



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Swift Global Payment CNY	Aug	N/A	2.04%
China: Industrial Profits YoY	Aug	N/A	16.20%
Germany: GfK Consumer Confidence	Oct	N/A	10.5
Germany: CPI / EU Harmonized YoY	Sep	N/A	2.0% / 1.9%
Sweden: Manufacturing Confidence	Sep	N/A	121.8

Source: Bloomberg

## II. Macro News

- **US Federal Reserve raises interest rates and says more is coming, while brushing off Donald Trump's criticism.** US Federal Reserve officials raised interest rates for a third time this year and reaffirmed their outlook for further gradual hikes well into 2019, risking fresh criticism from US President Donald Trump. The quarter-point increase boosted the benchmark federal funds rate to a target range of 2% to 2.25%. [SCMP]
- **Hong Kong raises base lending rate, striking the final nail for more than a decade of cheap funds.** The Hong Kong Monetary Authority has raised the city's base lending rate by 25 basis points to 2.5%, in a move that is likely to force commercial banks to increase their prime rate for the first time in 12 years. [SCMP]
- **India Is Cutting Imports of Iranian Oil to Zero in Nov.** India isn't planning to buy any Iranian oil in November, raising the prospect that Tehran will lose another major customer as U.S. sanctions hit and spurring speculation over whether China will follow suit. India is joining other Asian buyers such as South Korea and Japan that have already halted imports from the Persian Gulf state before American restrictions take effect in early November. [Bloomberg]

## III. Industry News

- **MSCI Mulls Boosting A-Share Weighting.** MSCI is considering raising the weighting of Chinese stocks in its benchmark indices by fourfold and adding small-cap companies for the first time. Consultations with global investors would start immediately, and the inclusion factor of yuan-traded A shares might increase to 20% from 5%, MSCI said. [SCMP]
- **China's car market to maintain steady growth in H2.** China's auto market is expected to sustain steady growth in the second half of the year, according to the Ministry of Commerce. More than 18 million cars were sold during the Jan-Aug period, a year-on-year increase of 3.5%, up from 3% for 2017, according to MOC spokesperson Gao Feng. [China Daily]
- **China banking sector's onshore assets up 6.9%.** Chinese banks held 255.5 trillion yuan (\$37.2 trillion) in onshore assets by the end of August, said China's top bank and insurance regulator. The volume saw a 6.9 percent rise year-on-year, according to the China Banking and Insurance Regulatory Commission. [China Daily]

## IV. Corporate News

- **China Will Overtake the U.S. in Less Than 15 Years, HSBC Says.** China is on course to be the world's biggest economy by 2030, according to analysis that challenges Donald Trump's claim that the U.S. is not about to be overtaken. The forecast was made by economists at HSBC Holdings Plc in a new study of 75 nations published on Tuesday. [Bloomberg]
- **Tesla lithium supplier seeks \$5.3b in HK IPO.** Ganfeng Lithium, China's top producer of the metal used in electric-vehicle batteries, is seeking as much as HK\$5.3bn from a first-time share sale in Hong Kong. The Jiangxi-based company is offering 200.2mn shares at HK\$16.50-26.50 apiece, according Bloomberg. [The Standard]

- **Hotpot Chain Becomes New Behemoth in Asia's Restaurant World.** Chinese hotpot chain Haidilao Int'l Hldg Ltd. has become the biggest restaurant group on Asian exchanges after rising as much as 10% in its HK debut. With a market value of about \$12bn, Haidilao is larger than all HK-listed restaurant operators combined, according to data compiled by Bloomberg. The company is trading at about 63 times its adjusted earnings for the year ended June. [Bloomberg]
- **Trade war hurts US oil exports to China.** Unipet, the trading unit of top Chinese refiner Sinopec, has put a plan to boost US crude imports on hold as it assesses the impact of the Asian nation's trade war with America, according to company President Chen Bo. It previously planned to raise volumes to 500,000 barrels a day in 2019, compared with 300,000 barrels daily from January to August this year, he said. [The Standard]
- **Stanchart Ceases Financing for Global Coal-fired Power Plants.** Standard Chartered announced that it will cease providing financing for new coal-fired power plants anywhere in the world to further support the Paris Agreement on climate change. The group has already committed to finance and facilitate US\$4bn in clean technology by 2020, and is more than halfway toward meeting that goal. [AASocks]
- **New World Development Buys Back 2M Shrs at \$21.53M.** New World Development announced that it had repurchased 2 million shares at \$21.5261mn in aggregate on market on Monday (24 Sep). The company had bought back an aggregate of 16.117mn shares, representing 0.1638% of its share capital, year to date. [AASocks]
- **Geely Seeking Daimler's Long-term Cooperation; Talks Underway.** Geely Auto still spares no efforts in becoming a long-term cooperation partner of Daimler, Reuters cited Li Yifan, VP and CFO of Zhejiang Geely Holding Group, as saying. Meanwhile, the negotiation for possible cooperation between the two companies is underway. [AASocks]
- **CSPC Pharma Granted Oncology Drug Exclusive Product License in PRC.** CSPC Pharmaceutical announced that it had entered into an exclusive product license and collaboration agreement with Verastem, in relation to the development and commercialization of the oncology drug COPIKTRATM. [AASocks]
- **Top Education Clarifies Annual Core Net Profit Up 45.5% to AUD8.1M.** Top Education was aware of the recent news articles on its annual results, which mentioned that its profit for the year was AUD1.6mn, reduced by 66.3%. The board elaborated that such decrease amounted to AUD3mn, while the listing expenses as non-recurring expenses was AUD6mn for the year ended 30Jun,2018. During which, core net profit was AUD8.1mn, increased by 45.5%. [AASocks]
- **Qualcomm Accuses Apple of Stealing Secrets for Intel's Semiconductor Production.** Reuters reported that Qualcomm, in a legal filing, accused Apple of sharing its chip-making secrets to Intel. Such act does not only allow Apple to adopt Intel's enhanced semiconductors, but also bring Qualcomm billions of dollars of potential losses. [AASocks]
- **ADB Expects Econ Growth for Developing Economies in Asia Slowest in 18 Yrs.** Asian Development Bank predicted that there will be a bigger-than-expected slowdown in economic growth in developing regions in Asia with the backdrop of the Sino-US trade war, furthering that economic activities are pressured as credit costs are driven up by a tightening of global liquidity. [AASocks]
- **Tencent engineer slapped with fine for hacking hotel Wi-fi in Singapore.** The State Courts of Singapore have slapped an engineer of Chinese internet giant Tencent Holdings with a S\$5,000 (US\$3,663) fine for hacking into a hotel's Wi-fi server during his stay in the city state last month. [SCMP]
- **CME Group's focus on Asia as overseas investors drive up volumes during regional trading hours.** CME Group, the world's largest futures exchange operator, is seeing increased global trade during Asian market hours, heightened by overseas investors hedging rising geopolitical risks. [SCMP]
- **With revamp complete ANZ poised to grow institutional business in Asia.** A slimmed down ANZ is now fully focused on institutional banking in the region, says Mark Whelan, head of institutional banking. The sale of a 55% stake in ANZ Royal Bank in Cambodia to Japanese financial group, J Trust, in May, marked ANZ's official exit from Asia's retail market. [SCMP]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,906	(9.6)	(0.3)	(0.1)	0.3	7.6	11.2	15.9	8.7
	Dow Jones	26,385	(106.9)	(0.4)	(0.1)	1.3	9.4	10.6	18.1	6.7
	Nasdaq Composite	7,990	(17.1)	(0.2)	0.5	(0.3)	7.3	14.0	23.8	15.7
	Russell 2000	1,692	(17.2)	(1.0)	(0.7)	(2.1)	3.1	11.8	13.9	10.2
	VIX Index	12.89	0.5	3.8	9.7	6.0	(28.0)	(42.7)	30.6	16.8
Europe Equity	Euro Stoxx 50	3,433	13.4	0.4	1.9	(0.7)	1.1	3.5	(3.4)	(2.0)
	DAX	12,386	11.2	0.1	1.4	(1.2)	0.3	3.5	(2.1)	(4.1)
	CAC	5,513	33.6	0.6	2.2	0.6	3.5	7.8	4.4	3.8
	FTSE 100	7,511	3.9	0.1	2.5	(0.9)	(1.4)	7.3	2.7	(2.3)
APAC Equity	HSI	27,817	317.5	1.2	2.7	(1.6)	(1.9)	(9.7)	0.6	(7.0)
	HSCEI	10,986	158.1	1.5	4.1	(0.6)	1.0	(10.7)	(0.5)	(6.2)
	HSI VIX	20.01	0.3	1.3	(0.2)	6.6	(9.2)	(19.5)	37.6	37.1
	CSI 300	3,417	37.4	1.1	4.5	0.3	(1.2)	(12.7)	(10.6)	(15.2)
	SH Composite	2,807	25.7	0.9	4.0	0.9	(0.2)	(11.4)	(16.1)	(15.1)
	SZ Composite	1,448	10.5	0.7	3.1	(3.3)	(8.1)	(20.9)	(26.8)	(23.8)
	Nikkei 225	24,034	93.5	0.4	2.6	5.4	7.9	12.7	18.6	5.6
Commodities (USD)	KOSPI	2,339	15.7	0.7	0.9	2.0	(0.8)	(3.2)	(2.1)	(5.2)
	Brent (Future)	81.34	(0.5)	(0.7)	2.4	7.3	6.6	16.0	39.2	21.6
	WTI (Future)	71.57	(0.7)	(1.0)	0.6	4.7	(0.9)	10.5	38.3	19.3
	Gold	1,194	(6.8)	(0.6)	(0.8)	(1.2)	(4.5)	(11.1)	(6.7)	(8.2)
	Copper (Future)	6,282	(36.0)	(0.6)	2.6	2.9	(6.4)	(4.8)	(2.0)	(13.3)
FX	Baltic Dry Index	1,450.00	16.0	1.1	5.6	(14.6)	10.8	29.8	1.5	6.1
	Dollar Index	94.19	0.1	0.1	(0.4)	(1.0)	(0.5)	5.8	1.3	2.2
	EUR	1.17	(0.0)	(0.2)	0.6	0.6	1.7	(5.3)	0.0	(2.1)
	JPY	112.73	(0.2)	(0.2)	0.4	(1.5)	(2.2)	(6.6)	0.1	(0.1)
	CNY	6.88	0.0	(0.2)	(0.4)	(0.9)	(4.4)	(8.8)	(3.5)	(5.4)
CDS	CNH	6.88	0.0	0.2	0.4	(1.3)	(3.8)	(8.9)	(3.5)	(5.3)
	ChinaGov CDS	57.26	(1.1)	(1.9)	3.6	1.3	(13.8)	(12.0)	(9.4)	14.3
	CDX Emerging Market	95.75	0.3	0.3	0.0	0.3	(0.2)	(2.4)	(0.0)	(3.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.19	(0.0)	(0.6)	2.2	2.1	1.9	1.7	1.0	1.4
	2-Year Treasury Yield	2.81	(0.0)	(0.9)	2.8	2.7	2.5	2.3	1.5	1.9
	5-Year Treasury Yield	2.94	(0.0)	(1.2)	3.0	2.8	2.7	2.6	1.9	2.2
	10-Year Treasury Yield	3.05	(0.0)	(1.6)	3.1	2.9	2.8	2.7	2.3	2.4
	2-10 Spread	22.92	(2.4)	(9.5)	25.5	21.1	32.2	46.9	83.6	51.8
China rates	O/N China Repo Rate	2.54	0.0	0.4	2.6	2.4	2.2	2.6	2.9	3.0
	1-Week China Repo Rate	2.70	(0.0)	(1.8)	2.7	2.5	3.2	2.9	3.4	3.1
	O/N SHIBOR	2.55	0.0	0.4	2.5	2.4	2.3	2.6	2.9	2.8
	1-Week SHIBOR	2.71	0.0	0.7	2.7	2.6	2.8	2.9	2.9	3.0

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



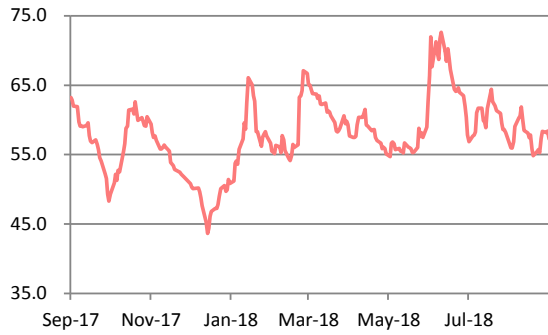
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



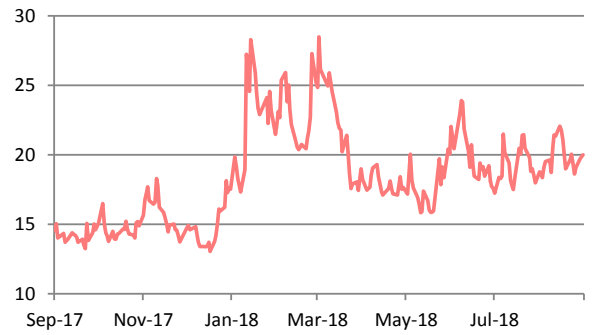
Source: Bloomberg

**China 5Y CDS Index\_USD**



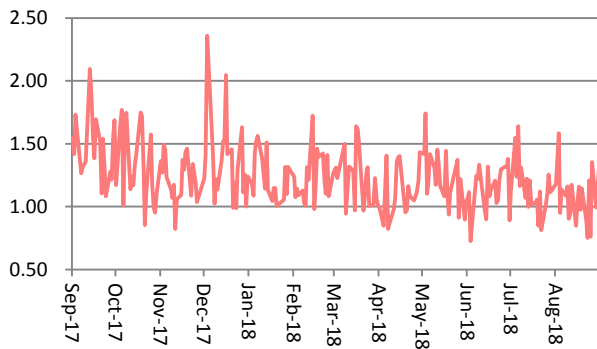
Source: Bloomberg

**Hang Seng Index VIX**



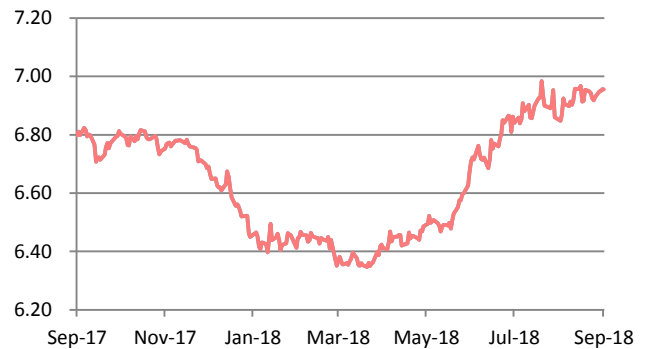
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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