

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: CPI / PPI YoY	Sep	2.5%/3.6%	2.3%/4.1%
US: JOLTS Job Openings	Aug	6900k	6939k
Germany: ZEW Survey Current Situation	Oct	75.0	76.0
UK: CPI / Core YoY	Sep	2.6%/2.0%	2.7%/2.1%

Source: Bloomberg

II. Macro News

- **IMF Chief Urges Countries to Prepare for Hedging Against Financial Risks.** IMF's MD Christine Lagarde said the central banks and finance ministers of countries across the globe should build up monetary and fiscal buffers continuously to tackle the risk of global economic volatility triggered by financial tightening and escalated trade disputes, Bloomberg reported. [AASocks]
- **Argentina eyes Shanghai import expo for great opportunities.** Argentina is preparing to make the most of the great opportunity offered by the first ever China Int'l Import Expo. Alejandro Wagner, director of int'l trade at Argentina's investment and export promotion agency, described the upcoming expo to be held in Shanghai from Nov 5-10 as a "milestone" which will serve to "showcase" his country's exportable goods and cultural attractions. [China Daily]
- **China, Mexico Foreign Ministers Discuss Global Trade.** Chinese Foreign Minister Wang Yi discussed int'l trade with Mexican counterpart Luis Videgaray over the phone. Videgaray briefed Wang on the freshly signed deal to replace the North American Free Trade Agreement and said it won't affect exchanges between China and Mexico, or lead to any restriction on bilateral trade, investment and political relations between the two countries. [Bloomberg]

III. Industry News

- **H.K. SFC Looking Into Ways to Regulate Digital Currencies.** Hong Kong's Securities and Futures Commission is exploring ways to regulate cryptocurrency trading platforms already operating in the city and strengthen investor protection, South China Morning Post reports, citing Carlson Tong, SFC's outgoing chairman. [Bloomberg]
- **China Issues Latest Proposals for Shanghai-London Stock Connect.** China published rules for a cross-listing program between exchanges in Shanghai and London, clearing the way for companies to press ahead with plans to debut on each other's bourses. [Bloomberg]
- **SOEs post 21.5% surge in combined profits.** Profit growth in China's central State-owned enterprises accelerated in the first three quarters of 2018, official data showed. Combined profits reached 1.35tn yuan (\$195bn) between Jan and Sept, up 21.5% YoY, according to the State-owned Assets Supervision and Administration Commission. [China Daily]

IV. Corporate News

- **SFC chairman Carlson Tong exits after dishing out nearly HK\$4 billion in penalties.** Outgoing Securities and Futures Commission chairman Carlson Tong Ka-shing says he's proud of what he has achieved in his six years at the helm of Hong Kong's stock-trading watchdog. [SCMP]
- **Hainan Airlines Offers to Pay Record High Coupon for Local Bond.** Hainan Airlines Group Co. has chosen to lift interest rate on a domestic bond by 300 basis points while reneging on its promise to buy them back in full, a move that signals funding strains in the company. [Bloomberg]

- **HSBC Pledges \$329 Million Investment in British Green Energy.** HSBC Holdings Plc plans to invest 250 million pounds (\$329 million) of its pension scheme into renewable energy infrastructure for wind and solar in the U.K., joining around 30 other firms making similar climate change pledges. [Bloomberg]
- **CCB Intl Capital Takes 15% Short in Shandong Gold Mining.** CCB International Capital reported a non net short position in Shandong Gold Mining Co. Ltd. of 49.2 million shares, or 15 percent of the company's stock as of Oct 10, 2018. CCB International Capital has disclosed the only short position in Jinan, China-based Shandong Gold Mining, according to regulatory disclosures. [Bloomberg]
- **HNA Rejects A\$290 Million for Virgin Australia Stake.** Chinese conglomerate rejected bid of 17.5 Australian cents a share for its 19.8 percent stake in the Australian airline, the Australian newspaper reported. A group of U.S.-based airline investors offered to buy all HNA's 1.67 billion shares in Virgin Australia: newspaper says in its Dataroom column. [Bloomberg]
- **Chinese Buyer Offers Swire Properties's CityPlaza 3.** Henglilong Investments, which agreed to buy Swire Properties's stakes in CityPlaza 3 and 4 for HK\$15b, is offering some floors of one of the two towers as it looks to raise funds for the purchase, Hong Kong Economic Times reports. [Bloomberg]
- **Spring REIT Board Recommends Unitholders to Reject PAG's Offer.** Spring REIT board says the terms of PAG Asia Capital's takeover offer "are not fair and not reasonable" for independent unitholders, according to statement published in South China Morning Post. [Bloomberg]
- **Abu Dhabi Delays Cepsa IPO Citing Uncertain Market Conditions.** Abu Dhabi has decided to delay its plans for an IPO of a 25% stake of Spanish oil firm Cepsa because of market conditions. The emirate's state-owned Mubadala Investment Co. put back its plans for the IPO a day before the final price would have been decided, it said in a regulatory filing Monday. [Bloomberg]
- **China Oil Refiner Is Said to Buy Crude Priced Off Yuan Futures.** Independent refiner Chambroad Petrochemicals Co. bought 350k bbls of crude priced off yuan-denominated futures contracts in Shanghai. Chambroad is the first Chinese independent refiner to use yuan futures in spot deals. [Bloomberg]
- **Tesla Sets Up Asia's Biggest Charging Station in Hong Kong.** Tesla has set up a 50-stall charging station in Hong Kong, the biggest of its kind in Asia, as it seeks to expand its presence in the city despite a drop in sales after the government scrapped a generous tax break, South China Morning Post reports, citing the company. [Bloomberg]
- **Slovenia to Sell Majority Stake in Top Bank's IPO.** Slovenia's State Holding, the state asset manager, and Nova Ljubljanska Banka dd confirm plan to sell the country's biggest bank, according to regulatory filing. Slovenia intends to sell at least 50% plus 1 share and at most 75% minus 1 share. [Bloomberg]
- **Goldman Buys Meituan Shares to Prop Up Price After IPO.** Goldman Sachs Group Inc. bought about 72mn shares in Meituan Dianping, worth more than HK\$4.2bn (\$540mn), as the stock tumbled after the Chinese technology company's initial public offering last month. [Bloomberg]
- **US retailer Sears files for bankruptcy.** Sears has filed for Chapter 11 bankruptcy protection, buckling under its massive debt load and staggering losses. The filing, which is happening ahead of the crucial holiday shopping season, comes after rescue efforts engineered by its CEO and chairman have kept it outside of bankruptcy court, until now. [The Standard]
- **Chinachem: Sol City Pricing Aggressive with Restraint; No Pressure to Launch Projects.** Chinachem is going to price flats of Sol City, a new property project located in Yuen Long, with restrained aggressive approach, according to sales director of the developer. The developer also revealed it has no pressure to launch new project despite recent downside pressure on new home transactions. [AASocks]
- **TCL Electronics 3Q TV Sales Volume of Nearly 8M Sets, Hitting Quarterly High.** TCL Electronics announced that the TV sales volume amounted to nearly 8 million sets for the third quarter of 2018, hitting quarterly high. The TV sales volume surged by 31.3% yearly to over 21.12 million sets for the first three quarters of 2018. [AASocks]

V. Overnight Market Recap

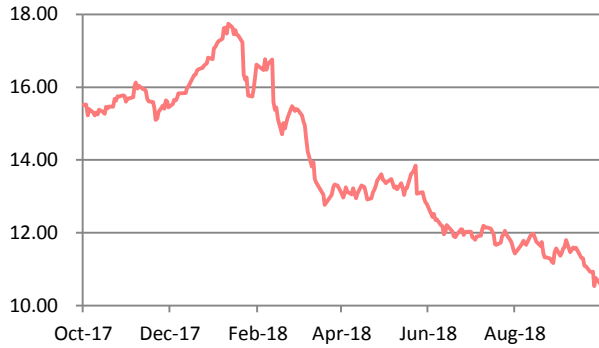
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,751	(16.3)	(0.6)	(4.6)	(5.3)	(1.7)	2.7	7.6	2.9
	Dow Jones	25,251	(89.4)	(0.4)	(4.7)	(3.5)	0.7	2.8	10.0	2.1
	Nasdaq Composite	7,431	(66.2)	(0.9)	(3.9)	(7.2)	(4.8)	3.8	12.2	7.6
	Russell 2000	1,553	6.4	0.4	(4.7)	(9.8)	(7.5)	(0.6)	3.4	1.1
	VIX Index	21.30	(0.0)	(0.0)	43.7	76.5	66.0	28.6	114.9	92.9
Europe Equity	Euro Stoxx 50	3,210	16.0	0.5	(3.0)	(4.0)	(6.9)	(6.7)	(11.0)	(8.4)
	DAX	11,614	90.4	0.8	(2.8)	(4.2)	(7.5)	(6.3)	(10.7)	(10.1)
	CAC	5,095	(0.9)	(0.0)	(3.9)	(4.8)	(5.8)	(4.1)	(5.0)	(4.1)
	FTSE 100	7,029	33.3	0.5	(2.8)	(3.8)	(7.5)	(2.3)	(6.6)	(8.6)
APAC Equity	HSI	25,445	(356.4)	(1.4)	(2.9)	(6.7)	(10.8)	(16.1)	(11.3)	(15.0)
	HSCEI	10,144	(154.8)	(1.5)	(2.4)	(4.1)	(5.2)	(15.5)	(12.6)	(13.4)
	HSI VIX	25.16	1.4	5.9	18.2	32.4	38.0	17.5	80.7	72.3
	CSI 300	3,126	(44.3)	(1.4)	(5.0)	(3.6)	(10.0)	(17.9)	(20.1)	(22.4)
	SH Composite	2,568	(38.8)	(1.5)	(5.5)	(4.2)	(8.7)	(17.4)	(24.0)	(22.3)
	SZ Composite	1,281	(15.3)	(1.2)	(7.6)	(8.7)	(20.1)	(29.8)	(36.1)	(32.6)
	Nikkei 225	22,271	(423.4)	(1.9)	(6.4)	(3.3)	(1.2)	2.2	5.0	(1.9)
Commodities (USD)	KOSPI	2,145	(16.7)	(0.8)	(5.4)	(7.2)	(6.5)	(12.4)	(13.2)	(12.8)
	Brent (Future)	80.78	0.4	0.4	(3.7)	3.5	12.5	13.2	39.8	20.9
	WTI (Future)	71.78	0.4	0.6	(3.4)	4.1	5.5	8.5	38.5	18.9
	Gold	1,227	10.0	0.8	3.3	2.2	(1.1)	(8.8)	(5.2)	(5.7)
	Copper (Future)	6,301	(1.0)	(0.0)	2.0	5.5	1.0	(7.7)	(8.4)	(13.1)
FX	Baltic Dry Index	1,579.00	64.0	4.2	3.2	15.6	(6.8)	54.0	3.7	15.6
	Dollar Index	95.06	(0.2)	(0.2)	(0.7)	0.1	0.6	6.3	1.8	3.2
	EUR	1.16	0.0	0.2	0.8	(0.8)	(1.1)	(6.4)	(1.8)	(3.5)
	JPY	111.77	(0.4)	(0.4)	(1.3)	(0.0)	0.4	(4.2)	0.3	0.7
	CNY	6.92	(0.0)	0.1	0.2	(0.9)	(3.3)	(9.3)	(4.7)	(5.9)
CDS	CNH	6.92	0.0	0.1	0.0	(0.7)	(3.1)	(9.4)	(4.9)	(5.9)
	ChinaGov CDS	66.24	0.5	0.8	1.9	19.4	2.8	11.1	15.9	32.3
	CDX Emerging Market	95.33	0.2	0.2	0.3	(0.2)	(1.4)	(2.9)	(1.1)	(3.8)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.27	0.0	0.4	2.2	2.1	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.86	0.0	0.1	2.9	2.8	2.6	2.4	1.5	1.9
	5-Year Treasury Yield	3.01	(0.0)	(0.2)	3.1	2.9	2.8	2.7	1.9	2.2
	10-Year Treasury Yield	3.16	(0.0)	(0.2)	3.2	3.0	2.9	2.8	2.3	2.4
	2-10 Spread	29.65	(0.8)	(2.6)	31.7	21.4	24.1	43.0	76.1	51.8
China rates	O/N China Repo Rate	2.37	(0.1)	(2.5)	2.5	2.5	2.0	2.7	2.6	3.0
	1-Week China Repo Rate	2.35	(0.2)	(6.0)	2.6	2.6	2.9	3.5	2.9	3.1
	O/N SHIBOR	2.38	(0.1)	(2.5)	2.5	2.5	2.6	2.7	2.6	2.8
	1-Week SHIBOR	2.61	(0.0)	(0.1)	2.6	2.6	2.7	2.8	2.8	3.0

Source: Bloomberg

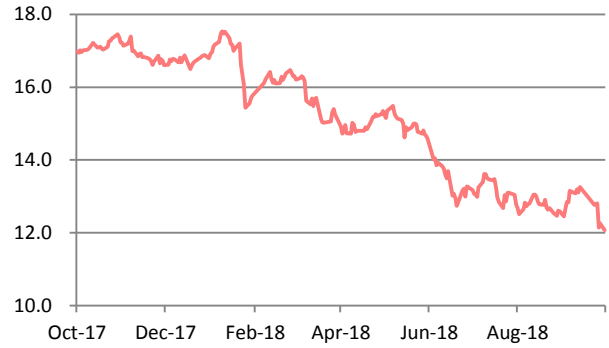
VI. Key Indicators

Hang Seng Index PE Ratio



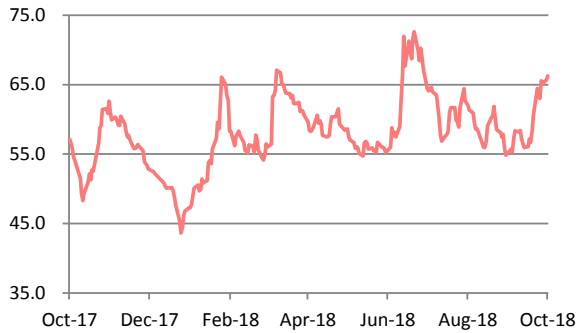
Source: Bloomberg

Shanghai Composite Index PE Ratio



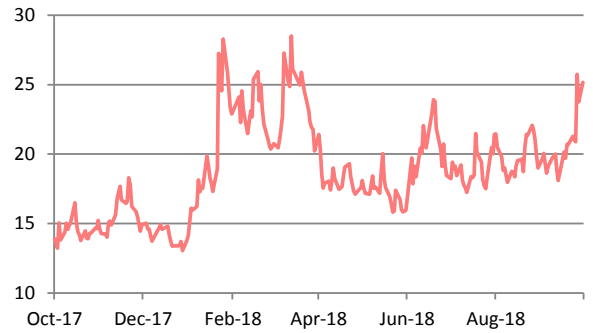
Source: Bloomberg

China 5Y CDS Index_USD



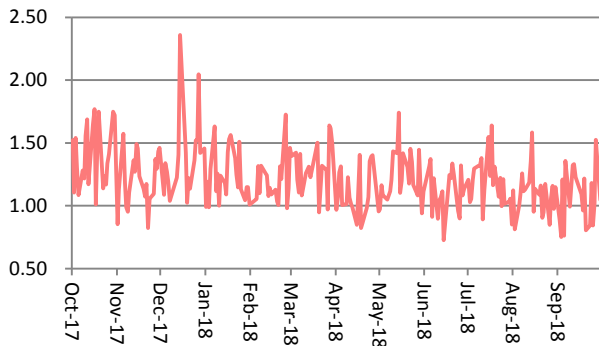
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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