



I. Major Economic Release

Upcoming Economic Release

| Economic Indicator | Period | Market Survey | Prior Period |
|-----------------------------------|--------|---------------|--------------|
| UK: Rightmove House Prices YoY | Aug | N/A | 1.10% |
| Indonesia: Exports/Imports YoY | Aug | 9.1%/24.0% | 19.3%/31.5% |
| Indonesia: Trade Balance | Aug | -USD417mn | -USD2030mn |
| Turkey: Industrial Production YoY | Aug | N/A | 3.20% |

Source: Bloomberg

II. Macro News

- **Argentina CPI Est. Raised to 42% in 2018, 27% 2019.** Bradesco BBI previously forecast inflation of 35% for 2018 and 21% for 2019, according to research note from economist Dalton Gardimam. Although inflation is expected to begin decelerating at the margin by YE2018, 12-month CPI should remain at above 40% in 1H19. [Bloomberg]
- **China's Investment Slowdown Worsens as Industry, Retail Hold Up.** China's economic momentum weakened a notch in August, with a continued slowdown in investment overshadowing solid retail sales and industrial production data. Industrial output rose 6.1% YoY in August, versus a projected 6.1% in a Bloomberg survey and 6% the previous month. [Bloomberg]
- **China to Lend Venezuela \$5 Billion as Maduro Visits Beijing.** China agreed to extend a \$5bn credit line to cash-strapped Venezuela, said the Venezuelan finance minister, as President Nicolas Maduro headed to Beijing. Minister Simon Zerpa told Bloomberg News that Venezuela would pay back the loan with either cash or oil. [Bloomberg]

III. Industry News

- **Monthly NEV sales rise, outshining other segments.** The output and sales of new energy vehicles in China rose 39 and 49.5 percent on a yearly basis to 99,000 and 101,000 units in August, according to the China Association of Automobile Manufacturers, Securities Daily reported. [China Daily]
- **China Churns Out Near Record Amounts of Steel as Prices Surge.** China's official figures showed steel output remained elevated in August as mills in the world's biggest producer kept run rates high amid a fresh surge in prices. Production of crude steel climbed 2.7% YoY to 80.33mn metric tons, according to data from the NBS on Friday. [Bloomberg]
- **Coal Output Rebounds in China as Miners Return, Demand Bolstered.** Coal output in China climbed as miners resumed operations after a previous round of environmental inspections ended, seeking to meet demand that was buttressed by hot weather during the traditional summer peak season. Output rose 5.4% MoM in August to the equivalent of 9.57mn metric tons a day. [Bloomberg]

IV. Corporate News

- **Tencent, Hillhouse Team Up to Manage China's Offshore Trillions.** Tencent Holdings Ltd. and Hillhouse Capital Management Ltd. are joining the throng of financial firms seeking to service the huge number of Chinese investors looking to diversify outside of the mainland. [Bloomberg]
- **Chinese Operator of Kenyan Railway Wins Bid for Oil Terminal.** China Communications Construction Co., operator of Kenya's new railway, won a bid to build an oil terminal that will have capacity to store 10 times more than an existing facility, according to the East African nation's port authority. [Bloomberg]

- **Lenovo Seals NetApp Tie-Up to Spur Cloud Business in U.S., China.** NetApp Inc. is teaming with Lenovo Group Ltd. to store and manage data for corporations around the world, providing the U.S. company with a key partner in a booming Chinese market as tensions between the two countries escalate. [Bloomberg]
- **Ant Financial Said to Hire Deutsche Banker to Run New Fund.** Jack Ma's Ant Financial has hired a senior banker from Deutsche Bank AG to join its investment team. The financial services giant is looking for deals to build its presence abroad, acquiring technology and investing in local payment services in Southeast Asia, Korea and India. [Bloomberg]
- **Hong Kong Tycoon Li Is Said to Weigh London Infrastructure IPO.** Hong Kong tycoon Victor Li's CK Infrastructure Holdings Ltd., which owns energy and water utilities globally, is considering listing some U.K. assets through a London initial public offering. [Bloomberg]
- **Lithium Giants Battle It Out for Supply in Chilean Court.** A brewing legal battle in Chile's antitrust court highlights the scramble for lithium, used in rechargeable batteries for electric vehicles. China's Tianqi Lithium Corp. is under scrutiny by an antitrust court amid concerns its \$4.1b offer to buy Nutrien Ltd.'s stake in Chilean producer SQM will stifle competition. [Bloomberg]
- **Tencent, Lego look to pull China's games market out of the doldrums with new offering.** Tencent Holdings has teamed up with The Lego Group to launch a new video game next week, which could provide a spark to China's US\$38bn games market months after a regulatory restructuring halted the approval of new licences and led to the industry's slowest first-half growth in at least a decade. [SCMP]
- **Xiaomi chief executive Lei Jun restructures company to ensure sustainability and develop younger talent.** Xiaomi founder and chief executive Lei Jun on Thursday told staff that the firm would be undergoing an internal restructuring to strengthen the different functions and help develop younger talent. [SCMP]
- **Chinese online chemist 111 looks beyond lacklustre Nasdaq debut to strong growth at wholesale unit.** Three years after selling an online supermarket to retail giant Walmart, founders Gang Yu and Junling Liu rang the bell on Wednesday at the Nasdaq exchange for the market debut of their latest baby, 111 Inc., amid a gathering storm for tech stocks on a variety of earnings and regulatory concerns. [SCMP]
- **Leading telecom carrier to conduct 5G trials in 17 cities.** Leading telecom carrier China Telecommunications Corp will conduct scale trials of 5G applications in 17 cities, as part of its broader push to gain a lead in the race to commercialize the fifth-generation communication technology. [China Daily]
- **Huawei relocates R&D staff to Dongguan campus.** Chinese phone maker Huawei Technologies Co Ltd has been moving R&D staff from its Shenzhen headquarters to a new campus in the neighboring city of Dongguan since July. Thousands of people have relocated so far and another round of resettlement is expected by the end of this year. [China Daily]
- **Daimler revs up more support for innovation in Chinese market.** Daimler AG is gearing up to be an "open-minded innovator" and a "positive enabler" in China. "It's in China that we see people's willingness and strong desire of getting access to innovation," said Hans Georg Engel, senior executive VP of Daimler Greater China. [China Daily]
- **Ping An Denies Rumor on 'Giving up Active Stock Mgmt, Selling off Shares'.** Regarding market rumor that Ping An will give up active stock management and sell off shares, the company said it is totally fictitious as it misinterprets the meaning of strategic transformation of its asset management company, Shanghai Securities News reported. [AASocks]
- **Hua Medicine Expects PRC Govt More Supportive to New Drug R&D.** Hua Medicine 's Founder, CEO and Chief Scientific Officer, Li Chen, was asked about his view regarding the centralized drug procurement policy in Mainland China after listing ceremony. [AASocks]
- **Cathay Pacific Air Revises Salary Packages for New Pilots, Pegged with Flying Hours.** Cathay Pacific Airways revises the salary and subsidy packages for newly employed pilots, SCMP cited sources. Under which, the proportion of pilots with their salary pegged with flying hours will increase to 30% from 10% currently, effective December. [AASocks]

V. Overnight Market Recap

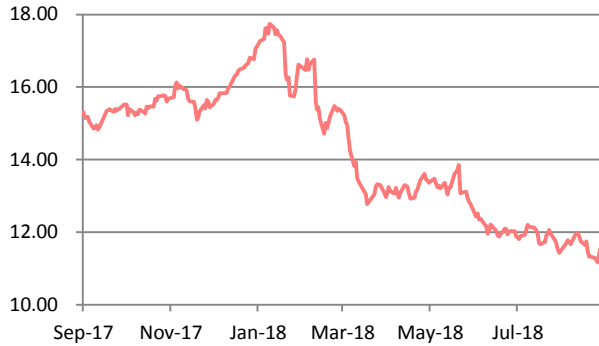
| | Close | Net Chg | Chg (%) | Performance (%) | | | | | | |
|-------------------|---------------------|----------|---------|-----------------|--------|--------|--------|--------|--------|--------|
| | | | | 1W | 1M | 3M | 6M | 1Y | YTD | |
| US Equity | S&P 500 | 2,905 | 0.8 | 0.0 | 1.2 | 1.9 | 4.5 | 5.6 | 16.2 | 8.7 |
| | Dow Jones | 26,155 | 8.7 | 0.0 | 0.9 | 1.9 | 4.2 | 4.8 | 17.5 | 5.8 |
| | Nasdaq Composite | 8,010 | (3.7) | (0.0) | 1.4 | 2.5 | 3.4 | 7.1 | 24.2 | 16.0 |
| | Russell 2000 | 1,722 | 7.4 | 0.4 | 0.5 | 1.7 | 2.2 | 8.6 | 20.3 | 12.1 |
| | VIX Index | 12.07 | (0.3) | (2.4) | (18.9) | (4.5) | 0.8 | (23.6) | 18.7 | 9.3 |
| Europe Equity | Euro Stoxx 50 | 3,345 | 11.0 | 0.3 | 1.6 | (0.8) | (4.6) | (2.7) | (4.9) | (4.5) |
| | DAX | 12,124 | 68.8 | 0.6 | 1.4 | (0.7) | (6.8) | (2.1) | (3.2) | (6.1) |
| | CAC | 5,353 | 24.5 | 0.5 | 1.9 | 0.1 | (2.7) | 1.3 | 2.7 | 0.8 |
| | FTSE 100 | 7,304 | 22.5 | 0.3 | 0.4 | (3.4) | (4.3) | 2.0 | 1.2 | (5.0) |
| APAC Equity | HSI | 27,286 | 271.9 | 1.0 | 1.2 | 0.3 | (10.0) | (13.4) | (1.9) | (8.8) |
| | HSCEI | 10,575 | 72.2 | 0.7 | 0.1 | 0.6 | (10.9) | (16.6) | (4.4) | (9.7) |
| | HSI VIX | 19.00 | (0.9) | (4.5) | (11.0) | (7.3) | 19.0 | (8.4) | 25.9 | 30.1 |
| | CSI 300 | 3,242 | 5.5 | 0.2 | (1.1) | 0.4 | (13.6) | (20.1) | (15.4) | (19.6) |
| | SH Composite | 2,682 | (4.9) | (0.2) | (0.8) | 0.5 | (11.3) | (18.0) | (20.0) | (18.9) |
| | SZ Composite | 1,403 | (11.1) | (0.8) | (2.2) | (2.8) | (17.1) | (24.7) | (29.5) | (26.2) |
| | Nikkei 225 | 23,095 | 273.4 | 1.2 | 3.5 | 3.7 | 1.1 | 6.5 | 16.0 | 1.4 |
| Commodities (USD) | KOSPI | 2,318 | 32.0 | 1.4 | 1.6 | 3.2 | (3.6) | (7.0) | (2.8) | (6.0) |
| | Brent (Future) | 78.09 | (0.1) | (0.1) | 1.6 | 7.8 | 2.8 | 20.3 | 40.8 | 16.8 |
| | WTI (Future) | 68.99 | 0.4 | 0.6 | 1.8 | 2.9 | 3.1 | 13.2 | 38.3 | 14.2 |
| | Gold | 1,195 | (6.6) | (0.6) | (0.2) | 0.1 | (8.2) | (9.8) | (10.1) | (8.3) |
| | Copper (Future) | 5,973 | (60.0) | (1.0) | 0.7 | (1.2) | (16.8) | (14.5) | (8.1) | (17.6) |
| FX | Baltic Dry Index | 1,366.00 | (16.0) | (1.2) | (8.3) | (20.7) | (5.5) | 19.5 | (1.4) | - |
| | Dollar Index | 94.93 | 0.4 | 0.4 | (0.5) | (1.9) | 0.1 | 5.8 | 3.0 | 3.0 |
| | EUR | 1.16 | (0.0) | (0.6) | 0.6 | 2.5 | 0.5 | (6.0) | (2.5) | (3.2) |
| | JPY | 112.06 | 0.1 | 0.1 | 1.0 | (0.8) | (1.3) | (5.1) | (1.6) | 0.6 |
| | CNY | 6.87 | 0.0 | (0.3) | (0.3) | 0.2 | (6.8) | (8.0) | (4.5) | (5.3) |
| CDS | CNH | 6.87 | 0.0 | 0.4 | 0.1 | 0.4 | (6.6) | (8.3) | (4.8) | (5.2) |
| | ChinaGov CDS | 54.84 | (0.9) | (1.6) | (6.2) | (12.0) | (0.9) | (2.9) | (1.0) | 9.5 |
| | CDX Emerging Market | 95.53 | 0.2 | 0.2 | 0.9 | 0.2 | (0.7) | (3.7) | (1.5) | (3.6) |

| | Close | Net Chg | Chg (%) | Value | | | | | | |
|-------------|------------------------|---------|---------|-------|------|------|------|------|------|------|
| | | | | 1W | 1M | 3M | 6M | 1Y | YTD | |
| US rates | 3-Month Treasury Yield | 2.14 | 0.0 | 0.5 | 2.1 | 2.0 | 1.9 | 1.8 | 1.0 | 1.4 |
| | 2-Year Treasury Yield | 2.78 | 0.0 | 0.8 | 2.7 | 2.6 | 2.5 | 2.3 | 1.4 | 1.9 |
| | 5-Year Treasury Yield | 2.90 | 0.0 | 1.1 | 2.8 | 2.7 | 2.8 | 2.6 | 1.8 | 2.2 |
| | 10-Year Treasury Yield | 3.00 | 0.0 | 0.9 | 2.9 | 2.9 | 2.9 | 2.8 | 2.2 | 2.4 |
| | 2-10 Spread | 21.40 | 0.5 | 2.2 | 23.2 | 25.3 | 37.1 | 54.9 | 81.8 | 51.8 |
| China rates | O/N China Repo Rate | 2.48 | (0.0) | (0.8) | 2.6 | 2.6 | 2.6 | 2.6 | 2.8 | 3.0 |
| | 1-Week China Repo Rate | 2.62 | 0.1 | 4.8 | 2.5 | 2.6 | 2.8 | 2.6 | 3.4 | 3.1 |
| | O/N SHIBOR | 2.49 | (0.0) | (1.6) | 2.6 | 2.6 | 2.6 | 2.6 | 2.7 | 2.8 |
| | 1-Week SHIBOR | 2.65 | (0.0) | (0.7) | 2.7 | 2.7 | 2.8 | 2.9 | 2.8 | 3.0 |

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



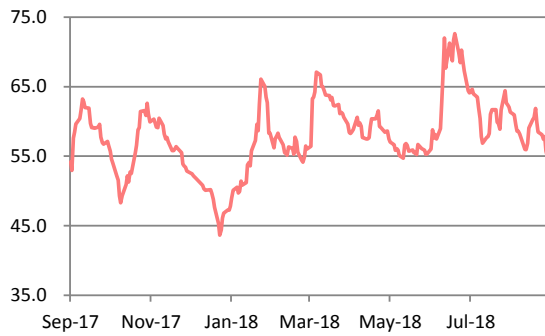
Source: Bloomberg

Shanghai Composite Index PE Ratio



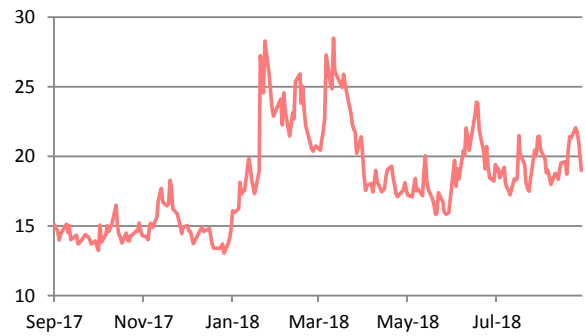
Source: Bloomberg

China 5Y CDS Index_USD



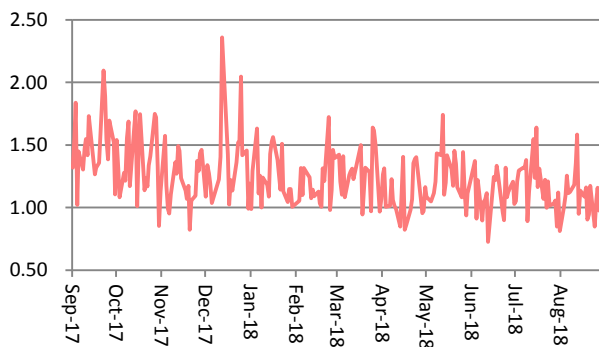
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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