



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Australia: Building Approvals YoY	Aug	-2.50%	-5.60%
Brazil: Markit PMI Composite	Sep	N/A	47.8
Turkey: CPI / PPI YoY	Sep	21.5%/ N/A	17.9%/32.1%
New Zealand: Commodity Price YoY	Sep	N/A	-1.10%
S. Africa: Standard Bank Manufacturing PMI	Sep	N/A	47.2

Source: Bloomberg

II. Macro News

- **Australia Holds Key Rate as Housing Downturn Threatens Consumers.** Australia kept interest rates at a record low Tuesday as it gauges the impact of falling property prices on an economy that's otherwise showing strong growth and hiring. Reserve Bank Governor Philip Lowe left the cash rate at 1.5 percent. [Bloomberg]
- **U.S. Factory Activity Pulls Back at the End of Summer.** Activity in the U.S. manufacturing sector decelerated in September and remained elevated, but analysts think the industry could be reaching a peak. The Institute for Supply Management said its manufacturing index fell to 59.8 in Sept from 61.3 in Aug, the highest level since May 2004. [WSJ]
- **PRC To Cut Import Tariffs from Nov; Avg Down from 10.5% to 7.8%.** The Office of the Tariff Rules Commission of the State Council announced to trim the preferential tariff rates on certain goods with effect from 1 Nov. Levies on 1,585 imported goods, representing c.19% of the total taxes, will be cut. The average import levies will be reduced from 10.5% to 7.8%. [AAStocks]

III. Industry News

- **US records slump in Chinese holiday travelers.** Chinese tourism to the United States is set to fall for National Day holidays, South China Morning Post reported. The first three quarters of this year have seen a 16.7 percent decrease in flight booking from China to the US, the report said citing figures from travel fare search engine Sykscanner.[China Daily]
- **India Vows Liquidity Support to IL&FS After Overthrowing Board.** The Indian government, which seized control of debt-laden financier Infrastructure Leasing & Financial Services Ltd., has pledged to ensure the beleaguered lender has the money to prevent further defaults. [Bloomberg]
- **China's at 'Peak Steel' Right Now, Top Iron Ore Shipper Says.** Mainland steel production is "forecast to peak in 2018," the Department of Industry, Innovation & Science said in a quarterly report on Tuesday. After topping out at 886mn metric tons, output is expected to drop to 861mn tons in 2019 and hit 842mn in 2020. [Bloomberg]

IV. Corporate News

- **Yancoal HK Listing Plan Advanced, Capital Raising Not Finalized.** Application to HK stock exchange for approval for HK Listing is well advanced and, if approved, Yancoal's shares will be traded on both ASX and HKEx, it says in filing. Details of previously announced plan for capital raising, to be undertaken in conjunction with the dual listing, have not yet been finalized. [Bloomberg]
- **CNPC Completes Largest Gas Pipeline Repair Program Before Winter.** China National Petroleum Corp. says it has finished repair and maintenance work on 36,062 km of national natural gas pipelines as of Sept. 30 to ensure stable operations during winter peak demand season and beyond, according to statement on website. [Bloomberg]

- **Saudi Fund Denies Report That SoftBank Solar Project Is on Hold.** Saudi Arabia's Public Investment Fund said it's working with the SoftBank Vision Fund and other institutions on a number of major "multi-billion dollar" solar projects, denying a Wall Street Journal report that said a \$200billion development was put on hold. [Bloomberg]
- **Shell, Partners Announce \$31 Billion LNG Canada Investment.** Royal Dutch Shell Plc and its partners announced an agreement to invest in a multibillion-dollar liquefied natural gas project in western Canada, the largest of its kind in years that will carve out the fastest route to Asia for North American gas. [Bloomberg]
- **Chinese streaming-music giant Tencent Music files for US\$1bn IPO.** Tencent Music Entertainment Group, the online-music arm of China's largest social-media company, filed for a US initial public offering. The music-streaming site listed its offering size as US\$1 billion in a filing Tuesday with the US Securities and Exchange Commission. [SCMP]
- **Wanda to tap China's healthcare sector with US company UPMC.** Chinese property-to-entertainment conglomerate Wanda Group signed a strategic partnership with US leading hospital UPMC on Sunday to jointly build international hospitals, as part of the company's deeper dive into the country's burgeoning healthcare sector. [China Daily]
- **Carrier buys into China Southern.** Spring Airlines said it would invest in State-owned China Southern Airlines. The Shanghai-based budget carrier said that it would spend 846 million yuan (\$123 million) to acquire 1.63 percent of China Southern's A-share nonpublic offering, making it the fifth largest shareholder in the airline. [China Daily]
- **Tesla worried by China tariffs even as deliveries surge.** Tesla Inc announced record quarterly car production numbers on Tuesday but warned of major problems with selling cars in China due to new tariffs that would force it to accelerate investment in its factory in Shanghai. [China Daily]
- **Jack Ma gives up control of Alibaba licences.** Alibaba's chairman Jack Ma Yun has quietly handed over his ownership of the legal entities at the heart of Alibaba, the Financial Times reported. The report said Ma has removed himself as one of the owners of its main "variable interest entities," the vehicles that hold the company's operating licenses and certain assets on the Chinese mainland. [The Standard]
- **HSBC Holdings Declares 3rd Interim Div for 2018 at US\$0.1/Share.** HSBC Holdings declared a third interim dividend in respect of 2018 of \$0.1 per ordinary share. The ordinary shares in London, Hong Kong, Paris and Bermuda and the American Depositary Shares in New York will be quoted ex-dividend on 11 Oct 2018. [AASocks]
- **Angang Steel Sells Imported Ores to Controlling Shareholder at RMB79.58M.** Angang Steel announced that on 28 Sept, the company entered into imported ores sale and purchase agreement with Angang Holding, its controlling shareholder. It agreed to sell imported ores to Angang Holding at a consideration of RMB79.5828mn. [AASocks]
- **Alibaba, Kid Entertainer 'Spin Master' Hail Strategic Cooperation.** Alibaba had earlier concluded a strategic partnership with Spin Master, the kid entertainment company in Canada. Both parties will strive to create a digital platform for retail, brand building, and data-powered marketing etc.. [AASocks]
- **Petrochina Participates in LNG Project Investment in Canada.** A JV of Petrochina, Royal Dutch Shell, Mitsubishi Group, Kogas and Petronas announced that the investment in the first phase of LNG Canada Project with production expected to commence in 2024 passed the final decision and will officially enter the execution stage. [AASocks]
- **Sinopec Corp to Halve Iran Oil Imports under US Pressures.** Sinopec Corp halved its crude oil imports from Iran in September under bulging pressures from America to request compliance with the sanction commencing from November, Reuters quoted. [AASocks]

V. Overnight Market Recap

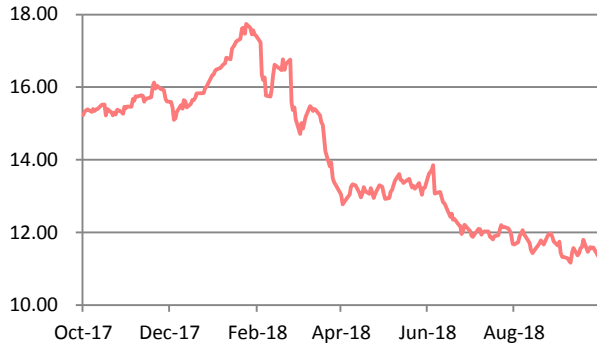
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,923	(1.2)	(0.0)	0.3	0.8	7.7	11.8	15.3	9.3
	Dow Jones	26,774	122.7	0.5	1.1	3.1	10.8	11.4	18.3	8.3
	Nasdaq Composite	8,000	(37.8)	(0.5)	(0.1)	(1.4)	6.6	15.2	22.5	15.9
	Russell 2000	1,656	(17.0)	(1.0)	(3.1)	(4.9)	(0.3)	9.5	9.5	7.8
	VIX Index	12.05	0.1	0.4	(3.0)	(6.3)	(25.3)	(42.9)	26.7	9.1
Europe Equity	Euro Stoxx 50	3,389	(25.2)	(0.7)	(0.9)	(0.2)	(0.5)	1.3	(6.0)	(3.3)
	DAX	12,288	(51.5)	(0.4)	(0.7)	(0.5)	(0.5)	2.4	(4.8)	(4.9)
	CAC	5,468	(38.9)	(0.7)	(0.2)	1.0	2.8	6.1	1.9	2.9
	FTSE 100	7,475	(21.1)	(0.3)	(0.4)	(0.4)	(1.6)	6.3	0.1	(2.8)
APAC Equity	HSI	27,126	(662.1)	(2.4)	(3.0)	(2.1)	(5.0)	(10.1)	(3.7)	(9.3)
	HSCEI	10,755	(263.3)	(2.4)	(2.5)	(0.5)	(1.1)	(11.4)	(4.9)	(8.2)
	HSI VIX	20.14	2.0	11.3	5.4	2.6	(12.3)	(19.3)	40.4	37.9
	CSI 300	3,439	35.3	1.0	3.9	3.1	(2.1)	(11.8)	(10.4)	(14.7)
	SH Composite	2,821	29.6	1.1	3.4	3.5	(0.9)	(11.0)	(15.8)	(14.7)
	SZ Composite	1,442	11.9	0.8	1.5	(0.7)	(10.3)	(22.2)	(27.5)	(24.1)
	Nikkei 225	24,271	24.9	0.1	1.4	6.9	11.4	14.0	17.7	6.6
Commodities (USD)	KOSPI	2,310	(29.3)	(1.3)	(0.6)	0.1	1.6	(5.4)	(3.5)	(6.4)
	Brent (Future)	84.80	(0.2)	(0.2)	3.6	9.5	9.7	25.4	51.1	26.8
	WTI (Future)	75.23	(0.1)	(0.1)	4.1	7.8	1.4	18.4	49.2	24.5
	Gold	1,203	14.3	1.2	0.2	0.3	(3.8)	(9.6)	(5.3)	(7.5)
	Copper (Future)	6,280	31.0	0.5	(0.6)	5.1	(3.7)	(6.5)	(3.3)	(13.3)
FX	Baltic Dry Index	1,555.00	15.0	1.0	7.2	(0.1)	5.4	53.1	18.9	13.8
	Dollar Index	95.51	0.2	0.2	1.5	0.4	0.7	6.1	2.1	3.7
	EUR	1.15	(0.0)	(0.3)	(1.9)	(0.6)	(0.9)	(5.9)	(1.6)	(3.8)
	JPY	113.65	(0.3)	(0.2)	0.6	(2.3)	(2.7)	(6.2)	(0.7)	(0.8)
	CNY	6.87	(0.0)	0.3	(0.2)	(1.0)	(3.5)	(8.3)	(3.0)	(5.3)
CDS	CNH	6.89	(0.0)	(0.0)	0.3	(0.7)	(3.1)	(8.8)	(3.1)	(5.3)
	ChinaGov CDS	57.16	1.1	2.0	(2.1)	(5.2)	(18.0)	(9.4)	(4.3)	14.1
	CDX Emerging Market	95.76	0.0	0.0	0.3	1.6	(0.4)	(2.6)	(0.6)	(3.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.21	0.0	0.6	2.2	2.1	2.0	1.7	1.0	1.4
	2-Year Treasury Yield	2.81	(0.0)	(0.3)	2.8	2.6	2.5	2.3	1.5	1.9
	5-Year Treasury Yield	2.95	(0.0)	(0.3)	2.9	2.7	2.7	2.6	1.9	2.2
	10-Year Treasury Yield	3.06	(0.0)	(0.7)	3.0	2.9	2.8	2.8	2.3	2.4
	2-10 Spread	24.82	(1.2)	(4.8)	22.9	23.1	30.3	50.8	84.8	51.8
China rates	O/N China Repo Rate	2.80	0.8	37.9	2.5	2.3	2.1	2.5	3.0	3.0
	1-Week China Repo Rate	2.90	0.2	5.8	2.7	2.1	2.3	2.8	3.4	3.1
	O/N SHIBOR	2.65	0.2	8.5	2.6	2.3	2.2	2.5	2.9	2.8
	1-Week SHIBOR	2.77	0.0	1.3	2.7	2.6	2.7	2.8	3.0	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



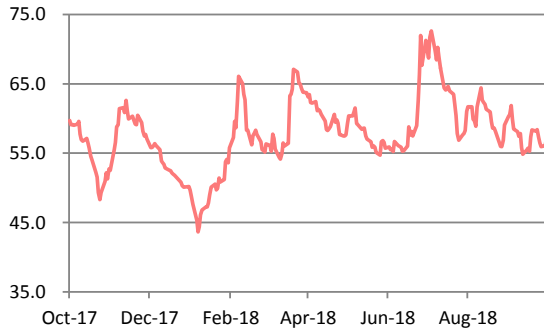
Source: Bloomberg

Shanghai Composite Index PE Ratio



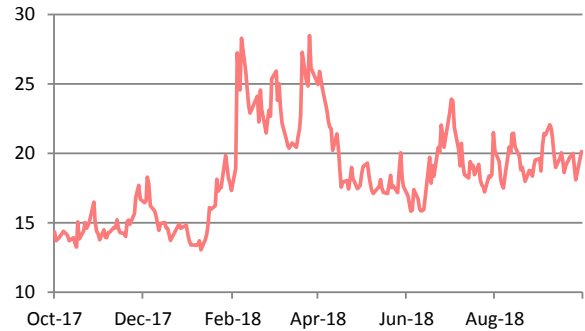
Source: Bloomberg

China 5Y CDS Index_USD



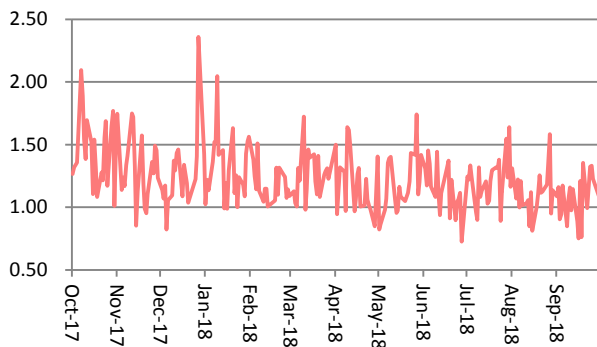
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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