

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Change in Private / Nonfarm Payrolls	Sep	185k/188k	204k/201k
US: Unemployment Rate	Sep	3.80%	3.90%
US: Average Hourly Earnings YoY	Sep	2.80%	2.90%
Japan: Household Spending YoY	Aug	0.10%	0.10%
Japan: Labor Cash Earnings YoY	Aug	1.30%	1.50%

Source: Bloomberg

II. Macro News

- **Italy Offers to Cut Deficit From 2020 in Peace Offering to EU.** Italy set next year's deficit target at 2.4 percent of economic output with a commitment to reduce it in 2020 and 2021, a partial concession to the European Union after it pressured Finance Minister Giovanni Tria to contain the ruling coalition's spending requests. [Bloomberg]
- **Powell Says Fed May Lift Rates to Levels That Restrain Growth.** The Federal Reserve may eventually raise interest rates to levels where they begin to restrain economic growth though that's still some ways off, Chairman Jerome Powell said. "Interest rates are still accommodative, but we're gradually moving to a place where they'll be neutral," neither holding back nor spurring growth, Powell said. [Bloomberg]
- **World Bank Trims 2019 Growth Forecast for Emerging Economies in East Asia & Pacific Region.** The World Bank has lowered its 2019 economic growth forecast for emerging economies in East Asia and Pacific region to 6% from 6.1%. Economic growth forecast for this year is 6.3%. [AASocks]

III. Industry News

- **Irish Bank Bill for Loan Scandal Said to Top Half Billion Euros.** Irish banks paid out over a half a billion euros to customers caught in a mortgage overcharging scandal, according to the nation's central bank governor. Lenders handed 580mn euros (\$667mn) to affected customers by end of August, an increase of about 120mn euros since end of Mar. [Bloomberg]
- **NYSE Proposes That SEC Revise Its Test of How Exchanges Get Paid.** The New York Stock Exchange proposed that U.S. regulators revise their test of how equity exchanges get paid and suggested freezing the rates that exchanges charge for market data, which are viewed by many investors and traders as already too high. [Bloomberg]
- **Thailand to Impose Mortgage Curbs to Tackle Speculation.** Thailand's central bank will tighten mortgage lending rules to curb property speculation after growing concerned about risks stemming from a prolonged period of near record-low interest rates. [Bloomberg]

IV. Corporate News

- **Chinese travel giant Ctrip partners with Splyt to push into int'l ride-hailing, setting up Didi clash.** Ctrip will allow users to book a ride on its app as they travel across the world through a partnership with London-based ride-hailing marketplace Splyt, a move that pits it against Chinese car-hailing giant Didi Chuxing in overseas markets. [SCMP]
- **SAIC-GM to recall 3.33m vehicles over defective suspension.** SAIC-GM, a JV between SAIC Motor and General Motors, will recall about 3.33mn vehicles due to a defect in the suspension system. The affected cars include Buick, Chevrolet and Cadillac cars produced from 2013 to 2017, according to the State Administration of Market Regulation. [China Daily]

- **China's Dongfeng Motor to recall over 72,000 cars.** Dongfeng Motor will recall more than 72,000 vehicles due to defective ignition locks, according to the market regulator. The recall, starting from Oct 12, will involve 72,561 cars, including Livina, Sylphy, New Lannia and Qichen models manufactured between March and Nov 2017, according to the State Administration for Market Regulation. [China Daily]
- **SoftBank, Toyota Team Up on Ride-Hailing, Self-Driving Cars.** Japan's SoftBank Group Corp. and Toyota Motor Corp. are teaming up on ride-hailing and self-driving car technology to offer on-demand transportation services, as they accelerate their push into a market dominated by U.S. technology and car companies. [Bloomberg]
- **Saudi Arabian Banks Agree to Form Kingdom's Third-Biggest Lender.** HSBC Holdings Plc's Saudi Arabian unit agreed to buy a local rival part-owned by Royal Bank of Scotland Group Plc in a \$5 billion deal to create the kingdom's third-largest lender. [Bloomberg]
- **Amazon Warehouse Workers Lose Bonuses, Stock Awards for Raises.** Amazon.com Inc. is eliminating monthly bonuses and stock awards for warehouse workers and other hourly employees after the company pledged this week to raise pay to at least \$15 an hour. [Bloomberg]
- **HP Inc. Gives Upbeat 2019 Forecast on Strong PC Demand.** HP Inc. gave an upbeat profit forecast for fiscal 2019, signaling that the world's largest maker of personal computers will continue to see robust demand for its growing product lineup. [Bloomberg]
- **Indonesia's Traveloka in Talks to Raise \$400Mn.** Traveloka, Southeast Asia's largest online travel startup, is in talks to raise about \$400mn from new and existing investors to accelerate its expansion. The money will be used to push beyond traditional airline tickets and hotel bookings into activities for travelers like concerts or amusement parks. [Bloomberg]
- **Ganfeng Lithium Priced at Lower Limit \$16.5, Expected to Raise \$3.3B.** The world's largest lithium producer Ganfeng Lithium ANFENG LITHIUM was priced at \$16.5 per share in public offering (the lower limit of the offer price range \$16.5-26.5) to raise \$3.3 billion, IFR Asia cited sources. [AASocks]
- **Tencent Adds Stake in Bilibili for About US\$320M.** Tencent will subscribe for 25.0645 million new shares in bilibili at US\$318 million (around HK\$2.492 billion). After the transaction completes, Tencent's shareholdings will increase to about 12.3%. [AASocks]
- **Li Ka-shing, Li Tzar Kuoi Add Stakes in CK Asset.** The co held as to 50% each by Li Ka-shing, the senior adviser of CKH series of cos, and Li Tzar Kuoi, Victor, Chairman of CK Asset, increased 3.8485mn shares in total on 26-Sep, 27-Sep and 2-Oct on open market, at average prices of \$59.9704, \$59.9405 and \$57.8341/shr, said its spokesman. [AASocks]
- **A GOODDOCTOR, CR Sanjiu to Launch New Medical Retail Biz Model.** PA GOODDOCTOR announced that it has entered into a strategic cooperation agreement with CR Sanjiu. Consolidating their competitive edges and resources, both companies will join hands to create a new 'Internet+Healthcare' business model. [AASocks]
- **ZTE: US Court Modifies Corporate Probation Conditions.** ZTE announced that the United States District Court for Northern District of Texas issued an order on 3 Oct 2018 (US time) modifying the conditions of the company's corporate probation as described in the agreement which became effective on 22 Mar 2017 (US time) upon approval by the court. [AASocks]
- **Dongfeng Group Proposes Issuance of Euro Denominated Unsecured Notes.** Dongfeng Group announced the proposed issuance of unsecured notes denominated in Euro. The net proceeds will be used to refinance the existing indebtedness and working capital and for general corporate purposes. [AASocks]
- **Dell Says It Met With Banks About an IPO 'Contingency Plan'.** Dell Technologies Inc., the world's largest private technology company, met with investment banks to discuss a conventional initial public offering, among other options, stoking doubts about its ability to return to public markets through a \$21.7 billion deal that has drawn investor scrutiny. [Bloomberg]

V. Overnight Market Recap

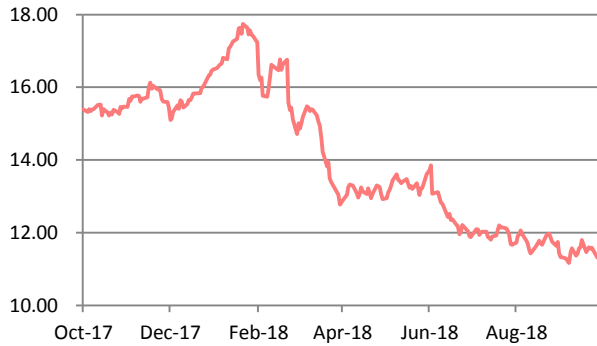
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,902	(23.9)	(0.8)	(0.4)	0.5	6.0	9.0	13.7	8.5
	Dow Jones	26,627	(200.9)	(0.7)	0.7	2.5	9.3	8.7	16.9	7.7
	Nasdaq Composite	7,880	(145.6)	(1.8)	(2.0)	(1.4)	3.9	11.3	19.7	14.1
	Russell 2000	1,647	(24.4)	(1.5)	(2.6)	(4.7)	(1.9)	6.7	8.9	7.3
	VIX Index	14.22	2.6	22.5	14.6	2.2	(5.0)	(24.9)	54.7	28.8
Europe Equity	Euro Stoxx 50	3,375	(30.4)	(0.9)	(2.2)	1.8	(1.9)	(1.6)	(6.6)	(3.7)
	DAX	12,244	(43.4)	(0.4)	(1.1)	1.7	(1.8)	(0.5)	(5.6)	(5.2)
	CAC	5,411	(80.6)	(1.5)	(2.3)	2.9	0.8	2.5	0.6	1.9
	FTSE 100	7,418	(91.9)	(1.2)	(1.7)	0.5	(2.4)	3.0	(1.2)	(3.5)
APAC Equity	HSI	26,624	(467.4)	(1.7)	(4.3)	(2.3)	(5.5)	(9.8)	(6.2)	(11.0)
	HSCEI	10,548	(238.5)	(2.2)	(4.0)	(0.9)	(0.6)	(11.0)	(7.5)	(9.9)
	HSI VIX	20.72	1.0	5.1	3.5	1.1	(12.9)	(20.0)	51.1	41.9
	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	23,976	(135.3)	(0.6)	0.8	6.2	11.3	10.8	16.2	5.3
KOSPI	2,274	(35.1)	(1.5)	(2.8)	(0.8)	0.8	(6.7)	(5.0)	(7.8)	
Commodities (USD)	Brent (Future)	84.58	(1.7)	(2.0)	3.5	8.2	8.1	24.3	51.6	26.5
	WTI (Future)	74.33	(2.1)	(2.7)	3.1	8.6	2.3	17.5	47.0	23.6
	Gold	1,200	2.6	0.2	1.4	0.3	(4.6)	(9.6)	(5.4)	(7.9)
	Copper (Future)	6,290	23.0	0.4	1.7	8.2	(1.5)	(6.5)	(3.5)	(13.2)
	Baltic Dry Index	1,574.00	4.0	0.3	3.3	6.6	(2.4)	65.2	13.9	15.2
FX	Dollar Index	95.75	(0.0)	(0.0)	0.9	0.3	1.2	6.2	2.5	3.9
	EUR	1.15	0.0	0.3	(1.1)	(1.0)	(1.5)	(5.9)	(1.7)	(4.1)
	JPY	113.91	(0.6)	(0.5)	0.5	(2.1)	(2.9)	(5.7)	(0.9)	(1.1)
	CNY	6.87	(0.0)	0.3	(0.2)	(1.0)	(3.5)	(8.3)	(3.0)	(5.3)
	CNH	6.90	0.0	0.1	0.1	(0.7)	(3.4)	(8.7)	(3.5)	(5.5)
CDS	ChinaGov CDS	58.38	1.7	2.9	3.3	(5.6)	(18.6)	(6.3)	(1.3)	16.5
	CDX Emerging Market	95.13	(0.5)	(0.5)	(0.8)	0.9	(1.4)	(3.3)	(1.3)	(4.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.21	(0.0)	(0.2)	2.2	2.1	1.9	1.7	1.1	1.4
	2-Year Treasury Yield	2.87	(0.0)	(0.1)	2.8	2.6	2.5	2.3	1.5	1.9
	5-Year Treasury Yield	3.05	0.0	0.0	3.0	2.8	2.7	2.6	1.9	2.2
	10-Year Treasury Yield	3.19	0.0	0.2	3.1	2.9	2.8	2.8	2.3	2.4
	2-10 Spread	31.49	1.0	3.2	23.8	24.7	28.1	50.3	85.7	51.8
China rates	O/N China Repo Rate	2.80	0.8	37.9	2.2	2.2	1.9	2.5	3.0	3.0
	1-Week China Repo Rate	2.90	0.2	5.8	2.6	2.4	3.5	2.8	3.4	3.1
	O/N SHIBOR	2.65	0.2	8.5	2.4	2.2	2.0	2.5	2.9	2.8
	1-Week SHIBOR	2.77	0.0	1.3	2.7	2.6	2.6	2.8	3.0	3.0

Source: Bloomberg

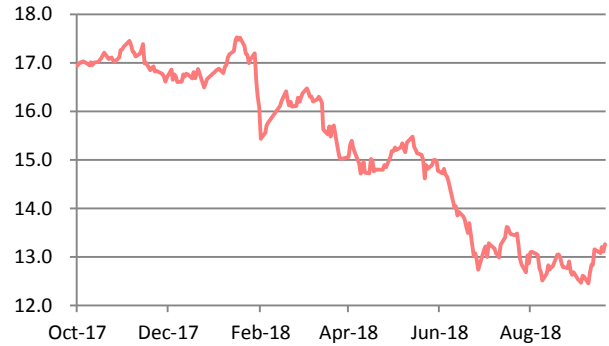
VI. Key Indicators

Hang Seng Index PE Ratio



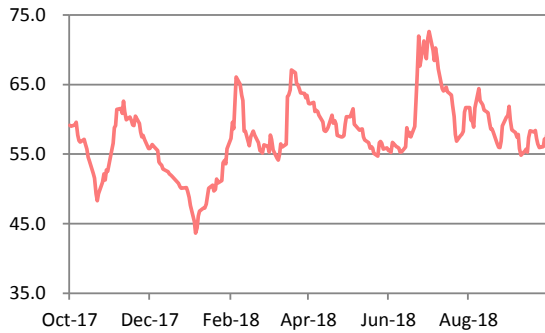
Source: Bloomberg

Shanghai Composite Index PE Ratio



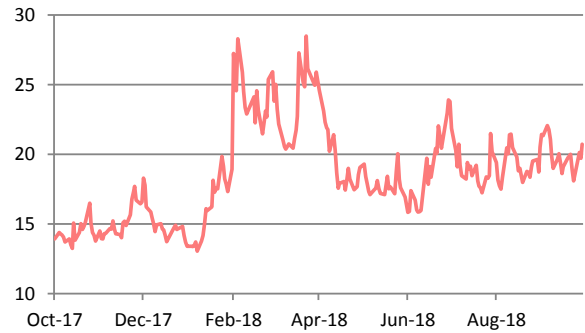
Source: Bloomberg

China 5Y CDS Index_USD



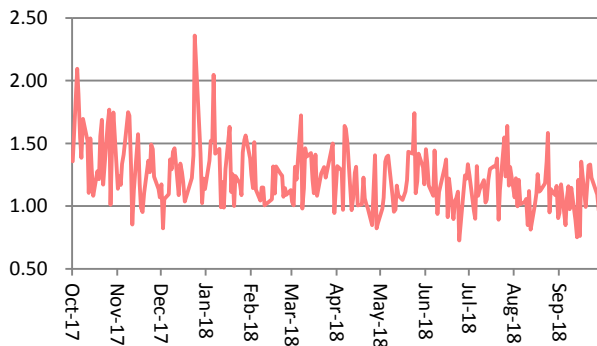
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

Research

LIU Taisheng, Steven
Head of Research & TMT
(852) 3465 5652
stevenliu@csci.hk

CHAN Ka Yeung, Duncan
Commodity
(852) 3465 5654
duncanchan@csci.hk

TIAN Yang
Automotive
(852) 3465 5775
tianyong@csci.hk

YAO Xue, Snowy
Power & Coal
(852) 3465 5675
snowyyao@csci.hk

SHEN Xiangfei, Thomas
Technology Hardware
(852) 3465 8689
thomasshen@csci.hk

XU Qiwen
Consumer Discretionary
(852) 3465 8690
xuqiwen@csci.hk

Institutional Sales & Trading

XIANG Xinrong, Ron
Head of IST
(852) 3465 5633
ronxiang@csci.hk

HO Wen Hao, Jack
(852) 3465 5685
jackho@csci.hk

WANG Zhuo, Gary
(852) 3465 8655
wangzhuo@csci.hk

LEE Ying Ju, Rose
(852) 3465 5707
roselee@csci.hk

XIA Tian
(852) 3465 5670
xiatian@csci.hk

XU Xiaowei, Vincent
(852) 3465 5795
vincentxu@csci.hk

CHAU Manying, Angel
(852) 3465 5781
angelchau@csci.hk

LIU Honglin, Charlene
(852) 3465 8686
charleneliu@csci.hk

Disclosure of Interests

As of the date of this report,

1. The research analysts primarily responsible for the preparation of all or part of this report hereby certify that:
 - (i) the views expressed in this research report accurately reflect the personal views of each such analyst about the subject securities and issuers; and
 - (ii) no part of the analyst's compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.
2. The research analysts primarily responsible for the preparation of all or part of this report, or his/her associate(s), do not have any interest (including any direct or indirect ownership of securities, arrangement for financial accommodation or serving as an officer) in any company mentioned in this report,
3. This report has been produced in its entirety by China Securities (International) Brokerage Company Limited ("China Securities (International)") (CE Number: BAU373, regulated by the Securities and Futures Commission in Hong Kong)
4. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities have no financial interest, in aggregate, equal to or more than 1% of the market capitalization in the stocks reviewed in this report.
5. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may receive compensation from or mandates for investment banking services in the past 12 months from listed corporations whose stocks are being reviewed by China Securities (International) in this report.
6. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities do not have any individual employed by or associated with them serving as an officer of a listed corporation whose stocks are being reviewed by China Securities (International) in this report.
7. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may act as the market makers in the stocks reviewed by China Securities (International) in this report.

Disclaimer

This report is for information purposes only and should not be construed as an offer to sell or to solicitation of an offer to buy or sell any securities in any jurisdiction. The securities referred to in this research report to in this research report may not be eligible for sale in some jurisdictions. This information contained in this report has been compiled by China Securities (International) from sources that it believes to be reliable and the opinions, analysis, forecasts, projections and expectations contained in this report are based on such information and are expressions of belief only and no representation, warranty or guarantee is made or given by China Securities (International) or any its accuracy or completeness. All opinions and estimates expressed in this report are (unless otherwise indicated) entirely those of China Securities (International) as of the date of this report only and are subject to change without notice. Such opinions and estimates may be different from or contrary to the opinions presented by the other business departments, units or affiliates of China Securities (International), as different assumptions and standards, different views and analytical methods may be adopted in the preparation of such other materials, and China Securities (International) is under no obligation to bring such other materials to the attention of any recipient of this report. Neither China Securities (International) nor its holding companies and affiliates accept any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report or otherwise arising in connection therewith.

Any investment referred to herein may involve significant risk, may be illiquid and may not be suitable for all investors. The value of or income from any investment referred to herein may fluctuate and be affected by changes in exchange rates. Past performance is not indicative of future results. This report does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors are expected to make their own investment decision without relying on this publication. Before entering into any transactions in any securities referred to in this research report investor should consider their own individual investment objectives and financial situation and seek professional financial, tax and legal advice, as necessary.

This report is strictly confidential to the recipient. It is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. The distribution of this report in other jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions.

China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495