



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit manufacturing PMI	Oct	55.5	55.6
Japan: Nikkei manufacturing PMI	Oct	N/A	52.5
UK: finance loans for housing	Sep	N/A	39402
Malaysia: CPI YoY	Sep	N/A	0.20%
Eurozone: Markit manufacturing PMI	Oct	53.0	53.2

Source: Bloomberg

II. Macro News

- **Norway FTA talks picking up speed.** Norwegian Prime Minister Erna Solberg has urged the Nordic nation's businesses to seize opportunities in green technologies and promote sustainable development through a proposed free trade agreement with China. [China Daily]
- **PBOC Is Said to Plan 10B Yuan to Help Private Bond Sales.** China's central bank plans to give 10bn to China Bond Insurance Co. to provide credit support for debt sales by private enterprises. The money is part of the plan the PBOC announced late on Monday to support private firms issuing debt. [Bloomberg]
- **US deal makers back away from deep-pocketed Chinese investors as Washington brands Beijing a national security threat.** Just two months after the US moved to tighten controls on foreign investment, citing national security concerns, American deal makers are losing their appetite for selling assets to Chinese buyers – who had proven to be a gold mine because of their penchant for outbidding other suitors. [SCMP]

III. Industry News

- **China's Central Bank to Offer More Funds for Private Firms.** China announced fresh measures to ease the funding strains of private companies, as top officials seek to restore confidence in the world's second-largest economy. The State Council announced it would support bond financing by private firms, and said the central bank will provide funding to facilitate this. The People's Bank of China soon after announced a plan to support such issuance. [Bloomberg]
- **New move to buoy mainland bourses.** China is likely to revise laws to make it easier for listed companies to buy back shares, another policy measure to shore up market confidence after stocks declined more than 20 percent so far this year. The revision is mainly to article 142 of China's Corporation Law, which regulates share repurchases. [China Daily]
- **Manufacturing sector investment up 8.7%.** China's investment in manufacturing grew 8.7 percent year-on-year in the first three quarters of 2018, signaling that corporate expectations for the future of the economy are improving despite mounting global trade uncertainties, the country's top industry regulator said on Tuesday. [China Daily]

IV. Corporate News

- **Alibaba's Ant Financial Joins Warren Buffett in Hot Brazil Fintech IPO.** Ant Financial agreed to buy a stake in the Brazilian payments firm StoneCo Ltd after the company prices its initial public offering, joining Warren Buffett in investing in Brazil's booming financial-technology startup landscape. [Bloomberg]

- **Alibaba to launch mini space station and communication satellite ahead of shopping festival.** Alibaba Group Holding Ltd will activate a "one-station, one satellite" plan ahead of this year's Nov 11 shopping festival, the company confirmed to China Daily on Monday. The tech giant plans to launch a mini space station called Candy Tin and a communication satellite called Tmall International as its initial steps into space, the company said. [China Daily]
- **Audi steps up efforts to bolster China presence.** As BMW's majority stake in its Chinese joint venture makes headlines, Audi said it has no intention to follow suit - but will step up efforts to strengthen its presence in China, its largest market. Audi expects its annual sales in the country to reach 1 million over the coming years. [China Daily]
- **Online travel firm Tongcheng-eLong plans HK IPO in Dec.** Chinese mainland online travel agent Tongcheng-eLong is expected to list on Hong Kong stock market in December to raise \$1bn (694 million yuan) via its initial public offerings after a hearing at Hong Kong Exchanges and Clearing Ltd on Oct 25, news portal Sina said on Tuesday. [China Daily]
- **China Mobile eyes greater business opportunities in Silicon Valley.** China Mobile Communications Corporation (China Mobile), the largest wireless carrier in the world, plans to build a massive new data center and office in Silicon Valley to expand its presence in the United States. [China Daily]
- **Alibaba opens first UK data centers.** Alibaba has opened two data centers in London that will provide cloud computing and artificial intelligence services to European businesses, the company announced. "Our expansion into the United Kingdom, and, by extension, into Europe, is in direct response to the rapidly increasing demands we have seen for local facilities within the region," said Wang Yeming, GM of Alibaba Cloud in Europe, the Middle East and Asia. [China Daily]
- **BOC Aviation announces delivery of 3rd Airbus A321NEO to Sichuan Airlines.** BOC Aviation Limited, a leading global aircraft operating leasing company headquartered in Singapore, announced on Tuesday that it delivered the third of five new Airbus A321NEO aircraft to Chinese carrier Sichuan Airlines. [China Daily]
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- **Chinachem Wins MTR's \$1.6B Plot Atop H.K.'s Ho Man Tin Station.** Chinachem Group was awarded the residential plot on top of the Ho Man Tin station in Hong Kong's Kowloon for an undisclosed price, MTR said in a press release on Tuesday. [Bloomberg]
- **Cathay Dragon Staff Give Union Power to Hold Strike.** Cathay Dragon flight attendants, who have been upset with their management since September over duty rosters and other issues, voted on Tuesday evening to give their union the authority to take industrial action if necessary, South China Morning Post reports. [Bloomberg]
- **Hanergy Mobile Energy says HK-listed unit re-listing okayed.** Hanergy Mobile Energy announced on its website today that Hanergy Thin Film Power agreed to the privatization proposal after a discussion on October 18. HME said that it made a privatization offer to Hanergy TFP with the purchasing price not less than HK\$5 per share, in a bid to list Hanergy TFP in the A share market, as Hanergy TFP has been suspended for more than three years. [Bloomberg]
- **Bankcomm's Vice President Shen Rujun Steps Down.** Bankcomm announced that Shen Rujun has resigned from his position as an executive director of the bank, a member of the Strategy Committee of the Board, a member of the Social Responsibility and Consumer Protection Committee of the Board and an executive vice president of the bank due to job change. The resignation will take effect from 23 Oct 2018. [AASocks]
- **Longfor Group Substantial Shareholder Adds Stake.** Longfor Group announced that the board has been informed by a substantial shareholder Charm Talent that Charm Talent acquired 127,500 shares of the company at an average price of approximately HK\$16.2 between 18 October 2018 to 19 October 2018. [AASocks]
- **China's 'Uber for Trucks' Full Truck Alliance Group Raises up to US\$1B in New Round.** Full Truck Alliance Group, China's 'Uber for trucks', is raising US\$1 billion at most in a new funding round to replenish its capital and expand into self-driving technology, Bloomberg reported. [AASocks]

V. Overnight Market Recap

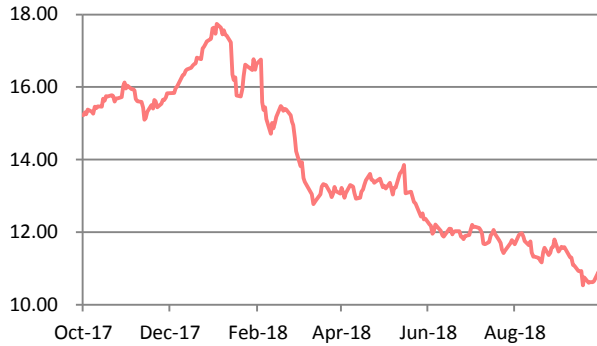
		Close	Net Chg	Chg (%)	Performance (%)					
					1W	1M	3M	6M	1Y	YTD
US Equity	S&P 500	2,741	(15.2)	(0.6)	(2.5)	(6.1)	(2.8)	4.0	6.7	2.5
	Dow Jones	25,191	(126.0)	(0.5)	(2.4)	(5.2)	(0.2)	4.9	7.5	1.9
	Nasdaq Composite	7,438	(31.1)	(0.4)	(2.7)	(7.0)	(5.1)	6.1	12.7	7.7
	Russell 2000	1,527	(12.9)	(0.8)	(4.4)	(10.5)	(9.1)	(1.7)	1.7	(0.6)
	VIX Index	20.71	1.1	5.4	17.5	69.8	66.9	14.9	85.6	87.6
Europe Equity	Euro Stoxx 50	3,141	(49.2)	(1.5)	(3.6)	(7.9)	(9.8)	(10.5)	(13.0)	(10.4)
	DAX	11,274	(250.1)	(2.2)	(4.3)	(8.7)	(11.2)	(10.2)	(13.4)	(12.7)
	CAC	4,968	(85.6)	(1.7)	(4.0)	(9.3)	(8.6)	(8.8)	(7.9)	(6.5)
	FTSE 100	6,955	(87.6)	(1.2)	(1.5)	(6.7)	(9.8)	(6.3)	(7.6)	(9.5)
APAC Equity	HSI	25,347	(806.6)	(3.1)	(0.4)	(7.8)	(11.6)	(17.3)	(10.0)	(15.3)
	HSCEI	10,235	(255.8)	(2.4)	0.9	(5.5)	(6.7)	(16.4)	(10.3)	(12.6)
	HSI VIX	26.67	3.0	12.7	6.0	35.0	47.3	53.0	77.6	82.7
	CSI 300	3,183	(86.8)	(2.7)	2.7	(6.7)	(11.1)	(17.2)	(19.6)	(21.0)
	SH Composite	2,595	(60.1)	(2.3)	1.9	(7.2)	(10.7)	(17.1)	(23.4)	(21.5)
	SZ Composite	1,300	(25.4)	(1.9)	3.5	(10.0)	(20.0)	(27.9)	(35.3)	(31.5)
	Nikkei 225	22,011	(604.0)	(2.7)	(2.4)	(7.8)	(2.2)	(1.2)	0.9	(3.3)
KOSPI	2,106	(55.6)	(2.6)	(1.8)	(10.0)	(7.6)	(14.5)	(15.4)	(14.6)	
Commodities (USD)	Brent (Future)	76.44	(3.4)	(4.3)	(6.1)	(3.0)	4.6	2.3	33.2	14.3
	WTI (Future)	66.43	(2.7)	(4.0)	(7.6)	(8.0)	(3.3)	(2.1)	26.3	9.7
	Gold	1,230	8.2	0.7	0.4	2.7	0.6	(7.4)	(3.5)	(5.5)
	Copper (Future)	6,196	(46.0)	(0.7)	(0.3)	(2.6)	1.1	(10.8)	(11.5)	(14.5)
	Baltic Dry Index	1,579.00	3.0	0.2	0.1	10.1	(11.0)	18.7	(0.6)	15.6
FX	Dollar Index	95.96	(0.1)	(0.1)	1.0	1.8	1.4	5.5	2.2	4.2
	EUR	1.15	0.0	0.1	(0.9)	(2.3)	(1.8)	(6.2)	(2.4)	(4.4)
	JPY	112.44	(0.4)	(0.3)	0.2	0.3	(1.1)	(3.2)	1.3	0.2
	CNY	6.94	(0.0)	0.1	(0.4)	(1.2)	(2.0)	(9.0)	(4.3)	(6.2)
	CNH	6.94	0.0	0.0	0.4	(1.0)	(1.8)	(9.3)	(4.3)	(6.1)
CDS	ChinaGov CDS	67.83	1.1	1.6	2.7	16.6	9.4	14.1	31.6	35.4
	CDX Emerging Market	95.35	(0.1)	(0.1)	(0.3)	(0.2)	(1.5)	(2.8)	(1.2)	(3.8)

		Close	Net Chg	Chg (%)	Value					
					1W	1M	3M	6M	1Y	YTD
US rates	3-Month Treasury Yield	2.32	0.0	0.9	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.88	(0.0)	(1.0)	2.9	2.8	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	3.01	(0.0)	(1.2)	3.1	3.0	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.17	(0.0)	(0.9)	3.2	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	28.44	(0.1)	(0.4)	31.4	26.8	30.1	53.6	83.4	51.8
China rates	O/N China Repo Rate	2.40	(0.1)	(2.4)	2.3	2.5	2.3	3.0	2.5	3.0
	1-Week China Repo Rate	2.60	0.3	13.0	2.5	2.6	2.3	3.5	3.4	3.1
	O/N SHIBOR	2.45	(0.0)	(1.0)	2.4	2.5	2.3	2.7	2.6	2.8
	1-Week SHIBOR	2.64	0.0	0.1	2.6	2.7	2.7	2.9	2.8	3.0

Source: Bloomberg

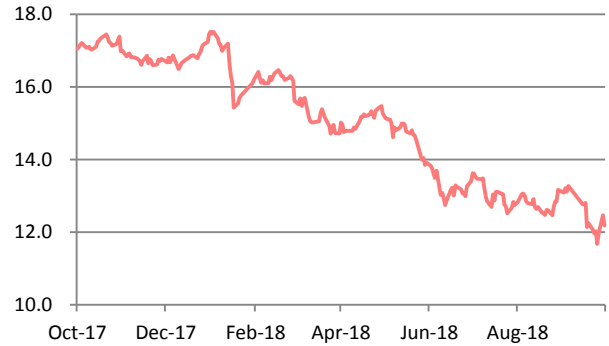
VI. Key Indicators

Hang Seng Index PE Ratio



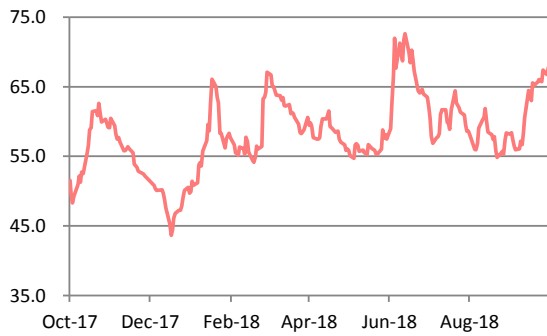
Source: Bloomberg

Shanghai Composite Index PE Ratio



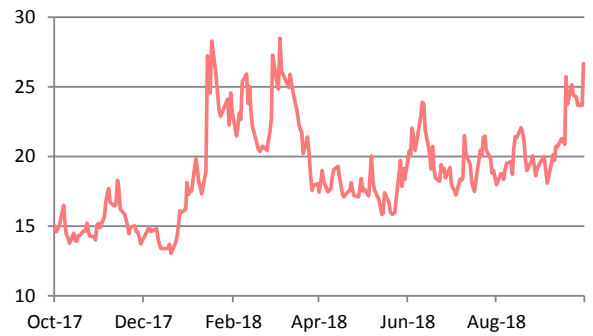
Source: Bloomberg

China 5Y CDS Index_USD



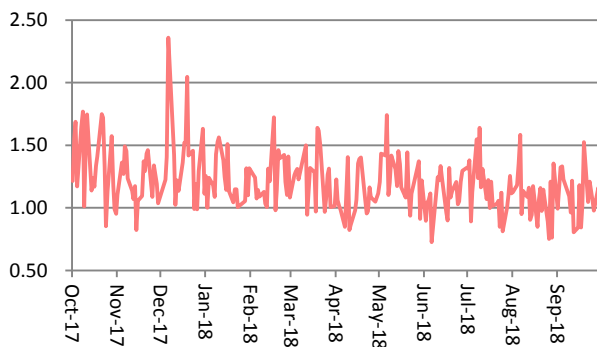
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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