



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit Manufacturing PMI	Sep	55	54.7
Japan: National CPI YoY	Aug	1.20%	0.90%
S. Korea: Exports / Imports 20-day YoY	Sep	N/A	14.9%/6.0%
Germany: Markit Manufacturing PMI	Sep	56.1	55.9

Source: Bloomberg

## II. Macro News

- **New Zealand Economy Expands at Fastest Pace in Two Years.** New Zealand's economy grew at the fastest pace in two years in the 2Q, prompting markets to pare bets on an interest-rate cut. GDP gained 1% from 1Q, when it rose 0.5%; that's faster than the 0.8% median estimate in a Bloomberg survey and the most since 2Q16. [Bloomberg]
- **US 2Q Current A/C Deficit Narrows QoQ to US\$101.5B, Beating Estimates.** US Department of Commerce announced that after seasonal adjustment, in 2Q18, US current account deficit narrowed quarterly to US\$101.5 billion, the lowest since 3Q14 and lower than market expectation of a US\$103.4 billion deficit. [AASocks]
- **Norway's Central Bank Hikes Rate by 25 Bps for 1st Time in 7 Yrs.** The central bank of Norway has lifted the benchmark interest rate by 25 bps to 0.75% from 0.5%, representing the first rate hike in seven years. The central bank stated that a next rate hike might come in the first quarter of 2019. [AASocks]

## III. Industry News

- **LSE Pushes Ahead With London-Shanghai Link Plan Before Year-End.** London Stock Exchange Group Plc says the long-anticipated bridge between stock exchanges in London and Shanghai is on track to begin operation before the end of 2018. [Bloomberg]
- **Singapore's central bank calls blockchain 'fundamental' tech to change financial services.** Singapore's central bank is counting on blockchain, along with artificial intelligence, to serve as "fundamental" technologies that will help transform financial services, according to a senior official. [SCMP]
- **Electric vehicles on the fast track.** The market share of electric automobiles is expected to reach 30 percent of China's total vehicle sales by 2030, thanks to fast growth momentum due to technological breakthroughs in fuel cells, the car-sharing economy and the younger generation's green lifestyle, industry officials said. [Bloomberg]

## IV. Corporate News

- **China's Tencent Music halves US IPO to US\$2bn.** Tencent Music Entertainment Group, China's biggest music-streaming company, has halved the amount it is seeking to raise in a US listing to about US\$2 billion, according to three people close to the deal. [SCMP]
- **Alibaba Cloud to support live broadcast of 2020 Summer Olympics in Tokyo.** Alibaba Cloud, a unit of Chinese e-commerce giant Alibaba Group Holding, is teaming up with the host broadcaster of the Olympic Games to launch an advanced cloud computing-based system for the 2020 Summer Olympics in Tokyo. [SCMP]
- **Ping An to cast tech spotlight on Singapore's wealth market.** A Ping An Group offshoot has launched an online platform aimed squarely at attracting wealthy Singaporean clients, as China's largest companies continue to make headway into Southeast Asian and other international markets using cutting-edge technology. [SCMP]

- **China Renaissance Prices H.K. IPO Shares at Bottom of Range.** China Renaissance has priced its HK\$2.7b Hong Kong initial public offering at the bottom of the indicative range, IFR Asia reports. China Renaissance offered 85m IPO shares at HK\$31.80-HK\$34.80 apiece. [Bloomberg]
- **Sapporo Taps Premium Beer Demand in China With AB InBev Pact.** Sapporo Holdings Co. is aiming to become an established brand in China, partnering with Anheuser-Busch InBev to sell its Sapporo Premium Beer there beginning in Nov, the company said Thursday. [Bloomberg]
- **China Names Ke Ruiwen President of China Telecom Group.** Ke is also named as director and deputy party chief of China Telecom Group, according to a statement on website of the company. July 19, China Telecom Group President & COO Liu Aili Resigns. [Bloomberg]
- **Telecom Italia Is Said to Mull Bidding for Nextel in Brazil.** Telecom Italia SpA's unit in Brazil is considering bidding for the country's fifth-largest wireless carrier, Nextel Telecomunicacoes Ltda., to boost its market share and gain spectrum in some metropolitan areas. [Bloomberg]
- **IFC Is Said to Seek Buyer for Stake in \$4 Billion Vietnam Lender.** The World Bank's International Finance Corp. is seeking a buyer for its stake in Vietnam Joint Stock Commercial Bank for Industry & Trade, the country's third-largest lender by market value. It is working with an adviser on the potential sale of its 8% stake. [Bloomberg]
- **Fast East Consortium Unit Signs HK\$1.7b Loan For Refinancing.** The company's wholly owned subsidiary City Sight Ltd. has signed a HK\$1.7bn, 37-month term loan with a group of banks, according to an announcement to the Hong Kong Stock Exchange. [Bloomberg]
- **Amazon Said to Plan Up to 3,000 Cashierless Stores by 2021.** Amazon.com Inc. is considering a plan to open as many as 3,000 new AmazonGo cashierless stores in the next few years, an aggressive and costly expansion that would threaten convenience chains like 7-Eleven Inc., quick-service sandwich shops like Subway and Panera Bread, and mom-and-pop pizzerias and taco trucks. [Bloomberg]
- **Novartis Signals Health-Tech Ambition in China With Tencent Deal.** Novartis AG signed a partnership agreement with Chinese tech giant Tencent Holdings Ltd. and is keen to do more deals in the digital realm as it expands in the world's second-biggest drug market. [Bloomberg]
- **Jack Ma Says Promise to Create U.S. Jobs Now Victim to Trade War.** Alibaba Group Holding Ltd. co-founder Jack Ma said his promise to create 1 million jobs in the U.S. is impossible to fulfill because of the U.S.-China trade war, a setback in one high-profile effort for deeper cooperation between the world's two largest economies. [Bloomberg]
- **Alibaba chips in for AI.** Alibaba Group Holding will set up a dedicated chip subsidiary and aims to launch its first self-developed artificial intelligence inference chip in the second half of 2019 that could be used for autonomous driving, smart cities and logistics. [The Standard]
- **China Telecom Aug 4G Net Additions Amount to 4.47M.** China Telecom announced that, as at the end of August 2018, net additions of mobile users amounted to 4.04mn with a total of 291mn. Net additions of 4G users reached 4.47mn with a total of 227mn. [AASocks]
- **China Mobile Aug Total 4G Customers Slow MoM to 6.428M.** China Mobile announced that the total mobile customers for August reached 912.977mn, with 3.01mn net additional customers. The accumulated net additional customers for 2018 was 25.777mn. [AASocks]
- **HSBC Holdings Launches GBP12B Lending Fund for UK SMEs.** HSBC Holdings announced to launch GBP12 billion lending fund to support small and medium-sized enterprises in Britain. Together with this fund, the bank has brought cumulative funds committed to British SMEs over the five years to GBP46 billion. [AASocks]
- **Alibaba Upgrades Car Strategy, Granted 1st Self-driving Licence from Hangzhou Govt.** At the Computing Conference in Hangzhou, Alibaba announced that it will upgrade its car strategy to create a brand-new 'Intelligent Highway' with cooperative vehicle infrastructure technology. [AASocks]

## V. Overnight Market Recap

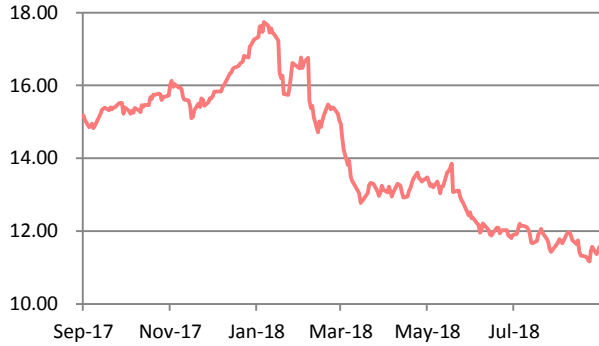
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,931	22.8	0.8	0.9	2.4	6.6	8.1	17.2	9.6
	Dow Jones	26,657	251.2	1.0	2.0	3.2	9.0	8.0	19.2	7.8
	Nasdaq Composite	8,028	78.2	1.0	0.2	2.2	4.1	9.3	25.0	16.3
	Russell 2000	1,720	17.3	1.0	0.3	0.1	1.8	8.9	19.1	12.0
	VIX Index	11.80	0.1	0.4	(4.6)	(8.2)	(19.4)	(33.9)	22.0	6.9
Europe Equity	Euro Stoxx 50	3,403	34.6	1.0	2.1	(0.3)	(0.0)	0.1	(3.9)	(2.9)
	DAX	12,326	107.5	0.9	2.2	(0.5)	(1.5)	0.1	(2.2)	(4.6)
	CAC	5,452	57.9	1.1	2.3	0.8	2.6	4.0	3.5	2.6
	FTSE 100	7,367	36.2	0.5	1.2	(2.6)	(2.5)	4.7	1.4	(4.2)
APAC Equity	HSI	27,478	70.3	0.3	1.7	(1.0)	(6.2)	(12.5)	(2.3)	(8.2)
	HSCEI	10,793	50.9	0.5	2.8	0.5	(5.0)	(13.8)	(3.6)	(7.8)
	HSI VIX	18.62	(0.8)	(3.9)	(6.4)	(1.1)	(2.7)	(14.4)	33.0	27.5
	CSI 300	3,310	(2.4)	(0.1)	2.3	(0.5)	(7.9)	(18.5)	(13.7)	(17.9)
	SH Composite	2,729	(1.6)	(0.1)	1.6	(0.2)	(5.1)	(16.8)	(18.7)	(17.5)
	SZ Composite	1,420	(3.2)	(0.2)	0.5	(3.5)	(10.0)	(23.6)	(28.8)	(25.2)
	Nikkei 225	23,675	2.4	0.0	4.7	6.5	4.3	10.7	16.4	4.0
Commodities (USD)	KOSPI	2,323	15.0	0.7	1.6	2.4	(0.6)	(6.5)	(3.5)	(5.8)
	Brent (Future)	78.70	(0.7)	(0.9)	0.7	9.0	5.3	16.7	39.8	17.7
	WTI (Future)	70.32	(0.3)	(0.5)	3.2	4.2	7.1	7.7	38.9	16.2
	Gold	1,207	3.1	0.3	0.5	1.0	(4.7)	(9.4)	(6.5)	(7.3)
	Copper (Future)	6,082	(39.0)	(0.6)	0.8	1.5	(10.2)	(10.0)	(6.8)	(16.1)
FX	Baltic Dry Index	1,373.00	17.0	1.3	(0.7)	(20.9)	1.9	22.9	(6.6)	0.5
	Dollar Index	93.91	(0.6)	(0.7)	(0.6)	(2.1)	(1.3)	3.9	1.5	1.9
	EUR	1.18	0.0	0.9	0.7	1.8	1.5	(4.5)	(1.3)	(1.9)
	JPY	112.49	0.2	0.2	0.5	(1.9)	(2.2)	(5.7)	0.0	0.2
	CNY	6.85	(0.0)	0.0	(0.0)	0.2	(5.4)	(7.5)	(4.0)	(5.0)
CDS	CNH	6.84	(0.0)	(0.2)	(0.1)	(0.1)	(4.9)	(7.8)	(3.9)	(4.7)
	ChinaGov CDS	57.37	2.1	3.8	2.9	(3.7)	(1.4)	(9.7)	(1.9)	14.5
	CDX Emerging Market	95.87	0.1	0.1	0.6	0.5	(0.3)	(2.3)	0.1	(3.3)

	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	2.80	0.0	0.5	2.8	2.6	2.5	2.3	1.4	1.9
	5-Year Treasury Yield	2.95	0.0	0.2	2.9	2.7	2.8	2.6	1.9	2.2
	10-Year Treasury Yield	3.06	-	0.0	3.0	2.8	2.9	2.8	2.3	2.4
	2-10 Spread	25.50	(1.3)	(4.7)	21.4	22.4	35.0	55.6	83.4	51.8
China rates	O/N China Repo Rate	2.55	(0.0)	(0.4)	2.5	2.5	2.0	2.6	2.7	3.0
	1-Week China Repo Rate	2.68	0.0	0.8	2.6	2.5	2.9	2.7	3.2	3.1
	O/N SHIBOR	2.52	(0.0)	(1.7)	2.5	2.5	2.6	2.5	2.8	2.8
	1-Week SHIBOR	2.66	(0.0)	(0.3)	2.6	2.7	2.8	2.8	2.9	3.0

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



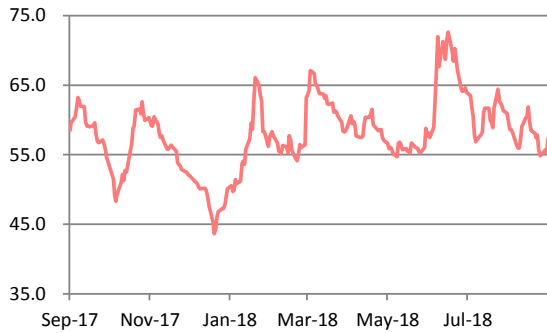
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



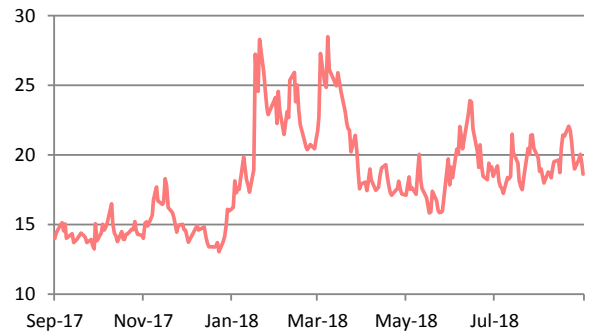
Source: Bloomberg

**China 5Y CDS Index\_USD**



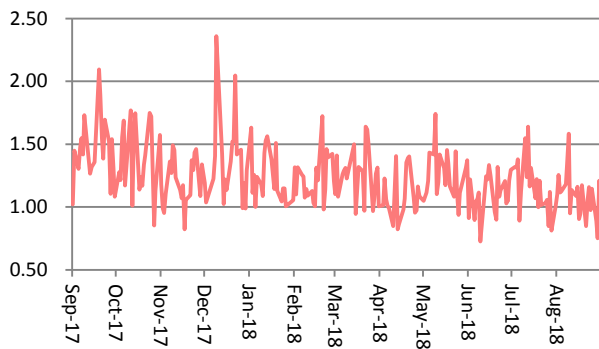
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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