



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Direct Investment Actually Utilized YoY	Sep	N/A	1.90%
US: CPI / Core YoY	Sep	2.40%/2.30%	2.70%/2.20%
UK: Industrial Production YoY	Aug	1.00%	0.90%
Malaysia: Industrial Production YoY	Aug	N/A	2.60%
S. Africa: Gold Production YoY	Aug	N/A	- 15.0%

Source: Bloomberg

II. Macro News

- **IMF Warns of Possible Emerging-Markets Crisis.** A new study by the IMF projects emerging economies will muddle through recent market turbulence without a severe shock to their financial systems, but flags an outside chance of a crisis. A few countries, such as Argentina, are expected to suffer contractions. But most will continue to experience growth, despite sometimes drastic declines in their currencies, the IMF said in its Financial Stability Report. [WSJ]
- **Turkey Reveals Plans to Tame Inflation.** The Turkish government unveiled measures aimed at reining in double-digit inflation that has helped erode investor confidence in the country and contributed to a sharp depreciation of the currency this year. Turkish Finance Minister Berat Albayrak presented a series of measures the govt hopes will bring down inflation, which stood at nearly 25% in Sept, vs. just under 18% for the month before. [WSJ]
- **China, Norway to ink free trade deal.** A free trade agreement between China and Norway is expected "sometime next year" as productive discussions are continuing between the two nations, Norway's top envoy said. "The FTA with China is a priority for Norway," Geir O. Pedersen, Norwegian ambassador to China, said at a news briefing in Beijing. [China Daily]

III. Industry News

- **SFC ready for legal charges against corporate fund.** The Securities and Futures Commission plans to move against 60 listed companies and individuals in the first half of next year, in the largest legal action undertaken by the market watchdog since its establishment in 1989. [SCMP]
- **Shanghai issues service trade negative list.** The Shanghai municipal government released a negative list for cross-border service trade on Tuesday, the first of its kind in China. A total of 159 detailed regulations have been included in the new negative list, covering 31 industries. [China Daily]
- **India Is Considering Tapping Its Citizens Abroad to Prop Rupee.** Prime Minister Narendra Modi's government is considering tapping Indians living overseas to lure foreign exchange flows and prop up a sagging rupee. Officials from the finance ministry and the central bank are discussing a plan to raise money from non-resident Indians. [Bloomberg]

IV. Corporate News

- **Rocket scientist's veggie-selling app may be worth US\$7B.** Meicai, a Chinese start-up that helps farmers sell vegetables to restaurants, raised at least US\$600mn in a funding round. The money will be used to expand as it competes for a bigger share of China's fragmented food sourcing market. It raised c.\$800mn at a valuation of c.\$7bn. [SCMP]
- **Daimler, Geely reportedly to create ride-hailing joint venture in China.** German car maker Daimler AG is in talks with Zhejiang Geely Holding Group Co to set up a 50-50 ride-hailing and car-sharing joint venture in China, which, if it works, is expected to cause a stir in the industry currently led by Didi Chuxing, according to a report by Bloomberg. [China Daily]

- **JAC vehicles gaining ground in Argentina.** Chinese-made automobiles are now more frequently seen driving on the streets of Argentina. This week, Anhui Jianghuai Automobile Co Ltd, or JAC Motors, became the latest Chinese manufacturer to present its line of passenger and commercial vehicles for Argentine consumers. [China Daily]
- **PetroChina sets new record at Tarim oilfield.** After the drilling operations at Well Keshen 2-2-10 wrapped up successfully, it only took the drilling crews of PetroChina Tarim oilfield Co two days to put 17 single wells into production, setting a new record. [China Daily]
- **Airbus to cooperate with more Chinese suppliers.** European aircraft manufacturer Airbus SE said it hopes to cooperate with more Chinese suppliers, including private enterprises, as it continues to expand cooperation with Chinese industrial players, a senior company executive said. [China Daily]
- **Tencent partnering UK firm to boost AI in healthcare sector.** Tencent Holdings is working with a technology firm from the United Kingdom to use artificial intelligence to improve Parkinson's disease treatment. The company is joining hands with Medopad Ltd to develop a system to remotely monitor patients with the severe movement disorder. [China Daily]
- **Huawei opens new front in semiconductor battle.** Chinese tech heavyweight Huawei Technologies Co Ltd unveiled a slate of artificial intelligence chips on Wednesday, in its biggest-ever push to expand presence in the semiconductor sector and to compete with US companies such as Nvidia Corp. [China Daily]
- **HNA to Sell Over 80 Property Assets Worth At Least US\$11B.** HNA Group is disposing of or planning to sell over 80 property assets, including hotels, commercial and residential buildings, as Reuters quoted from two documents. Such assets are worth of at least US\$11.0 billion. [AASocks]
- **HSBC to Pay US\$765M Fine for Mis-Sold Mortgaged Backed Securities.** HSBC Hldgs is going to pay US\$765m fine to the US Justice Dept for its mortgage-backed securities mis-sold between 2005 and 2007, media reported. The group stated that it's been working on improvements to its internal controls and corporate culture since financial crisis. [AASocks]
- **Melco Int'l Dev: to Spin Off, List Studio City on ADSS, Raising Nearly \$2.8B at most.** Melco International Development announced the preliminary offer price range for Studio City's spin-off and separate listing on the ADSS. The offer price will range from US\$10.5 (equivalent to c.HK\$81.9) to US\$12.5 (equivalent to c.HK\$97.5) per ADS. [AASocks]
- **Net Generation of China Resources Power's Subsidiary Power Plants Up 0.6% YoY in Sep.** China Resources Power announced that net generation of its subsidiary power plants spiked 0.6% YoY to 12.1306mn MWh. During the first nine months of 2018, net generation of subsidiary power plants hiked 2.7% year-on-year to 119mn MWh. [AASocks]
- **BYD Company September Car Sales Volume of About 48,000 Unit.** BYD Company announced that its total vehicle sales volume reached 47,900 units in September, where 27,900 units are new energy vehicles and 20,000 units are oil-fueled vehicles. [AASocks]
- **Dongfeng Goup PV Production/ Sales Down 0.2%/ 3.8% in Jan-Sep.** Dongfeng Goup announced that production and sales volume of passenger vehicles in September amounted to 228,600 units and 237,800 units respectively while production and sales volume of commercial vehicles equaled 32,700 units and 33,300 units respectively. [AASocks]
- **China State Construction 9M18 Accumulated New Contract Value \$90.43B.** China State Construction announced it has recorded an accumulated new contract value of \$90.43bn for the nine months ended 30 Sep 2018, and hence achieved a 75.4% completion of the 2018 full year target (which has been revised up to no less than \$120bn). [AASocks]
- **SoftBank Discusses Taking Majority Stake in WeWork.** SoftBank Group Corp. is in discussions to take a majority stake in WeWork Cos., in what would be a giant bet on the eight-year-old provider of shared office space, according to people familiar with the talks. The investment could total between \$15 billion and \$20 billion and would likely come from SoftBank's Vision Fund. [WSJ]

V. Overnight Market Recap

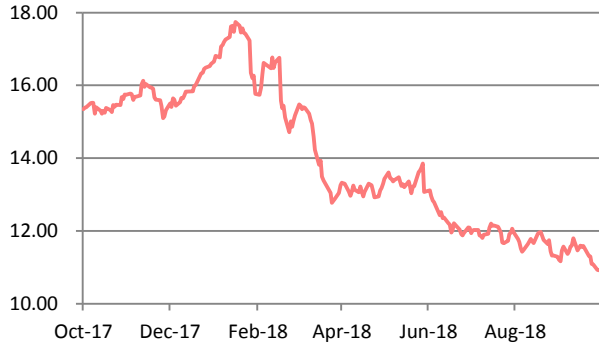
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,786	(94.7)	(3.3)	(4.8)	(3.5)	0.4	5.4	9.0	4.2
	Dow Jones	25,599	(831.8)	(3.1)	(4.6)	(1.4)	3.6	5.8	11.9	3.6
	Nasdaq Composite	7,422	(316.0)	(4.1)	(7.5)	(6.9)	(3.8)	5.0	12.4	7.5
	Russell 2000	1,575	(46.5)	(2.9)	(5.7)	(8.3)	(6.4)	1.8	4.5	2.6
	VIX Index	22.96	7.0	43.9	90.5	73.7	68.5	13.4	133.1	108.0
Europe Equity	Euro Stoxx 50	3,267	(54.9)	(1.7)	(4.1)	(1.4)	(4.5)	(4.5)	(9.4)	(6.8)
	DAX	11,713	(264.7)	(2.2)	(4.7)	(2.2)	(5.7)	(4.7)	(9.7)	(9.3)
	CAC	5,206	(112.3)	(2.1)	(5.2)	(1.5)	(2.8)	(1.4)	(2.9)	(2.0)
	FTSE 100	7,146	(91.9)	(1.3)	(4.9)	(1.8)	(5.9)	(1.5)	(5.2)	(7.1)
APAC Equity	HSI	26,193	20.2	0.1	(3.3)	(0.9)	(7.5)	(15.2)	(7.7)	(12.5)
	HSCEI	10,443	22.1	0.2	(3.2)	1.1	(2.0)	(15.3)	(8.5)	(10.8)
	HSI VIX	20.89	(0.2)	(0.9)	6.0	(4.1)	0.8	(4.7)	46.9	43.1
	CSI 300	3,282	(7.1)	(0.2)	(4.0)	1.8	(3.7)	(16.7)	(15.9)	(18.6)
	SH Composite	2,726	4.8	0.2	(2.9)	2.3	(1.9)	(15.0)	(19.6)	(17.6)
	SZ Composite	1,383	(2.0)	(0.1)	(4.5)	(1.9)	(11.0)	(25.3)	(31.8)	(27.2)
	Nikkei 225	23,506	36.7	0.2	(3.2)	3.7	7.2	8.4	12.6	3.3
Commodities (USD)	KOSPI	2,229	(25.2)	(1.1)	(4.7)	(2.4)	(2.3)	(8.8)	(9.3)	(9.7)
	Brent (Future)	83.09	(1.9)	(2.3)	(3.7)	7.4	5.4	17.0	46.8	24.3
	WTI (Future)	73.17	(1.8)	(2.4)	(4.2)	4.9	3.2	8.7	41.6	20.2
	Gold	1,195	5.0	0.4	(0.2)	(0.4)	(3.9)	(11.8)	(7.6)	(8.3)
	Copper (Future)	6,239	(53.0)	(0.8)	(0.4)	5.6	(1.5)	(10.2)	(7.7)	(13.9)
FX	Baltic Dry Index	1,503.00	(27.0)	(1.8)	(4.5)	4.4	(5.2)	53.5	4.9	10.0
	Dollar Index	95.51	(0.2)	(0.2)	(0.3)	0.4	1.4	6.6	2.4	3.7
	EUR	1.15	0.0	0.3	0.4	(0.6)	(1.2)	(6.8)	(2.8)	(3.9)
	JPY	112.27	(0.7)	(0.6)	(2.0)	(0.4)	(0.1)	(4.7)	0.4	0.5
	CNY	6.92	0.0	(0.0)	(0.8)	(1.0)	(4.2)	(9.3)	(5.1)	(6.0)
CDS	CNH	6.92	0.0	0.1	0.5	(0.8)	(3.0)	(9.4)	(5.1)	(6.0)
	ChinaGov CDS	63.00	(1.0)	(1.5)	11.1	9.7	(10.3)	2.8	9.1	25.8
	CDX Emerging Market	94.90	(0.4)	(0.4)	(0.9)	0.3	(1.6)	(3.3)	(1.5)	(4.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.26	0.0	1.1	2.2	2.1	2.0	1.7	1.1	1.4
	2-Year Treasury Yield	2.84	(0.0)	(1.5)	2.9	2.7	2.6	2.3	1.5	1.9
	5-Year Treasury Yield	3.00	(0.1)	(1.7)	3.0	2.9	2.7	2.7	2.0	2.2
	10-Year Treasury Yield	3.16	(0.0)	(1.4)	3.2	3.0	2.8	2.8	2.3	2.4
	2-10 Spread	31.67	(0.0)	(0.1)	31.5	22.8	25.5	48.6	82.6	51.8
China rates	O/N China Repo Rate	2.41	(0.1)	(3.1)	2.8	2.1	2.5	2.6	2.6	3.0
	1-Week China Repo Rate	2.50	(0.0)	(2.0)	2.9	2.7	2.5	2.6	2.9	3.1
	O/N SHIBOR	2.40	(0.1)	(4.2)	2.7	2.6	2.5	2.6	2.7	2.8
	1-Week SHIBOR	2.62	(0.0)	(0.6)	2.8	2.7	2.7	2.8	2.9	3.0

Source: Bloomberg

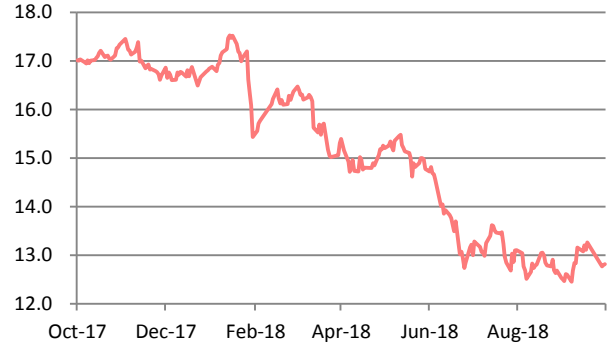
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



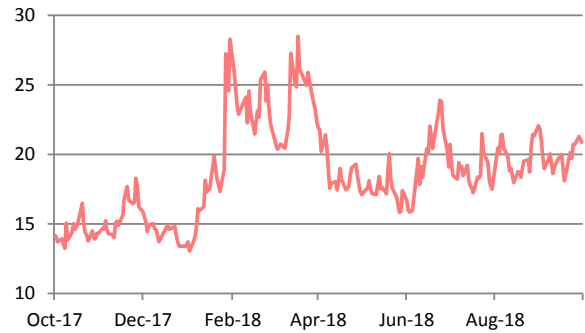
Source: Bloomberg

China 5Y CDS Index_USD



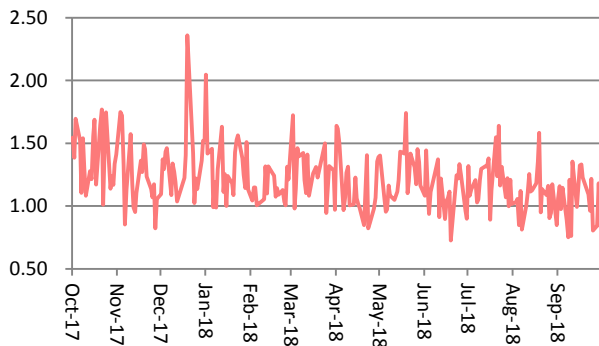
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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