

Haitong International Holds 2018 Macro Strategy Luncheon in Hong Kong

Hong Kong, 2 March, 2018 – Haitong International Securities Group (665.HK) held its annual Macro Strategy Luncheon successfully at the JW Marriott Hotel in Hong Kong today, providing an opportunity to help investors to better position in a complex market environment in 2018 when fluctuations were seen in Hong Kong stock markets recently and global equities markets were shaken up last month after sharp corrections in the U.S. stock markets.



Henry Shi, member of Executive Committee and co-head of global markets business of Haitong International gave a welcome speech at the luncheon. Jiang Chao, chief economist and chief macroeconomic bond analyst of Haitong Securities, Ji Weidong, co-founder and managing partner of All Star Investment Fund, and Liu Chengqi, head of Asia Pacific's trading department of Circle, were invited to attend the luncheon, sharing their views on the outlook of global economy and capital markets in the second quarter of 2018, China's Internet industry outlook, and the emerge of the so-called cryptocurrencies.



Photo: Henry Shi, member of Executive Committee and co-head of global markets business of Haitong International

Jiang Chao, who won numerous awards in macroeconomic research, said that a sharp rise in interest rates and a decline in credit growth in the United States were seen as it is close to full employment and its drastic tax cuts are expected to spur consumption as well as inflation expectations. He believes that such trend will be continued in the future, reflecting that the U.S. economic expansion cycle has come to an end.

In contrast, China's over-borrowing since 2009 has led to the over-issuance of currency and the most significant impact is the growing real estate bubble. Therefore, He believes that the core of the government's economic policy in 2018 lies in deleveraging and bolstering areas of weakness. The stabilization of the economic situation in the future will mainly depend on the new economy rather than the old economy.



Photo: Jiang Chao, chief economist and chief macroeconomic bond analyst of Haitong Securities

Looking forward to 2018, as China's economy has stepped into a deleveraging phase, interest rates will also enter the downward turning point correspondingly. Thus, current bond market is of huge value for asset allocation. Meanwhile, with the change of population structure in China, consumer spending continues to rise specifically on areas of education, pension and medical services. It is expected that there will be great potential in some service industries related to education and medical services in the future. Separately, given the ongoing downward trend in China's PPI, he is cautious about investing in domestic commodities and real estate.

For Hong Kong, Jiang believes that the investment opportunities in the Hong Kong stock market deserve investors' attention because Hong Kong is changing its rules to allow the so-called new-economy companies, unprofitable biotech companies, and Innovative companies listed in mature markets in Europe and the U.S. to list in Hong Kong by adopting weighted voting rights structures, which means that Hong Kong stock market has been transforming from a cyclical market into an innovative and growth market.

During the second part of the luncheon, Ji Weidong, co-founder and managing partner of All Star Investment Fund, gave suggestions on investment based on the development of China's internet industry over the past decade. He believes that in the past ten years, the Chinese Internet industry has witnessed a spurt of growth. At present, the Internet companies in China have already taken four spots among the top 10 global Internet companies in terms of market capitalization and have already become the growth engine of China's new economy.



Photo: Ji Weidong, co-founder and managing partner of All Star Investment Fund

Last but not the least, Liu Chengqi, head of Asia Pacific's trading department of Circle, has shared his views on the transaction mode of Bitcoin, the current regulatory measures taken by various countries, and the fictitious currency craze led by Bitcoin. He said that the emerge of "token economy" has spawned a kind of financial ecosystem comparable to traditional currencies and already possessed the basic elements of the financial industry chain such as underwriting, retail banking, research and over-the-counter transactions.



Photo: Liu Chengqi, head of Asia Pacific's trading department of Circle



Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up the Chinese and overseas capital markets. The parent company of Haitong International is Haitong Securities Co. Ltd (“Haitong Securities”, Stock Code: 600837.SH; 6837.HK).

To date, Haitong International has well positioned to serve about 200,000 corporate, institutional, as well as retail and high-net worth clients worldwide. Its well established investment banking business platform provides corporate finance, wealth management, asset management, fixed income, currency and commodities (FICC), institutional equities and a full spectrum of financial products and services. Haitong International possesses a sound risk management system that is in line with international standards. The company have been assigned a “Baa2” long-term issuer rating by Moody’s and a “BBB” long-term credit rating by Standard and Poor’s. Haitong International has a global financial servicing network covering the world’s major capital markets including Hong Kong, Singapore, New York, London, Tokyo, Mumbai and Sydney, thereby making us to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

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