



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD Exports / Imports YoY	Sep	8.7%/14.5%	9.8%/20.0%
China: Trade Balance	Sep	USD24.55bn	USD27.89bn
India: Industrial Production YoY	Aug	N/A	6.60%
New Zealand: Business NZ Manufacturing Index	Sep	N/A	52.0

Source: Bloomberg

II. Macro News

- **IMF chief Lagarde dismisses idea Beijing is manipulating the yuan as Washington turns up the heat.** IMF chief Christine Lagarde has dismissed the idea that China is manipulating its currency to gain a competitive advantage, giving verbal support to Beijing as Washington reiterates its concerns about the yuan's exchange rate. [SCMP]
- **China Urges U.S. to Address Trade Differences by Talks.** China hopes U.S. to stop unilateralism, protectionism and take constructive, concrete measures to maintain healthy economic and trade relations, commerce ministry spokesman Gao Feng says at regular briefing. [Bloomberg]
- **Philippine Finance Chief Expects 6.5% GDP Growth in 2018.** Philippine Finance Secretary Carlos Dominguez said the economy will sustain growth exceeding 6 percent this year, as investment and infrastructure spending help counter the impact of higher interest rates. [Bloomberg]

III. Industry News

- **Tighter US foreign investment rules that target China start in November.** The US federal government will tighten rules on foreign investment in sensitive industries such as technology and telecommunications next month, the Treasury Dept said on Wednesday, as it starts to enforce a law aimed at curbing Chinese investment in 27 sensitive sectors. [SCMP]
- **China Sets Price Guidance for \$3 Billion Dollar Bond Sale.** China's Ministry of Finance has set an initial price guidance for a \$3 billion dollar bond offering as it begins marketing its first such sale in about a year. The price guidance on the five and 10-year sovereign notes was at 50 and 65 basis points over U.S. Treasuries, respectively. [Bloomberg]
- **Chinese banks likely to see stable operating environment despite trade war, says Moody's.** The operating environment for Chinese banks is expected to remain stable in the near term despite potential pressure on the Chinese economy next year from the escalating trade war with the United States, according to analysts at Moody's Investors Service. [SCMP]

IV. Corporate News

- **BMW Group to Buy 25% Stake in Chinese JV for 3.6 Billion Euros.** BMW Group to increase its stake in the BMW Brilliance Automotive joint venture to 75% from 50% for 3.6 billion euros. The contractual term of the joint venture, which would currently expire in 2028, is to be extended to 2040 as part of the agreement. [Bloomberg]
- **Tesla Is Said to Close In on \$145 Million Tract for China Plant.** Tesla Inc. is in the process of procuring land in Shanghai for its first factory outside of the U.S. The carmaker is the sole bidder for a plot of land with an auction price of about 1 billion yuan (\$145 million). [Bloomberg]
- **Uniqlo Owner Sees Profit Rising 14% in Year on Overseas Growth.** Fast Retailing Co. forecast full-year operating profit will increase 14% as the Uniqlo operator expands its international footprint in high-growth areas beyond China. Operating profit will probably rise to 270bn yen (\$2.4bn) in the year through Aug 2019, it said Thursday. [Bloomberg]

- **Apple Signs \$600 Million Deal With Dialog Semi for Assets, Staff.** Apple Inc has signed a deal with Dialog Semiconductor Plc to license the U.K. chip designer's power management technology and acquire certain assets, including more than 300 staff. [Bloomberg]
- **Chinese Suitor Is Said to Progress in Amer Sports Deal Talks.** Amer Sports Oyj's Chinese suitor is advancing in negotiations over a potential takeover of the Finnish company. The Chinese investor group, led by Anta Sports Products Ltd., has started speaking with banks about financing for the transaction. [Bloomberg]
- **Alibaba Joins BAIC and SAIC in China's Largest Lidar Deal.** RoboSense a developer of scanning macro-mechanical lidars similar to those pioneered by Velodyne Lidar Inc., has raised over \$45mn in a round that included funding from the logistics arm of Alibaba Group Holding Ltd. and SAIC Motor Corp. [Bloomberg]
- **China Vanke slashes project price by 40%, offers 200,000 yuan to first round of homebuyers for 'design change'.** China Vanke, the country's second-largest property developer by sales, on Wednesday said it was offering 200,000 yuan (US\$28,800) in compensation to buyers at its Shoukai-Vanke Bailujun Project in Xiamen for "design adjustments". [SCMP]
- **Prada shares slammed 10.5 per cent lower in Hong Kong, as sell-off hits luxury goods makers.** Shares of luxury brand Prada Spa tumbled 10.5% on Thursday following steep declines in peers around the world, prompted by worries over China's crackdown on overseas shopping agents and gloomy consumer sentiment. [SCMP]
- **COSCO ships giant machine to Shanghai for import expo.** A giant milling machine arrived in Shanghai on Tuesday for the upcoming first China Int'l Import Expo, after a more than 30-day voyage from the German port of Hamburg. It was carried by COSCO Spain, a container vessel with a 13,000 TEU capacity, owned by China COSCO Shipping Co. [China Daily]
- **CGN unveils solar power unit.** CGN New Energy Holdings Co Ltd's Delingha 50 megawatt thermal power plant entered operation on Oct 10 in Northwest China's Qinghai province. It is the country's first large commercial parabolic-trough concentrated solar power plant, and its launch makes China the eighth nation in the world with such a facility, said Li Yilun, executive director of CGN New Energy. [China Daily]
- **Dongfeng Motor reaps reform rewards with big global strides.** State-owned carmaker Dongfeng Motor Corp has reaped the rewards of China's reform and opening-up strategy with its steady growth in the last 40 years and rapid strides in overseas markets. [China Daily]
- **Apple vows to beef up investment.** Apple Inc CEO Tim Cook is on a trip to China this week, pledging to boost investment in Shanghai and strengthen communication with local mobile app developers. Cook said the US tech heavyweight will invest more in Shanghai and actively seek to expand cooperation, according to a media report. [China Daily]
- **Jaguar Land Rover plans two-week closure as sales dip in China.** Automotive firm Jaguar Land Rover has announced the temporary closure of its main plant in the United Kingdom, citing plummeting sales in China where global trade tensions are affecting consumer confidence, according to the carmaker. [China Daily]
- **Anta Sports: 3Q Anta Branded Products Deliver Mid-teens Hike YoY in Retail Sales.** Anta Sports announced that the retail sales (in terms of the retail value) of ANTA branded products for the third quarter of 2018 increased by mid-teens when compared to the same period of 2017. [AASocks]
- **Sinopec SSC Sees about RMB440M Profit for 1-3Q.** Sinopec announced the estimated result for the first three quarters of 2018. During which, the company expected to register a profit of around RMB440mn, whereas non-recurring profit and loss (e.g. government subsidies and debt restructuring) will amount to about RMB438mn. [AASocks]
- **SAIC Motor 9M18 Auto Output, Sales Up 4.6%, 6.7% YoY.** SAIC Motor announced that for the nine months ended 30 September, the group's auto production and sales volume surged by 4.58% and 6.74% to 5.172 million units and 5.146 units, respectively. [AASocks]

V. Overnight Market Recap

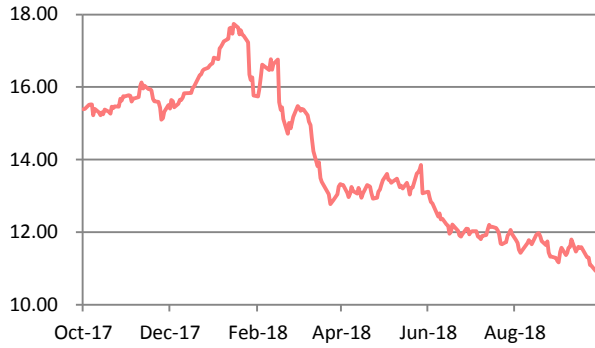
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,728	(57.3)	(2.1)	(6.0)	(5.6)	(2.5)	2.4	7.0	2.0
	Dow Jones	25,053	(545.9)	(2.1)	(5.9)	(3.6)	0.5	2.3	9.7	1.3
	Nasdaq Composite	7,329	(93.0)	(1.3)	(7.0)	(7.9)	(6.3)	2.6	11.2	6.2
	Russell 2000	1,545	(30.0)	(1.9)	(6.2)	(9.9)	(8.6)	(0.8)	2.7	0.6
	VIX Index	24.98	2.0	8.8	115.2	90.1	98.6	35.1	152.1	126.3
Europe Equity	Euro Stoxx 50	3,209	(57.7)	(1.8)	(4.9)	(3.5)	(6.9)	(6.8)	(11.0)	(8.4)
	DAX	11,539	(173.2)	(1.5)	(5.8)	(4.1)	(7.6)	(7.1)	(11.1)	(10.7)
	CAC	5,106	(99.9)	(1.9)	(5.6)	(4.2)	(5.5)	(3.8)	(4.7)	(3.9)
	FTSE 100	7,007	(138.8)	(1.9)	(5.5)	(4.2)	(8.4)	(3.5)	(7.3)	(8.9)
APAC Equity	HSI	25,266	(926.7)	(3.5)	(5.1)	(4.1)	(11.3)	(18.0)	(11.2)	(15.6)
	HSCEI	10,093	(350.2)	(3.4)	(4.3)	(1.4)	(6.1)	(17.9)	(12.2)	(13.8)
	HSI VIX	25.73	4.8	23.2	24.2	22.0	33.8	18.1	83.0	76.2
	CSI 300	3,124	(157.5)	(4.8)	(8.2)	(2.4)	(10.3)	(19.9)	(20.2)	(22.5)
	SH Composite	2,583	(142.4)	(5.2)	(7.5)	(2.7)	(9.0)	(18.8)	(23.7)	(21.9)
	SZ Composite	1,294	(89.1)	(6.4)	(9.5)	(7.8)	(19.0)	(29.7)	(36.1)	(31.9)
	Nikkei 225	22,591	(915.2)	(3.9)	(6.3)	(0.1)	1.8	4.3	7.8	(0.8)
	KOSPI	2,130	(98.9)	(4.4)	(7.8)	(6.7)	(6.8)	(12.8)	(13.9)	(13.7)
Commodities (USD)	Brent (Future)	80.26	(2.8)	(3.4)	(5.1)	1.5	9.3	11.4	41.0	20.0
	WTI (Future)	70.97	(2.2)	(3.0)	(4.5)	1.2	1.2	6.1	40.7	17.8
	Gold	1,224	29.3	2.5	2.0	1.3	(2.0)	(8.4)	(5.5)	(6.2)
	Copper (Future)	6,242	3.0	0.0	(0.8)	6.5	1.6	(10.2)	(8.2)	(13.9)
	Baltic Dry Index	1,493.00	(10.0)	(0.7)	(3.9)	5.8	(8.5)	50.4	2.4	9.3
FX	Dollar Index	95.02	(0.5)	(0.5)	(0.8)	(0.2)	0.3	6.1	2.2	3.1
	EUR	1.16	0.0	0.6	0.7	(0.3)	(0.7)	(6.0)	(2.0)	(3.5)
	JPY	112.16	(0.1)	(0.1)	(1.5)	(0.8)	0.4	(4.3)	0.1	0.5
	CNY	6.89	(0.0)	0.5	(0.3)	(0.2)	(3.0)	(9.0)	(4.3)	(5.6)
	CNH	6.88	(0.0)	(0.7)	(0.3)	(0.7)	(2.7)	(8.8)	(4.4)	(5.3)
CDS	ChinaGov CDS	65.56	2.6	4.1	12.3	13.4	(4.7)	7.3	15.1	30.9
	CDX Emerging Market	95.13	0.3	0.4	0.0	0.3	(1.5)	(3.1)	(1.2)	(4.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.26	(0.0)	(0.0)	2.2	2.1	2.0	1.7	1.1	1.4
	2-Year Treasury Yield	2.85	0.0	0.2	2.9	2.7	2.6	2.4	1.5	1.9
	5-Year Treasury Yield	3.00	0.0	0.1	3.1	2.9	2.7	2.7	1.9	2.2
	10-Year Treasury Yield	3.15	(0.0)	(0.4)	3.2	3.0	2.8	2.8	2.3	2.4
	2-10 Spread	29.73	(1.9)	(6.1)	34.4	21.0	24.5	46.6	80.1	51.8
China rates	O/N China Repo Rate	2.39	(0.0)	(1.0)	2.8	2.4	2.3	2.6	2.6	3.0
	1-Week China Repo Rate	2.40	(0.1)	(4.0)	2.9	2.5	2.7	2.7	2.8	3.1
	O/N SHIBOR	2.36	(0.0)	(1.6)	2.7	2.6	2.5	2.6	2.7	2.8
	1-Week SHIBOR	2.61	(0.0)	(0.3)	2.8	2.7	2.7	2.8	2.9	3.0

Source: Bloomberg

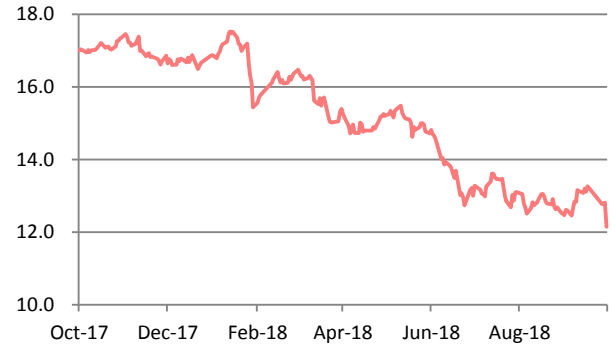
VI. Key Indicators

Hang Seng Index PE Ratio



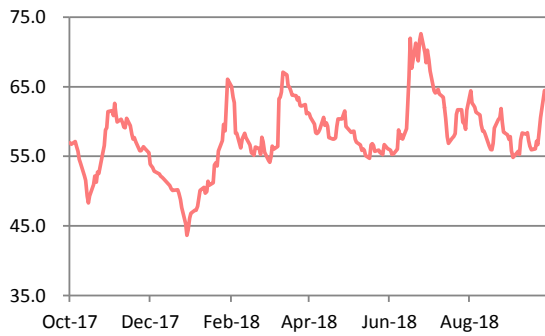
Source: Bloomberg

Shanghai Composite Index PE Ratio



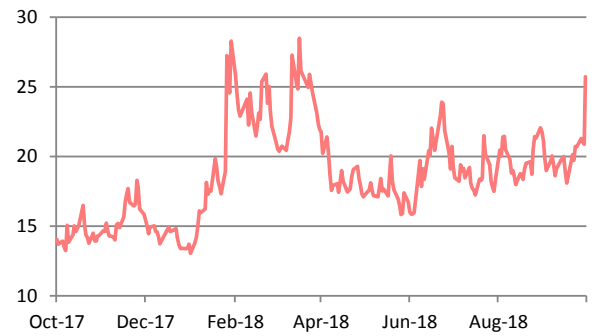
Source: Bloomberg

China 5Y CDS Index_USD



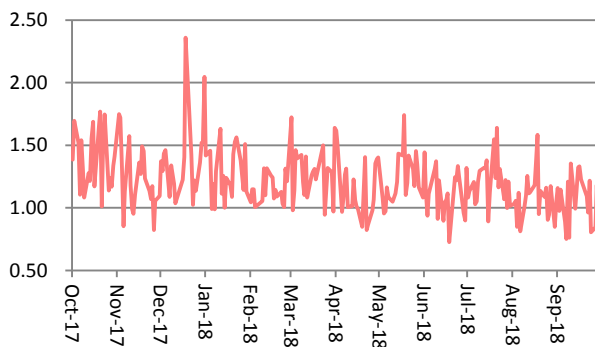
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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