



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: NFIB Small Business Optimism	Aug	108.2	107.9
Japan: Machine Tool Orders YoY	Aug	N/A	13.10%
UK: Average Weekly Earnings 3M YoY	Jul	N/A	2.40%
Australia: NAB Business Confidence	Aug	N/A	7.00
Germany: ZEW Survey Current Conditions	Sep	N/A	72.6

Source: Bloomberg

II. Macro News

- **China's Consumer Inflation Rises Further as Producer Prices Ease.** China's consumer inflation rose for a third month in August while producer prices eased. The consumer price index rose 2.3 percent from a year earlier, compared with a projected 2.1 percent increase in a Bloomberg survey of economists. [Bloomberg]
- **Strong Economy Drove Wages Higher in August as Hiring Heats Up.** A robust economy drove U.S. wages higher in August, new evidence that workers are gaining bargaining power with their employers as the nation's pool of available labor tightens. The Labor Department reported that worker payrolls expanded by 201,000 in August and private-sector hourly wages grew 2.9% from a year earlier. [WSJ]
- **Germany's Seasonally Adjusted Industrial Output Down 1.1% MoM in Jul.** Data from Federal Statistical Office showed that, after price, seasonal and calendar adjustments, Germany's industrial output slipped for the second month in July with monthly decline extending to 1.1%. Investors have predicted a 0.2% increase initially. [AASocks]

III. Industry News

- **HKMA Signs Fintech Cooperation Pact With Central Bank of Brazil.** The two sides to enhance collaboration in fintech issues with a view to encourage and enabling innovation in financial services in both markets, and supporting innovative businesses in expanding to each other's jurisdictions, HKMA says in statement on website. [Bloomberg]
- **China May Allow QFII, RQFII To Trade Commodities Futures.** China's securities regulator considers to allow QFII and RQFII funds to invest in commodities futures, Shanghai Securities News reports, citing Fang Xinghai, vice chairman of the China Securities Regulatory Commission. [Bloomberg]
- **China Aug Forex Reserves Down US\$8.23B MoM, Trailing Forecast.** People's Bank of China announced that the balance of foreign exchange reserves amounted to US\$3.109716 trillion at the end of August, below the US\$3.115 trillion in street consensus, fading US\$8.23bn on a monthly basis. [AASocks]

IV. Corporate News

- **Alibaba appoints Daniel Zhang to succeed Jack Ma as chairman in 12-month succession plan.** Jack Ma will hand over the keys of Asia's most valuable company to Alibaba Group Holding's chief executive officer, in an unprecedented succession plan that will slowly take the focus off one of China's most recognisable corporate names over the next 12 months. [SCMP]
- **Experts say corporate governance risks exposed at JD.com after CEO Liu's arrest.** The control exerted by founder Liu Qiangdong over China's second largest e-commerce player JD.com has been thrown into sharp relief by his recent US arrest on a rape allegation, exposing corporate governance risks at the Beijing-based company, analysts say. [SCMP]

- **9F, fintech company with 63 million mainland Chinese users, eyes Hong Kong virtual banking licence.** Mainland Chinese financial technology company 9F Group has teamed up with local and international firms to apply for a virtual banking licence in Hong Kong. [SCMP]
- **Haidilao Seeks Valuation Exceeding All Hong Kong Eatery Stocks.** The Chinese hotpot chain is seeking a value of at least \$10bn, higher than all of the 33 eatery companies traded in Hong Kong, according to data compiled by Bloomberg including all of its outstanding stock. Haidilao is offering 424.5mn shares, about 8% of its enlarged equity capital, at HK\$14.80 to HK\$17.80 apiece, according to deal terms. [Bloomberg]
- **China's Top Hotpot Chain Attracts Hillhouse to \$963M IPO.** Haidilao International Holding Ltd., China's biggest hotpot restaurant chain, is seeking to raise as much as \$963mn in a HK IPO. The Beijing-based firm is offering 424.5mn shares at HK\$14.80 to HK\$17.80 apiece, according to terms for the deal obtained by Bloomberg on Monday. [Bloomberg]
- **PetroChina Inks Its Biggest Qatar LNG Deal as U.S. Trade at Risk.** PetroChina Co. signed a deal with Qatargas Operating Co. to purchase 3.4 million tons of liquefied natural gas annually, the Chinese company's biggest supply deal, amid a brewing trade war with the U.S. that threatens to stifle the Asian nation's purchases of American fuel. [Bloomberg]
- **Shui On Seeks Consents to Amend Some Senior Note Provisions.** The company is soliciting consents from note holders to modify provisions of some indentures and definition of "permitted investment" to allow additional flexibility to declare and pay dividends on the shares, to redeem, repurchase and/or otherwise acquire shares and to make certain other investments, Shui On Land says in Hong Kong stock exchange filing. [Bloomberg]
- **HNA Said to Seek Buyer for \$1 Billion Container Lessor Seaco.** HNA Group Co. is seeking a buyer for its container-leasing business Seaco, people familiar with the matter said, marking the latest attempt by the Chinese conglomerate to reduce its debt pile. [Bloomberg]
- **China Construction Bank Chief Sees Trade Conflict Resolution.** China and the U.S. will eventually find a solution to their escalating trade dispute, according to the chairman of the Asian nation's second-biggest bank. "There's room for negotiation," China Construction Bank Corp.'s Tian Guoli told reporters on Monday. [Bloomberg]
- **ArcelorMittal Is Said to Boost Essar Steel Bid to \$5.8 Billion.** ArcelorMittal has raised its bid for indebted Essar Steel India Ltd. to about 420 billion rupees (\$5.8 billion). The world's biggest steelmaker recently sent a letter to Essar Steel's lenders informing them of its new proposal. [Bloomberg]
- **China Resources Land Aug Contracted Sales Approx. RMB19.03B.** China Resources Land announced that for the month ended 31 August 2018, the Group achieved gross contracted sales of approximately RMB19.03 billion with contracted GFA of approximately 1.0787mn sqm, among which contracted sales of RMB16.7bn, up 33.3% YoY. [AASocks]
- **Didi adds new safety feature.** Didi Chuxing, China's largest online car-hailing platform, launched an in-car audio recording function on its app on Saturday as part of improved safety measures in the wake of the murders of two female passengers by drivers since May. [China Daily]
- **China online revenues climb to 496b yuan.** The Ministry of Industry and Information Technology of China reported that internet-related revenue during the first seven months reached 496.5 billion yuan (HK\$567.06 billion), up by 25.9 percent from a year earlier. [The Standard]
- **China Jinmao books 86b yuan property sales.** China Jinmao Holdings reported that contracted sales in the first eight months increased by 1.68 times from a year earlier to 86.29bn yuan. The subscribed but not contracted property sales amounted to 2.17bn yuan. [The Standard]
- **Trump Presses Apple to Shift Production to U.S.** President Trump called on Apple Inc. to shift production to the U.S. and out of China, reviving a longstanding criticism and pressuring the iPhone maker to help fulfill the administration's economic goal of restoring American manufacturing. [WSJ]

V. Overnight Market Recap

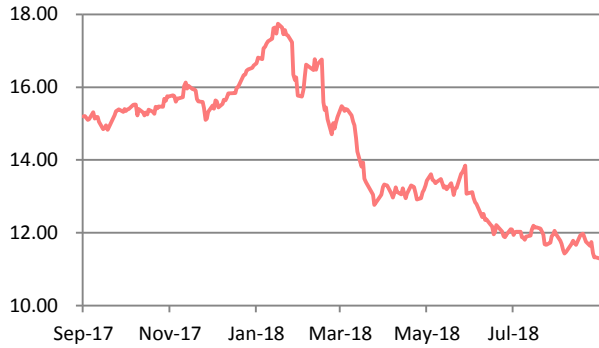
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,877	5.5	0.2	(0.8)	1.5	3.4	3.2	15.6	7.6
	Dow Jones	25,857	(59.5)	(0.2)	(0.4)	2.1	2.1	2.1	17.2	4.6
	Nasdaq Composite	7,924	21.6	0.3	(2.3)	1.1	3.4	4.8	23.2	14.8
	Russell 2000	1,717	4.3	0.3	(1.3)	1.8	2.6	7.5	21.4	11.8
	VIX Index	14.16	(0.7)	(4.8)	10.1	7.6	14.7	(3.3)	32.0	28.3
Europe Equity	Euro Stoxx 50	3,309	15.9	0.5	(2.5)	(3.4)	(4.9)	(3.3)	(5.3)	(5.6)
	DAX	11,986	26.7	0.2	(2.9)	(3.5)	(6.7)	(2.9)	(3.9)	(7.2)
	CAC	5,270	17.4	0.3	(2.7)	(2.7)	(3.7)	(0.1)	1.8	(0.8)
	FTSE 100	7,279	1.6	0.0	(3.0)	(5.1)	(5.9)	0.8	(1.8)	(5.3)
APAC Equity	HSI	26,613	(360.1)	(1.3)	(4.0)	(6.2)	(14.3)	(14.1)	(4.8)	(11.0)
	HSCEI	10,434	(125.9)	(1.2)	(3.5)	(4.7)	(14.3)	(16.1)	(7.0)	(10.9)
	HSI VIX	22.07	0.7	3.4	12.4	20.1	32.0	(0.5)	43.8	51.2
	CSI 300	3,230	(47.6)	(1.5)	(2.8)	(5.1)	(14.5)	(21.4)	(15.6)	(19.9)
	SH Composite	2,669	(32.8)	(1.2)	(1.9)	(4.5)	(12.6)	(19.3)	(20.9)	(19.3)
	SZ Composite	1,407	(26.4)	(1.8)	(2.9)	(7.2)	(19.2)	(25.4)	(29.4)	(25.9)
	Nikkei 225	22,373	66.0	0.3	(1.5)	1.0	(1.2)	4.9	15.2	(1.1)
Commodities (USD)	KOSPI	2,289	7.1	0.3	(0.8)	0.4	(7.3)	(6.9)	(2.9)	(7.2)
	Brent (Future)	77.37	0.5	0.7	(1.0)	6.4	1.3	18.3	43.9	15.9
	WTI (Future)	67.54	(0.2)	(0.3)	(3.2)	(0.0)	2.3	9.0	40.6	11.9
	Gold	1,196	(1.1)	(0.1)	(0.5)	0.1	(8.1)	(9.7)	(10.0)	(8.3)
	Copper (Future)	5,910	(23.0)	(0.4)	(1.0)	(4.5)	(19.2)	(15.1)	(11.7)	(18.4)
FX	Baltic Dry Index	1,490.00	6.0	0.4	(4.3)	(11.9)	7.4	24.1	10.0	9.1
	Dollar Index	95.15	(0.2)	(0.2)	0.0	(1.2)	1.7	5.6	3.6	3.3
	EUR	1.16	0.0	0.4	(0.2)	1.6	(1.6)	(6.0)	(3.0)	(3.4)
	JPY	111.13	0.1	0.1	0.1	(0.6)	(1.2)	(4.4)	(1.7)	1.2
	CNY	6.86	0.0	(0.2)	(0.5)	(0.1)	(6.6)	(7.7)	(4.8)	(5.1)
CDS	CNH	6.87	-	-	0.5	0.4	(6.9)	(8.0)	(4.9)	(5.2)
	ChinaGov CDS	57.48	(0.4)	(0.6)	(3.6)	(6.8)	2.5	5.6	(1.2)	14.8
	CDX Emerging Market	94.63	(0.0)	(0.0)	0.4	(1.2)	(2.0)	(4.8)	(2.2)	(4.5)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.12	(0.0)	(0.2)	2.1	2.0	1.9	1.7	1.0	1.4
	2-Year Treasury Yield	2.71	0.0	0.3	2.7	2.6	2.5	2.3	1.3	1.9
	5-Year Treasury Yield	2.82	0.0	0.1	2.8	2.7	2.8	2.6	1.7	2.2
	10-Year Treasury Yield	2.93	(0.0)	(0.2)	2.9	2.9	3.0	2.8	2.1	2.4
	2-10 Spread	21.65	(1.6)	(6.7)	24.1	26.5	42.0	58.5	80.8	51.8
China rates	O/N China Repo Rate	2.57	(0.0)	(0.4)	2.1	1.8	2.6	2.1	2.6	3.0
	1-Week China Repo Rate	2.60	0.1	4.0	2.2	2.3	2.7	3.5	3.4	3.1
	O/N SHIBOR	2.57	(0.0)	(0.7)	2.2	1.8	2.6	2.6	2.6	2.8
	1-Week SHIBOR	2.68	0.0	0.2	2.6	2.4	2.8	2.9	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



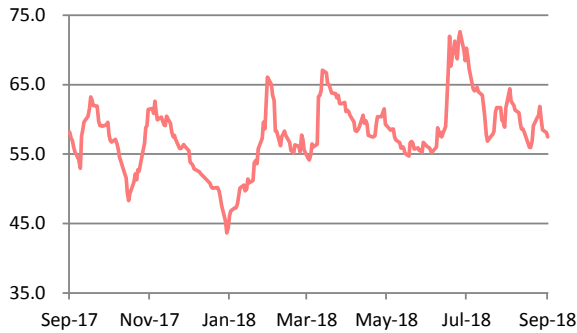
Source: Bloomberg

Shanghai Composite Index PE Ratio



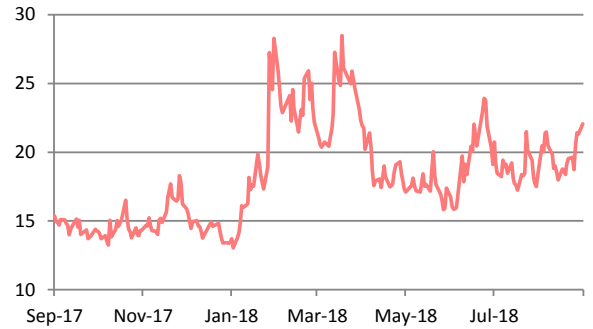
Source: Bloomberg

China 5Y CDS Index_USD



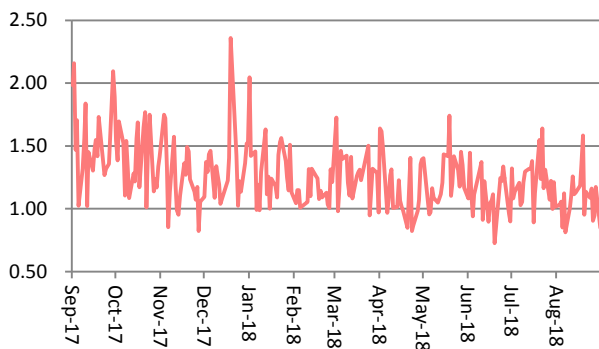
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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