

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
UK: retail sales YoY	Aug	N/A	3.50%
Turkey: consumer confidence index	Sep	N/A	68.3
Argentina: GDP YoY	2Q18	N/A	3.60%
New Zealand: GDP YoY	2Q18	2.50%	2.70%

Source: Bloomberg

II. Macro News

- **U.K. Inflation Unexpectedly Accelerates on Theater Prices, Fares.** U.K. inflation unexpectedly accelerated in August, boosted by the cost of theater shows, computer games, transport fares and clothing. Annual consumer-price growth quickened to 2.7 percent from 2.5 percent in July, the Office for National Statistics said on Wednesday. [Bloomberg]
- **PRC Files Complaint to WTO against US Levies on Chinese Goods.** The Ministry of Commerce of the People's Republic of China announced on 18 September that China has filed a complaint to the World Trade Organization against the United States' planned levies on US\$200 billion imported Chinese goods under Section 301. [AASocks]
- **China Cuts U.S. Treasury Holdings as Trade War Intensifies.** China's holdings of U.S. Treasuries fell to a six-month low in July, just as a trade war between the world's two largest economies began heating up. China's ownership of U.S. bonds, bills and notes slipped to \$1.17tn, the lowest level since January and down from \$1.18 trillion in June. [Bloomberg]

III. Industry News

- **BoJ Keeps Interest Rate Unchanged, Optimistic on Econ Outlook.** Bank of Japan retained the interest rate unchanged and remained optimistic on economic outlook. The central bank continued the bond purchase scheme and kept the short-term rate at -0.1% and the long-term rate at 0%. [AASocks]
- **U.S. Gas Exports Hit by China Tariffs as Trade War Escalates.** China plans to slap tariffs on U.S. natural gas exports as trade tensions escalate, a likely setback for the burgeoning energy relationship between the world's two largest economies. China said in a statement it would levy a 10% duty on liquefied natural gas starting Sept. 24. [Bloomberg]
- **U.K. Treasury Minister Seeks More Cuts to Fund Roads, Railways.** U.K. government departments are "extremely positive" about working with the Treasury to identify further spending cuts before a review next year, the minister in charge of drawing up the plans said. [Bloomberg]

IV. Corporate News

- **Downbeat stock market dampens retail enthusiasm for Meituan Dianping's US\$4.2bn IPO in HK.** Retail investors have given a lukewarm response to Chinese food delivery service firm Meituan Dianping's US\$4.2bn IPO, with the public tranche 1.5 times subscribed, fairing little better than China Tower's mega listing in August. Retail investors, which were allocated 5% of the total available shares, subscribed for 36mn shares. [SCMP]
- **Tencent releases open platform to help drive AI projects at other companies.** Chinese internet giant Tencent Holdings is looking to push its advances in artificial intelligence technology as the operating platform for other companies to pursue their own AI initiatives. [SCMP]

- **Hillhouse Capital raises record US\$10.6b for private equity fund.** Hillhouse Capital, known for its investments in Tencent, Baidu, Didi Chuxing and Meituan Dianping, has raised a record US\$10.6bn for its latest private equity fund that will focus on Asian technology, health care and consumer sectors, it said on Wednesday. [SCMP]
- **Dubai-based hotel group Jumeirah sets sights on HK as China expansion rolls on.** Jumeirah Group, the Dubai-based high-end hotel operator known for its iconic sail-shaped property, is eyeing Hong Kong after laying the groundwork for expansion in China. [SCMP]
- **China Resources Cement Sees 9-Month Net Rising ‘Significantly’.** The company expects 9-month net income to rise ‘significantly’ on year, citing higher gross margin as a result of the selling price increase, according to exchange filing. [Bloomberg]
- **China Renaissance Is Said to Draw JD Finance to Hong Kong IPO.** China Renaissance Holdings has attracted the financial arm of JD.com as an investor in its Hong Kong initial public offering. Capital Group also plans to buy stock in the offering, according to sources. [Bloomberg]
- **China CSRC Approves A-Share Listing of Qingdao Port, Flat Glass.** China Securities Regulatory Commission rejects IPO of Zhejiang Hengqiang Technology without giving reason, according to a statement on the regulator’s website. Qingdao Port and Flat Glass are currently listed on Hong Kong Stock Exchange. [Bloomberg]
- **China Shenhua Aug. Coal Sales Rise 5.8% on Year to 40.4M Tons.** Aug. coal production rises 9.5% on year to 25.4m tons, China Shenhua says in Hong Kong stock exchange filing. Jan.-Aug. coal sales rises 2.6% on year to 300.7m tons. Jan.-Aug. coal production falls 1.2% on year to 195.9m tons. [Bloomberg]
- **China Merchants Is Said to Weigh Sale of \$1 Billion Pallet Maker.** China Merchants Group is considering a sale of pallet maker Loscam amid interest from investors including Asian buyout firms. The Hong Kong-based conglomerate is working with financial advisers on the potential divestment of a majority stake in Loscam. [Bloomberg]
- **Country Garden Proposes Issue of USD Senior Notes.** Aggregate principal amount, offer price and interest rate will be determined through book building, according to statement to Hong Kong stock exchange. Proceeds to be used mainly for refinancing existing debts. [Bloomberg]
- **Jack Ma Warns Alibaba, China to Prepare for 20-Year Trade War.** Alibaba Group Holding Ltd. co-founder Jack Ma cautioned China’s business and political leaders to prepare for the trade war with the U.S. to last longer and have a bigger impact than most people think. [Bloomberg]
- **Tesla Is Said to Face U.S. Criminal Probe Over Musk Statements.** Tesla Inc. is under investigation by the Justice Department over public statements made by the company and Chief Executive Officer Elon Musk. The criminal probe is running alongside a previously reported civil inquiry by securities regulators. [Bloomberg]
- **ND Paper forecasts higher prices.** Nine Dragons Paper chairwoman Cheung Yan said that product prices could rise further in October. She said the Sino-US trade war has increased uncertainties and the packaging board industry has also changed due to fluctuations in supply of waste paper. [The Standard]
- **New World Department Store China profit dives to HK\$11m.** New World Department Store China said net profit for the year ended June 30, plunged by 91.4 percent to HK\$11.1mn, from HK\$128.3mn in the previous year. Earnings per share for the year was HK\$0.01. [The Standard]
- **Great Wall Motor Chairman Adds Stake with Approx. \$110M.** Great Wall Motor chairman Wei Jian Jun increased 13.2835mn shares of the company at an average price of \$4.4862 each on market on 17 September, involving \$59.5924mn, as revealed by the Stock Exchange. [AASocks]
- **WuXi AppTec Plans to List on Main Board.** WuXi AppTec announced that it is applying for offering overseas listed foreign shares (H-shares) and in the process of listing on the Main Board of the Stock Exchange. [AASocks]
- **Haidilao raises \$7.5b for expansion.** Haidilao Int’l, China’s biggest hotpot restaurant chain, has raised HK\$7.55bn after pricing its Hong Kong IPO at the top end of a pricing range, market sources said. The Beijing-based company sold 424.5 million shares at HK\$17.80 apiece, they said. The shares were offered at HK\$14.80 to HK\$17.80 each. [The Standard]

V. Overnight Market Recap

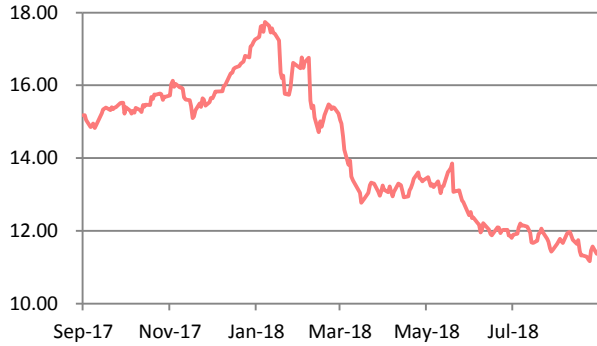
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,908	3.6	0.1	0.7	1.8	5.1	7.0	15.9	8.8
	Dow Jones	26,406	158.8	0.6	1.6	2.5	7.1	6.8	17.8	6.8
	Nasdaq Composite	7,950	(6.1)	(0.1)	(0.1)	1.6	2.2	8.0	23.1	15.2
	Russell 2000	1,703	(8.0)	(0.5)	(0.7)	0.2	(0.2)	8.4	17.8	10.9
	VIX Index	11.75	(1.0)	(8.1)	(10.6)	(5.9)	(8.1)	(35.4)	20.1	6.4
Europe Equity	Euro Stoxx 50	3,369	10.1	0.3	1.3	(0.7)	(2.1)	(1.3)	(4.5)	(3.9)
	DAX	12,219	61.4	0.5	1.6	(0.9)	(3.8)	(0.7)	(2.8)	(5.4)
	CAC	5,394	30.0	0.6	1.2	0.3	0.4	2.7	2.9	1.5
	FTSE 100	7,331	30.9	0.4	0.2	(3.4)	(3.9)	3.8	0.8	(4.6)
APAC Equity	HSI	27,407	322.7	1.2	4.0	(0.7)	(7.7)	(13.1)	(2.6)	(8.4)
	HSCEI	10,742	184.7	1.7	4.9	1.0	(6.6)	(14.7)	(3.9)	(8.3)
	HSI VIX	19.38	(0.7)	(3.3)	(8.1)	(2.2)	8.5	(8.3)	32.1	32.7
	CSI 300	3,312	43.1	1.3	3.4	1.4	(8.9)	(18.8)	(13.8)	(17.8)
	SH Composite	2,731	30.9	1.1	2.8	1.2	(6.3)	(17.0)	(18.9)	(17.4)
	SZ Composite	1,423	19.1	1.4	1.4	(1.9)	(11.7)	(24.0)	(29.3)	(25.1)
	Nikkei 225	23,673	252.0	1.1	4.5	6.6	5.0	10.7	16.6	4.0
Commodities (USD)	KOSPI	2,308	(0.5)	(0.0)	1.1	2.7	(2.3)	(7.1)	(4.3)	(6.4)
	Brent (Future)	79.40	0.4	0.5	(0.4)	10.5	5.8	20.2	44.0	18.7
	WTI (Future)	71.12	1.3	1.8	1.1	7.4	7.7	12.5	41.5	18.0
	Gold	1,204	5.7	0.5	(0.2)	1.1	(5.1)	(8.2)	(7.5)	(7.6)
	Copper (Future)	6,121	35.0	0.6	2.1	3.3	(10.5)	(10.7)	(6.4)	(15.5)
FX	Baltic Dry Index	1,356.00	(1.0)	(0.1)	(3.9)	(21.5)	(1.2)	20.9	(6.4)	(0.7)
	Dollar Index	94.54	(0.1)	(0.1)	(0.3)	(1.6)	(0.5)	5.3	3.0	2.6
	EUR	1.17	0.0	0.1	0.4	1.6	0.8	(4.7)	(1.9)	(2.8)
	JPY	112.28	(0.1)	(0.1)	0.9	(2.0)	(1.7)	(5.1)	(0.1)	0.4
	CNY	6.85	(0.0)	0.2	0.0	0.1	(5.3)	(7.5)	(3.9)	(5.0)
CDS	CNH	6.85	(0.0)	(0.1)	0.2	(0.3)	(5.5)	(7.6)	(3.9)	(5.0)
	ChinaGov CDS	55.27	(0.5)	(0.8)	(4.4)	(9.3)	(4.1)	(12.6)	(4.0)	10.3
	CDX Emerging Market	95.75	0.2	0.3	0.9	0.4	(0.4)	(2.3)	0.0	(3.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.16	(0.0)	(0.0)	2.1	2.1	1.9	1.7	1.0	1.4
	2-Year Treasury Yield	2.79	(0.0)	(0.3)	2.8	2.6	2.5	2.3	1.4	1.9
	5-Year Treasury Yield	2.95	0.0	0.1	2.9	2.7	2.8	2.6	1.9	2.2
	10-Year Treasury Yield	3.06	0.0	0.2	3.0	2.8	2.9	2.8	2.3	2.4
	2-10 Spread	26.77	1.6	6.2	20.9	23.0	35.6	54.2	82.5	51.8
China rates	O/N China Repo Rate	2.56	(0.1)	(3.8)	2.5	2.0	2.6	2.5	3.0	3.0
	1-Week China Repo Rate	2.66	(0.0)	(1.8)	2.5	2.7	2.8	2.8	3.3	3.1
	O/N SHIBOR	2.56	(0.1)	(3.5)	2.5	2.6	2.6	2.5	2.8	2.8
	1-Week SHIBOR	2.67	(0.0)	(0.6)	2.7	2.7	2.8	2.9	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



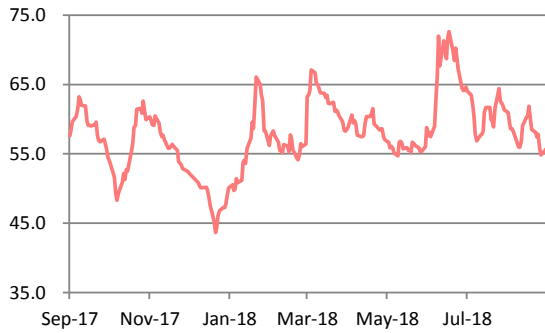
Source: Bloomberg

Shanghai Composite Index PE Ratio



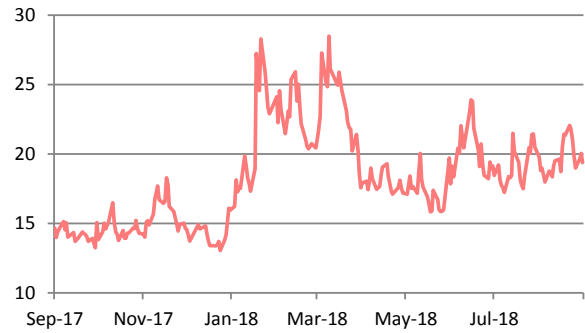
Source: Bloomberg

China 5Y CDS Index_USD



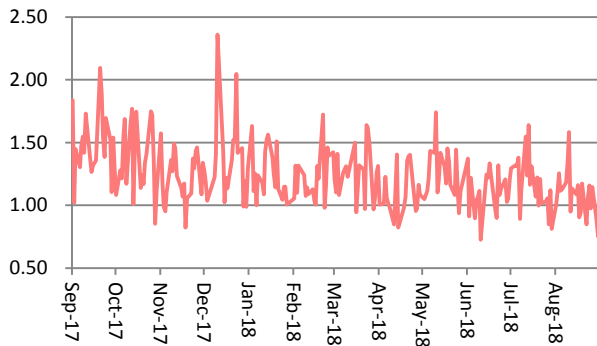
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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