



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Composite / Services PMI	Sep	N/A/51.4	52.0/51.5
Germany: Industrial Production YoY	Aug	0.10%	1.10%
Taiwan: Exports / Imports YoY	Sep	N/A	1.9%/7.9%
Canada: Bloomberg Nanos Confidence	5-Oct	N/A	55.2

Source: Bloomberg

II. Macro News

- **China's central bank to pump US\$110 billion into economy as US trade war intensifies.** The People's Bank of China said it would cut the reserve requirement ratio by one percentage point from October 15 as a way to ensure reasonable credit growth and support economic development. As a result, banks will be handed 1.2tn yuan, of which 450bn yuan (US\$65bn) will be used to repay their own borrowings from the central bank and the rest for lending. [SCMP]
- **U.S. Payrolls and Wages Cool While Jobless Rate Hits 48-Year Low.** Federal Reserve Chairman Jerome Powell says the link between unemployment and inflation may be resting rather than poised for a revival. The jobless rate's decline to a 48-year low will put that view to the test. While unemployment fell more than forecast in Sept to 3.7%, the lowest since Dec 1969, average hourly earnings climbed 2.8% from a year earlier. [Bloomberg]
- **US Aug Trade Deficit Rises to 6-month High.** The US Commerce Department announced that the trade deficit in August increased 6.4% to 6-month high at US\$53.2 billion. The trade deficit against the PRC surged 4.7% to a new high at US\$38.6 billion. [AAStocks]

III. Industry News

- **China Slams Brakes on U.S. Crude Oil Imports.** The world's second largest economy halted purchases of U.S. crude in August for the first time since September 2016, according to U.S. Census Bureau data released Friday. In July, Chinese buyers received nearly 12 million barrels of crude from the U.S. [Bloomberg]
- **China couriers rake in 371b yuan revenue.** China's courier sector maintained strong growth in the first eight months of this year, lifted by booming e-commerce, according to data from the State Post Bureau. The sector raked in more than 371.5 billion yuan of revenue in the January-August period, up by 24.8% YoY, Xinhua reports. [The Standard]
- **China's foreign-currency holdings fell in Sept, as heightened trade tensions with the U.S. fueled concerns of capital outflow and further yuan depreciation.** Reserves declined by \$22.69 billion to \$3.087 trillion in September, the People's Bank of China said Sunday. That compares with \$3.110 trillion the previous month and the median estimate of \$3.105 trillion in a Bloomberg survey of economists. [Bloomberg]

IV. Corporate News

- **Midea Real Estate Prices Hong Kong IPO at Bottom of Range.** Midea Real Estate has raised HK\$3.06b from a Hong Kong listing after pricing the shares at bottom of indicative price range of HK\$17-HK\$21.5 apiece, IFR Asia reports, citing unidentified people close to the deal. [Bloomberg]
- **Samsung Profit Tops Estimates Bolstered by Memory-Chip Sales.** Samsung Electronics Co. posted profit that topped analysts' estimates on resilient sales of memory chips. Operating income rose to 17.5 trillion won (\$15.5 billion) in the three months ended September. [Bloomberg]

- **Dell Set to List on NYSE If Go-Public Plan Via Buyout Succeeds.** Dell Technologies Inc. has applied to list its shares on the New York Stock Exchange as part of a plan to take the company public again through a buyout of a tracking stock. [Bloomberg]
- **US extends watch over ZTE violation.** A US judge has issued an order finding that China's ZTE Corp (0763) violated probation imposed in March 2017 when the company pleaded guilty for conspiring to evade United States sanctions by illegally shipping US goods and technology to Iran. [The Standard]
- **Lenovo Group: Customer Security as Top Priority.** Lenovo Group made an announcement that it had noted the recent sudden fluctuations of the share prices and certain recent press articles concerning suspected security breaches involving the motherboards manufactured by a major motherboard manufacturer based in the United States. [AAStocks]
- **Tencent Buys Back 128K Shrs at \$39.04M.** Tencent announced that it repurchased 128,000 shares at approximately \$39.04 million through the Stock Exchange on last trading day (5 October). Tencent has bought back an aggregate of 2.165 million shares as of the last trading day, representing 0.0228% of its share capital. [AAStocks]
- **Saudi Crown Prince Vows Aramco IPO by 2021, Keeps to \$2 Trillion.** Saudi Arabia's crown prince insisted the stalled plan to sell shares in oil giant Aramco will go ahead, promising an initial public offering by 2021 and sticking to his ambitious view the state-run company is worth \$2 trillion or more. [Bloomberg]
- **ANZ Bank Flags A\$697 Million Hit as Conduct Costs Mount.** Australia & New Zealand Banking Group Ltd. will take a A\$697 million (\$492 million) after-tax hit to full-year earnings as the costs of cleaning up its reputation and simplifying the business mount. [Bloomberg]
- **Chinese conglomerate Fosun's UK affiliate acquires City of London's Royal Exchange for US\$58.4m.** The UK affiliate of Chinese conglomerate Fosun International has acquired the iconic Royal Exchange in the City of London for £45mn (US\$58.4mn). Market observers expect annual rental yield at Royal Exchange to fetch as much as 5.9%. [SCMP]
- **Country Garden holiday discounts trigger protests.** A decision by Country Garden Holdings to cut prices by up to 30% at projects in two cities during the National Day holiday has sparked protests by scores of buyers who had paid full price ahead of the discounts. [SCMP]
- **Hong Kong firm Summer Capital joins fundraising for Swiss crypto-bank SEBA Crypto AG.** Hong Kong investment firm Summer Capital has taken a stake in start-up SEBA Crypto AG, which aspires to be the first cryptocurrency investment bank, pending approval of its license application before Swiss authorities. [SCMP]
- **Saudi Arabia invests another US\$45 billion with SoftBank's Masayoshi Son to pick tech winners.** Saudi Arabia is preparing to double-down on its bet that Masayoshi Son can pick the technology giants of the future. The country's sovereign fund will make another \$45 billion investment in Son's second massive Vision Fund. [SCMP]
- **Sunac September sales rise.** Sunac China said its subscription value in September increased by 24 percent year-on-year to 54.73bn yuan (HK\$62.43bn) while contracted sales rose 24% to 53.35bn yuan. The contracted sold areas were about 3.53 million square meters with an average selling price of approximately 15,110 yuan per sq m. [The Standard]

V. Overnight Market Recap

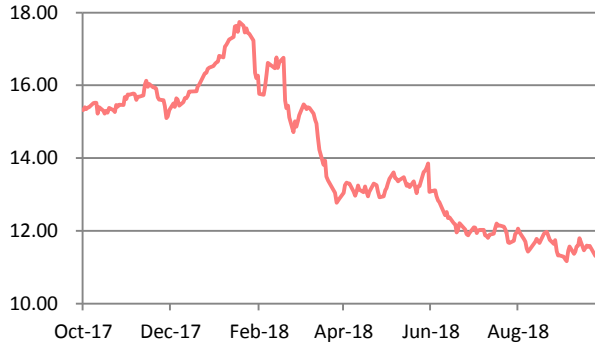
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,886	(16.0)	(0.6)	(1.0)	0.5	4.6	10.8	13.2	7.9
	Dow Jones	26,447	(180.4)	(0.7)	(0.0)	2.0	8.1	10.5	16.1	7.0
	Nasdaq Composite	7,788	(91.1)	(1.2)	(3.2)	(1.4)	1.3	12.6	18.2	12.8
	Russell 2000	1,632	(14.8)	(0.9)	(3.8)	(4.7)	(3.7)	7.9	8.1	6.3
	VIX Index	14.82	0.6	4.2	22.3	(0.4)	10.8	(31.0)	53.6	34.2
Europe Equity	Euro Stoxx 50	3,346	(29.6)	(0.9)	(1.6)	1.6	(3.0)	(1.8)	(7.2)	(4.5)
	DAX	12,112	(132.2)	(1.1)	(2.6)	1.3	(3.1)	(1.1)	(6.5)	(6.2)
	CAC	5,359	(51.5)	(1.0)	(2.4)	2.0	(0.3)	1.9	(0.0)	0.9
	FTSE 100	7,319	(99.8)	(1.3)	(2.6)	0.6	(3.9)	1.9	(2.7)	(4.8)
APAC Equity	HSI	26,573	(51.3)	(0.2)	(4.1)	(1.5)	(6.2)	(11.0)	(6.6)	(11.2)
	HSCEI	10,530	(17.3)	(0.2)	(3.7)	(0.3)	(0.9)	(12.0)	(8.1)	(10.1)
	HSI VIX	20.70	(0.0)	(0.1)	9.3	(3.0)	(5.4)	(15.8)	48.6	41.8
	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	23,784	(191.9)	(0.8)	(1.4)	6.6	9.2	10.3	14.9	4.5
KOSPI	2,268	(7.0)	(0.3)	(3.7)	(0.6)	(0.2)	(6.7)	(5.3)	(8.1)	
Commodities (USD)	Brent (Future)	84.16	(0.4)	(0.5)	1.7	8.9	8.7	23.2	47.6	25.9
	WTI (Future)	74.34	0.0	0.0	1.5	8.2	1.9	17.0	46.4	23.0
	Gold	1,204	3.7	0.3	1.1	0.6	(4.3)	(9.3)	(5.1)	(7.6)
	Copper (Future)	6,173	(117.0)	(1.9)	(1.4)	5.1	(2.7)	(9.4)	(7.9)	(14.8)
	Baltic Dry Index	1,536.00	(18.0)	(1.2)	(0.3)	3.1	(5.3)	62.0	9.3	12.4
FX	Dollar Index	95.62	(0.1)	(0.1)	0.5	0.5	1.3	5.7	1.8	3.8
	EUR	1.15	0.0	0.1	(0.7)	(0.9)	(1.4)	(5.8)	(1.6)	(4.0)
	JPY	113.72	(0.2)	(0.2)	0.0	(1.9)	(2.7)	(5.6)	(0.8)	(0.9)
	CNY	6.87	(0.0)	0.3	(0.2)	(1.0)	(3.5)	(8.3)	(3.0)	(5.3)
	CNH	6.90	(0.0)	(0.0)	0.3	(0.8)	(3.4)	(8.7)	(3.5)	(5.5)
CDS	ChinaGov CDS	60.54	2.2	3.7	8.2	3.5	(13.4)	(3.0)	2.3	20.9
	CDX Emerging Market	94.93	(0.2)	(0.2)	(0.8)	0.3	(2.0)	(3.2)	(1.4)	(4.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.21	(0.0)	(0.1)	2.2	2.1	1.9	1.7	1.1	1.4
	2-Year Treasury Yield	2.89	0.0	0.6	2.8	2.7	2.5	2.3	1.5	1.9
	5-Year Treasury Yield	3.07	0.0	0.8	3.0	2.8	2.7	2.6	2.0	2.2
	10-Year Treasury Yield	3.23	0.0	1.4	3.1	2.9	2.8	2.8	2.4	2.4
	2-10 Spread	34.37	2.9	9.1	23.8	23.2	28.1	50.3	85.1	51.8
China rates	O/N China Repo Rate	2.80	#N/A N/A	#N/A N/A	2.8	2.6	1.9	2.4	3.0	3.0
	1-Week China Repo Rate	2.90	#N/A N/A	#N/A N/A	2.9	2.5	3.5	2.7	3.4	3.1
	O/N SHIBOR	2.65	0.2	8.5	2.7	2.6	2.0	2.4	2.9	2.8
	1-Week SHIBOR	2.77	0.0	1.3	2.8	2.7	2.6	2.8	3.0	3.0

Source: Bloomberg

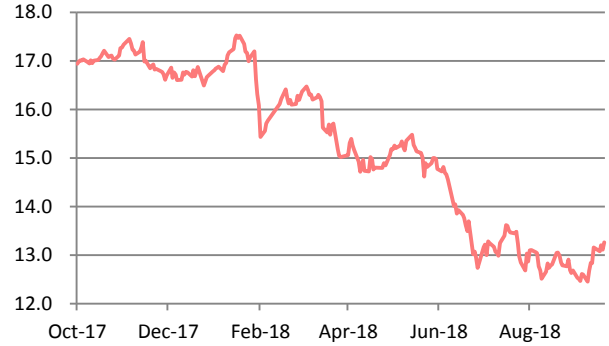
VI. Key Indicators

Hang Seng Index PE Ratio



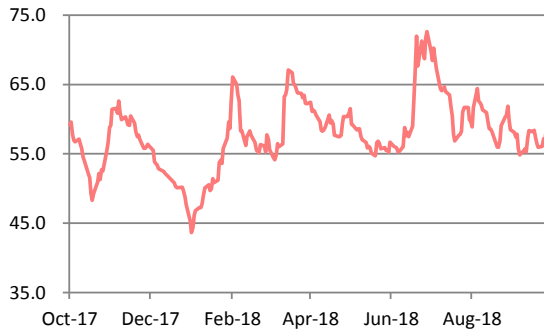
Source: Bloomberg

Shanghai Composite Index PE Ratio



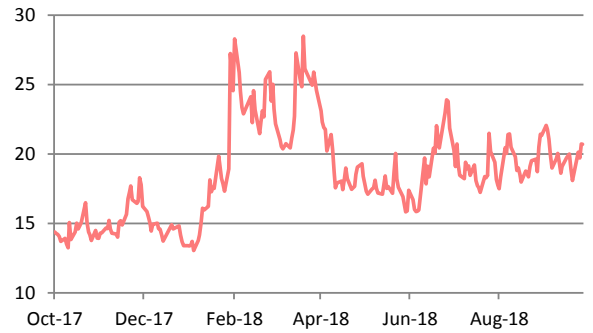
Source: Bloomberg

China 5Y CDS Index_USD



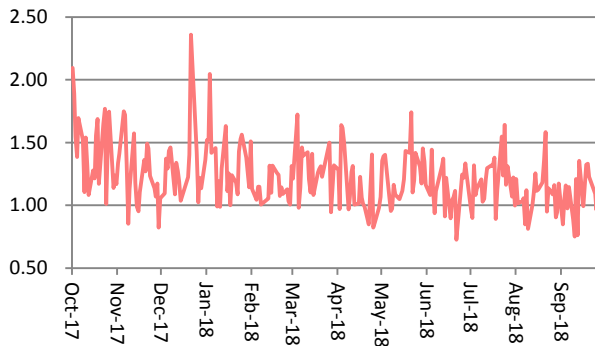
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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