



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Eurozone: Govt debt / GDP Ratio	2017	N/A	86.70%
Thailand: Customs Exports / Imports YoY	Sep	5.6%/12.2%	6.68%/22.8%
S. Korea: Exports / Imports YoY	Oct	N/A	21.6%/14.0%
Taiwan: Export Orders YoY	Sep	N/A	7.10%

Source: Bloomberg

II. Macro News

- **China's third-quarter growth rate slows more than expected as economy feels trade war impact.** China's economy grew at a slower quarterly pace than expected, expanding 6.5 per cent in the three months ended September, as the country's trade war with the US exacted a toll on exporters and manufacturers. [SCMP]
- **China's September FDI figure rises as foreign investor shrug aside concerns of trade war.** Foreign direct investments rose by 8 per cent in China in September, as investors shrugged aside concerns of the country's ongoing trade war with the US and put more money into local businesses and projects. [SCMP]
- **More tax reduction policies in the pipeline.** Further detailed tax reduction policies will be issued soon to support employment and strengthen economic growth momentum, ensuring the annual goal of reducing more than 1.29 trillion yuan (\$187 billion) in taxes and fees for both corporates and households, the Ministry of Finance said. [China Daily]

III. Industry News

- **H.K. Exchange Seeks to List Belt & Road Projects.** Hong Kong stock exchange is seeking to attract listing of some investment projects related to the Belt and Road Initiative, China Daily reports, citing Vincent Lo, chairman of Hong Kong Trade Development Council. [Bloomberg]
- **China's Steel Production Hits New Highs as Winter Curbs Loom.** China's steelmakers pushed production rates to record levels last month. Output of crude steel rose 7.5% YoY to 80.85mn metric tons, according to the statistics bureau Friday. That means a daily rate of 2.695mn tons, beating previous all-time high of 2.673mn tons posted in June. [Bloomberg]
- **China CSRC Encourages Local Govts to Ease Share-Pledge Risks.** China Securities Regulatory Commission encourages various funds backed by local govts to help ease pressure on some listed companies from share-pledge risks, according to statement from the regulator, citing interview with CSRC Chairman Liu Shiyu. [Bloomberg]

IV. Corporate News

- **PICC Group to List in China When Market Conditions Are Right.** The People's Insurance Company (Group) of China Ltd., the nation's largest property insurer, said it will press ahead with a first-time domestic share sale when market conditions are right. [Bloomberg]
- **China Unicom Sees 9-Month Revenue Rising 6.5% to 200b Yuan.** China Unicom expects total revenue for the first nine months of 2018 to rise 6.5% from a year earlier to 200 billion yuan, according to a filing to the Hong Kong stock exchange. [Bloomberg]
- **Greenland HK Says Allegations in Activist Report Are Groundless.** Greenland Hong Kong says in a statement to the Hong Kong stock exchange that allegations in a report relating to the company are "inaccurate, groundless, misleading and unfair." [Bloomberg]

- **Swiss Re Said to Discuss Investment in Insurer Anbang With China.** Swiss Re AG has held discussions with Chinese authorities about an investment in embattled insurer Anbang Insurance Group Co., people with knowledge of the matter said. [Bloomberg]
- **China's JD Will Launch Flagship U.S. Store on Google This Year.** JD.com Inc. will launch a flagship online store on Google's shopping platforms to sell directly to American consumers by the end of the year, hoping to carve out a bigger U.S. footprint even as trade tensions between the U.S. and China grow. [Bloomberg]
- **New Zealand's QEX Signs Deal With SF Express for China Exports.** QEX Logistic has signed a service contract with SF Express Australia, that will enable it to export refrigerated products including high-value goods such as cherries, frozen meat and fresh milk into China. [Bloomberg]
- **SAIC Volkswagen to tap EV sector.** SAIC Volkswagen laid the groundwork for its electric vehicle plant in northwestern Shanghai on Friday, which will be Volkswagen AG's first facility of its kind globally. Covering over 405,600 square meters, the new plant will have a total investment of 17bn yuan (\$2.45bn). The factory is scheduled to start operation in October 2020, with an annual production capacity of 300,000 vehicles, according to VW. [SCMP]
- **Alibaba-backed Hong Kong AI lab names first batch of start-ups for funding.** A Hong Kong artificial intelligence lab backed by e-commerce giant Alibaba Group Holding and SenseTime, the world's most valuable AI start-up, has named seven companies that will receive funding under its accelerator programme. [SCMP]
- **China Comm Cons Splashes \$435M for Stake in US Real Estate Project.** China Communication Construction announced for connected transaction. The company agreed to make a capital contribution of US\$55.51mn (HK\$435mn) to CORE USA in cash. The increased capital will mainly be used to finance a real estate project located in Los Angeles, the USA. [AASocks]
- **Yancoal Australia 3Q Production, Sales Volume of Saleable Coal Up 47%, 53% YoY.** Yanzhou Coal announced that Yancoal Australia, a subsidiary controlled by the Company, reported production and sales volume of saleable coal for the third quarter of 2018 of 8.97 million and 10.945 million tons, up 47% and 53% yearly. [AASocks]
- **Cathay Pacific Airways: Sep Passenger/ Cargo Volume -1%/ +1.7% YoY.** Cathay Pacific Airways announced that the company and Cathay Dragon carried a total of 2.6126 million passengers in September, a decrease of 1% yearly. The passenger load factor decreased 0.2 percentage points to 80.8%. [AASocks]
- **Zhaojin Mining 1-3Q Net Profit RMB356M, Down 16.5% YoY.** Zhaojin Mining announced the results for the the first three quarters ended September 2018. During which, the turnover declined 4.6% yearly to RMB4.559 billion. The net profit amounted to RMB356 million, down 16.5% yearly. EPS was 11 fen. [AASocks]
- **ENN banks on import terminal to bolster LNG supplies.** Chinese gas distributor ENN Energy Holdings Ltd has begun operations at the first phase of its Zhoushan liquefied natural gas import terminal, ENN Vice-President Ma Shenyuan said at a commencement ceremony for the terminal on Friday. [China Daily]
- **China's Huawei plans to set up manufacturing unit in India.** Chinese telecom giant Huawei plans to begin manufacturing mobile phones in India by next year, Indian media quoted the company's global vice-president Jim Xu as saying on Friday. [China Daily]
- **Alibaba enters liquor market with \$288m investment.** Alibaba Group Holding Ltd announced on Friday investment of 2 billion yuan (\$288 million) in Chinese liquor e-commerce retailer 1919 Wines & Spirits Platform, in a move aimed at tapping the lucrative yet unsaturated online-to-offline business of alcoholic drinks. [China Daily]

V. Overnight Market Recap

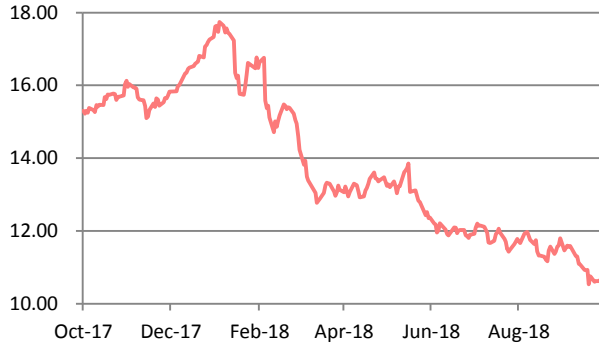
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,768	(1.0)	(0.0)	0.0	(5.5)	(1.2)	3.7	7.5	3.5
	Dow Jones	25,444	64.9	0.3	0.4	(4.9)	1.5	4.0	9.1	2.9
	Nasdaq Composite	7,449	(36.1)	(0.5)	(0.6)	(6.7)	(4.7)	4.2	12.4	7.9
	Russell 2000	1,542	(18.7)	(1.2)	(0.3)	(9.9)	(9.1)	(1.4)	2.2	0.4
	VIX Index	19.89	(0.2)	(0.8)	(6.7)	70.3	54.7	17.8	99.5	80.2
Europe Equity	Euro Stoxx 50	3,211	(0.8)	(0.0)	0.5	(6.4)	(7.2)	(8.1)	(10.9)	(8.4)
	DAX	11,554	(35.4)	(0.3)	0.3	(7.1)	(8.0)	(7.9)	(11.1)	(10.6)
	CAC	5,085	(32.1)	(0.6)	(0.2)	(7.5)	(5.8)	(6.1)	(5.4)	(4.3)
	FTSE 100	7,050	22.8	0.3	0.8	(5.9)	(8.2)	(4.3)	(6.3)	(8.3)
APAC Equity	HSI	25,561	106.9	0.4	1.2	(8.6)	(9.4)	(16.0)	(10.3)	(14.6)
	HSCEI	10,222	85.4	0.8	1.3	(7.3)	(4.3)	(15.2)	(11.6)	(12.7)
	HSI VIX	23.68	(0.6)	(2.4)	(8.0)	23.9	28.3	32.2	71.2	62.2
	CSI 300	3,135	90.6	3.0	(1.1)	(8.1)	(10.2)	(16.6)	(20.2)	(22.2)
	SH Composite	2,550	64.0	2.6	(2.2)	(8.8)	(9.9)	(17.0)	(24.5)	(22.9)
	SZ Composite	1,264	31.8	2.6	(2.5)	(12.5)	(20.7)	(28.9)	(36.8)	(33.5)
	Nikkei 225	22,532	(126.1)	(0.6)	(0.7)	(5.6)	(0.7)	1.7	5.0	(1.0)
Commodities (USD)	KOSPI	2,156	8.0	0.4	(0.3)	(7.8)	(5.8)	(12.9)	(13.4)	(12.6)
	Brent (Future)	79.78	0.5	0.6	(0.8)	1.2	9.1	7.6	38.0	19.2
	WTI (Future)	69.12	0.5	0.7	(3.1)	(2.2)	(1.7)	1.3	34.5	14.6
	Gold	1,226	0.7	0.1	0.8	2.4	0.2	(7.4)	(4.3)	(5.8)
	Copper (Future)	6,220	63.0	1.0	(1.3)	1.6	2.6	(10.9)	(10.7)	(14.2)
FX	Baltic Dry Index	1,576.00	11.0	0.7	(0.5)	11.5	(6.7)	23.0	(0.1)	15.4
	Dollar Index	95.71	(0.2)	(0.2)	0.5	1.6	1.3	5.9	2.1	3.9
	EUR	1.15	0.0	0.5	(0.4)	(2.0)	(1.5)	(5.7)	(2.0)	(4.1)
	JPY	112.55	0.3	0.3	0.3	0.3	(1.0)	(3.3)	0.9	0.2
	CNY	6.93	(0.0)	0.1	(0.1)	(1.2)	(2.2)	(9.4)	(4.5)	(6.1)
CDS	CNH	6.93	(0.0)	(0.1)	0.2	(1.0)	(1.9)	(9.1)	(4.3)	(6.1)
	ChinaGov CDS	67.39	1.7	2.5	3.4	15.8	6.1	11.2	29.1	34.5
	CDX Emerging Market	95.29	0.1	0.1	0.1	(0.3)	(1.6)	(2.9)	(1.3)	(3.8)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.30	(0.0)	(0.0)	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.90	0.0	1.0	2.9	2.8	2.6	2.5	1.6	1.9
	5-Year Treasury Yield	3.05	0.0	0.6	3.0	2.9	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.19	0.0	0.4	3.2	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	28.41	(1.4)	(4.7)	29.7	25.9	32.1	49.5	80.4	51.8
China rates	O/N China Repo Rate	2.43	0.0	1.3	2.4	2.5	2.4	2.8	2.6	3.0
	1-Week China Repo Rate	2.61	0.2	8.8	2.4	2.6	2.7	10.0	2.8	3.1
	O/N SHIBOR	2.45	0.0	0.7	2.4	2.5	2.4	2.7	2.6	2.8
	1-Week SHIBOR	2.62	0.0	0.4	2.6	2.7	2.7	2.9	2.8	3.0

Source: Bloomberg

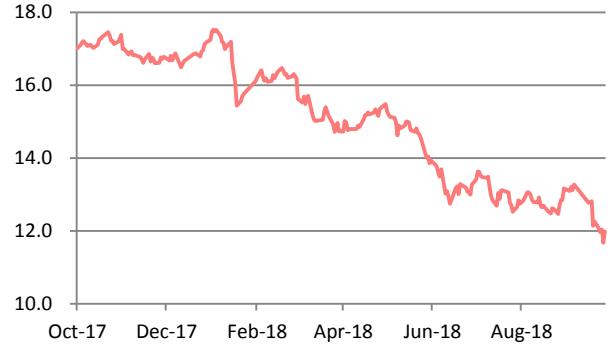
VI. Key Indicators

Hang Seng Index PE Ratio



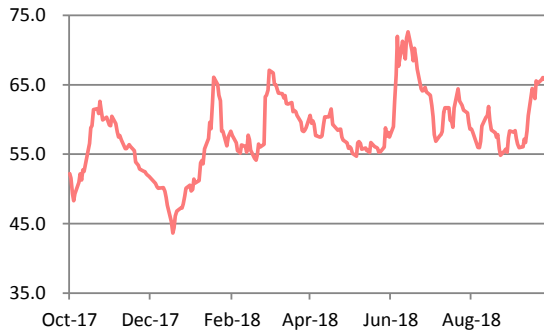
Source: Bloomberg

Shanghai Composite Index PE Ratio



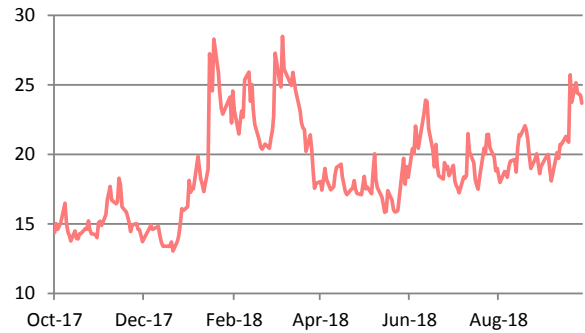
Source: Bloomberg

China 5Y CDS Index_USD



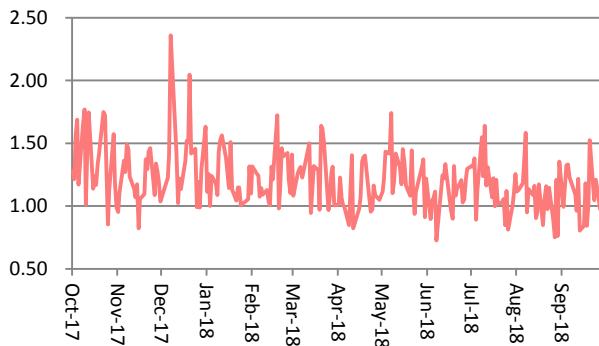
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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