US stocks rose last Friday and indices reached all-time highs led by retailing, software & services, and healthcare equipment & services sectors. On the economic front, nonfarm payrolls reported lower than expected at 148,000 for December while manufacturing payrolls dropped to 25,000 for the same month compared to November at 31,000. Unemployment rate remain unchanged at 4.1% while trade deficit increased to US\$50.5bn. In China, foreign reserves amounted to US\$3.14trn in December, higher than expected while HK recorded US\$432.3bn for the same month. Regarding corporate news, Tencent (700.HK +0.32%) is in talks with MySquar (MYSQ.UK -19.09%) for partnership. Shenzhen Investment (604.HK +1.79%) acquires land in Nanjing for RMB1.2bn, while China Railway Construction (1186.HK +0.54%) wins RMB3.97bn rural highway project in Xinjiang.

This week's focus may be on the coal & airline sectors as the Chinese government announces statements regarding support for the industries to maintain competitiveness and boost sales for local businesses.

Hong Kong market sector movers and news tracker

1) HK property sector: Total sale and purchase agreements for building units decreased 5.8% MoM and increase 2.7% YoY for December.
 • Related stocks: SUNEvision (8008.HK -0.82%), SHK (16.HK +1.43%), Kerry (683.HK +1.80%), Henderson (12.HK +1.81%)

2) China bank sector: PBOC strengthens central parity rate of RMB to 6.492 or 159bps – a 20 month high.
 • Related stocks: BOC (3988.HK +0.75%), ICBC (1398.HK -0.15%), CCB (939.HK +0.53%), CM Bank (3968.HK -1.36%)

3) Oil sector: Brent Crude oil prices top \$68/barrel, a first since 2015, and OPEC members Iran & Venezuela continue to pose threat as a result of its supply outputs.
 • Related stocks: CNOOC (883.HK +0.83%), Petro China (857.HK +0.35%), Sinopec (386.HK +1.47%), China Oilfield (2883.HK -0.70%)

4) China coal sector: Beijing to embark on consolidation and will support M&A's to "expand business from coal production to services" according to Xinhua.
 • Related stocks: China Coal Energy (1898.HK +1.40%), Yanzhou Coal (1171.HK +1.40%), China Shenhua (1088.HK +2.14%), China Qinfa (866.HK +1.02%)

China airline sector: Civil Aviation Administration of China and NDRC announces more price control for carriers for domestic routes.
 • Related stocks: China Southern (1055.HK +0.48%), China East Air (670.HK +3.65%), Air China (753.HK -1.30%)

Shanghai-Hong Kong Stock Connect

Northbound Daily (RMB bn)	Quota	Balance	Percent	# of buy trades (k)	# of sell trades (k)
1/1/2018	N/A	N/A	N/A	N/A	N/A
2/1/2018	13.0	10.9	84%	169.5	95.3
3/1/2018	13.0	10.3	79%	221.0	160.5
4/1/2018	13.0	10.2	78%	204.2	132.8
5/1/2018	13.0	12.0	92%	167.0	114.3

Sources: HKEX

Southbound Daily (RMB bn)	Quota	Balance	Percent	# of buy trades (k)	# of sell trades (k)
1/1/2018	N/A	N/A	N/A	N/A	N/A
2/1/2018	10.5	8.2	78%	91.2	60.3
3/1/2018	10.5	8.6	82%	86.3	69.3
4/1/2018	10.5	7.7	74%	73.5	56.2
5/1/2018	10.5	8.6	82%	79.9	59.0

Sources: HKEX, SSE

Shenzhen-Hong Kong Stock Connect

Northbound Daily (RMB bn)	Quota	Balance	Percent	# of buy trades (k)	# of sell trades (k)
1/1/2018	N/A	N/A	N/A	N/A	N/A
2/1/2018	13.0	11.6	89%	132.4	99.1
3/1/2018	13.0	11.1	85%	180.5	132.1
4/1/2018	13.0	11.3	87%	154.9	115.9
5/1/2018	13.0	11.4	88%	146.8	108.2

Sources: HKEX

Southbound Daily (RMB bn)	Quota	Balance	Percent	# of buy trades (k)	# of sell trades (k)
1/1/2018	N/A	N/A	N/A	N/A	N/A
2/1/2018	10.5	9.1	87%	49.5	35.2
3/1/2018	10.5	9.3	89%	58.2	39.9
4/1/2018	10.5	9.3	88%	46.4	34.0
5/1/2018	10.5	9.8	93%	46.5	35.2

Sources: HKEX, SSE

IPO Calendar

Company	Ticker	Listing date	IPO px (HK\$)	Business
Excalibur Global Financial	8350.HK	12/1/2018	0.375-0.425	Securities
Wine's Link International	8509.HK	12/1/2018	0.55-0.75	Alcoholic drinks
C-MER Eye Care Holdings	3309.HK	15/1/2018	2.35-2.90	Medical equipment
Taste.Gourmet Group	8371.HK	15/1/2018	0.86-1.09	Restaurants & fast food
Everbright Grand China Assets	3699.HK	16/1/2018	1.30-1.49	Property investment
Zhenro Properties Group	6158.HK	16/1/2018	3.40-4.08	Property development
Thing On Enterprise	2292.HK	16/1/2018	1.00-1.24	Property management
Space Group Holdings	2448.HK	16/1/2018	1.00-1.40	Construction
ISP Global	8487.HK	16/1/2018	0.30-0.40	IT hardware
Dragon King Group	8493.HK	16/1/2018	0.18-0.26	Restaurants
Sling Group Holdings	8285.HK	16/1/2018	0.43	IT hardware
ZACD Group	8313.HK	16/1/2018	0.26-0.33	Property investment
Twintek Investment	6182.HK	17/1/2018	0.52-0.68	Construction materials
JTF International	8479.HK	17/1/2018	0.50	Petro & gas
Bank of Gansu	2139.HK	18/1/2018	2.61-2.77	Banks
Zioncom Holdings	8287.HK	18/1/2018	0.28-0.52	IT hardware
Pentamaster International	1665.HK	19/1/2018	0.90-1.10	Semiconductors
Atlinks Group	8043.HK	19/1/2018	0.50-0.90	Telecomm
IAG Holdings	8513.HK	19/1/2018	0.60-0.70	Medical equipment
Xinghua Port	1990.HK	12/2/2018	N/A	Marine & harbor

Sources: HKEX, Bloomberg

Market commentary

Hong Kong notable market movers and news tracker

1) Speedy Global (540.HK suspended) resumes trading today following suspension on Friday.

2) Swire Properties (1972.HK +4.65%) raised US\$500m for green bond at coupon rate of 3.5%.

3) SHK (16.HK +1.43%) announces its Babington Hill project comprises of 30+ units and will be completed in April.

4) Tracker Fund (2800.HK +0.16%) assets surged HK\$100bn according to State Street Global Advisors.

5) Convoy (1019.HK suspended) received petition against 33 respondents from the High Court.

6) Shun Tak (242.HK +0.94%) enters JV with consortium of investors worth US\$500m for health-care projects in China.

7) China Aircraft (1848.HK +0.73%) announces purchase of 15 airbus aircrafts for US\$1.63bn.

8) Vanke (2202.HK +6.38%) acquires 20 shopping malls with SCGP Commercial RE and Hopu Investment Management worth RMB8.36bn.

9) Sinopec Oilfield (1033.HK -1.45%) secures US\$153m contract from Petroamazonas EP.

10) GCL New Energy (451.HK -1.61%) posts positive profit alert and mentions its solar energy business will reach over RMB850m.

Important legal disclosures

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