

This Week in Finance: Low expectations for Hong Kong CE Policy Address

Wednesday looks to be the most newsworthy day this week.

It's time for Chief Executive CY Leung's annual policy address. After more than two months of street protests during the Umbrella Movement last year, he is seeking to save his plan for the 2017 election of the city's top political leader.

But is he to be trusted? Polls show low expectations. According to the SCMP, some 37.8 per cent of Hong Kong's poll respondents distrust Leung's administration, against 29.2 per cent who said they do trust the government. That said the election of Hong Kong's next head may not be everybody's top priority. If the polls are to be believed, housing and planning is the top priority ahead of constitutional development.

How will it affect the markets? Money For Nothing's lineup of experts last week are betting on positivity given that after the strong rally last year, China A shares are considerably more expensive than their counterpart H shares. "My bet would be on the H shares coming up, rather than seeing a large correction in the A-share market," said Martin Hennecke, Chief Economist, The Henley Group.

As to global markets, volatility still appears to be at crisis levels. What does this mean in terms of the January effect? We'll ask our guests on Money For Nothing this week.

There's plenty else on the global agenda that could possibly move markets this week.

– France plans to convene a meeting of international security officials in Paris following the massacre of journalists at magazine Charlie Hebdo.

– The U.S. releases retail sales and its Fed Beige Book report on Wednesday too.

And putting markets aside, in entertainment news, today marks the Golden Globes leading into nominations for the 87th Oscar Award nominations later in the week.