



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Swift Global Payment CNY Share	Sep	N/A	2.12%
China: FX Net Settlement - Clients	Sep	N/A	-USD63.3bn
US: Advance Global Trade Balance	Sep	-USD74.2bn	-USD75.8bn
S. Korea: GDP YoY	3Q18	N/A	2.80%
Germany: GfK Consumer Confidence	Nov	N/A	103.7

Source: Bloomberg

II. Macro News

- **US says it will not send top officials to China import expo in November.** The United States does not plan to send senior government officials to attend a major import expo in Shanghai next month, a US embassy spokesman said on Wednesday, urging Beijing to end what he called harmful and unfair trade practices. [SCMP]
- **US trade deficit with China costs millions of American jobs, report finds.** More than 3.4mn US jobs have been eliminated since Beijing joined the WTO 17 years ago and has added over US\$100bn to the trade deficit since 2008, according to a report published by the Economic Policy Institute, a left-leaning think tank based in Washington. [SCMP]
- **IPOs in a Global Rout: Thailand Bags \$2B in October Alone.** Investors are snapping up first-time share sales in Thailand despite the rout in global equity markets. In October alone, Thai firms and the country's government raised \$1.95bn through IPOs, the most for a single month since 2013, according to data compiled by Bloomberg. [Bloomberg]

III. Industry News

- **China's power generation up 7.4% in Jan-Sept.** China's power generation rose 7.4% in the first nine months of 2018, with electricity from nuclear and wind power facilities expanding at a fast pace in September. The growth in the first three quarters was 0.3ppts lower than the first eight months, the NDRC said Wednesday. [China Daily]
- **China Is Said to Postpone National Pipeline Reform to 1H 2019.** China to delay long-planned pipeline reform and creation of national pipeline company until the 1H 2019. Major pipeline operators, natural gas producers and distributors have been informed of the decision and told to focus on securing gas supply for the peak winter demand period during November-March. [Bloomberg]
- **China Said to Halt Special Approval Process for New Games.** China's regulators have ended the issuance of game licenses through a stopgap approval process, people familiar with the matter said, closing the last known official path for making money from new titles in the world's biggest gaming market. [Bloomberg]

IV. Corporate News

- **ParknShop joins Tencent mainland retail venture.** Tencent has teamed up with supermarket chain operators ParknShop and Yonghui Superstores in its latest effort to shake up the country's vast offline retail market. The three companies had formed a JV called ParknShop Yonghui, valued at 1.2bn yuan, Yonghui said in a statement on Wednesday. [SCMP]
- **Cathay Discovers Unauthorized Access of 9.4m Passengers' Data.** Cathay Pacific Airways has discovered unauthorized access to some data for 9.4 million of the passengers on its airline and subsidiary Hong Kong Dragon Airlines, according to statement to Hong Kong stock exchange. [Bloomberg]

- **Innovent Biologics Said to Raise \$421 Million in Hong Kong IPO.** Innovent Biologics Inc., a Chinese biotech firm backed by Temasek Holdings Pte, raised HK\$3.3bn (\$421mn) after pricing its Hong Kong initial public offering near the top of a marketed range. The Suzhou-based company priced its sale of 236.35mn shares at HK\$13.98 apiece. [Bloomberg]
- **CCB Third-Quarter Profit Rises 6.6% as Bad-Loan Ratio Improves.** China Construction Bank Corp., the nation's second-largest lender by assets, reported a 6.6 percent increase in third-quarter profit. Net income for the three months through September rose to 67.1 billion yuan (\$9.7 billion), the bank told the exchange late Tuesday. [Bloomberg]
- **Daimler to Start China Car-Sharing Venture With Largest Investor.** Daimler AG agreed to start ride-hailing and car-sharing services in China with its largest shareholder, expanding its push into services as car demand sputters. The venture with Zhejiang Geely Holding Group Co. is set to take on market leader Didi Chuxing. [Bloomberg]
- **Midea's \$2.1 Billion Little Swan Deal to Extend Appliances Lead.** Midea Group Co.'s plan to take Wuxi Little Swan Co. private in a 14.4b yuan (\$2.1 billion) deal should strengthen the leading position of the world's largest appliances maker in the domestic high-end white goods market in China. [Bloomberg]
- **China Tesla Rival Plans Layoffs After Evergrande Funding Fight.** Faraday Future, a Chinese electric vehicle maker with ambitions to leapfrog Tesla Inc., said it will lay off some employees and cut staff salaries by 20 percent due to "financial difficulty" following a row with its property-tycoon backer. [Bloomberg]
- **Hainan Airlines Markets New Dollar Bond at Record High Coupon.** Hainan Airlines Holding Co. is offering its highest coupon on record for a dollar-denominated bond, a move that further highlights funding strains for the company. [Bloomberg]
- **Hong Kong private equity firm GAW Capital in talks to fund Chinese buyer's HK\$15bn tower deal.** Hong Kong private equity fund GAW Capital Partners is in talks to fund a HK\$15bn buyout of two commercial towers in the city, after Beijing's tightened capital controls forced their original mainland Chinese buyer to look for financing elsewhere. [SCMP]
- **Telecom firm sees marginal decline in revenue.** China Mobile Communications Corp, the world's largest mobile carrier by subscribers, announced its operating revenues for the first three quarters of 2018 dipped 0.3% YoY to 567.7bn yuan (\$81.8bn), the company's first decline in nearly four years. [China Daily]
- **Airbus, AVIC deal paves way to lighter aircraft.** Airbus Beijing Engineering Center Ltd and AVIC Composite Corp Ltd signed a cooperation agreement on Tuesday, and the two will jointly conduct research and development on electrically conductive composite materials for application on aircraft. [China Daily]
- **Tencent sees great potential in China's smart transportation market.** China's internet giant Tencent is betting on the country's smart transportation market, expanding its presence in fields ranging from subway QR code payment to bus hailing. [China Daily]
- **China's tech giant Baidu launches AI guide tour in Barcelona.** China's search engine giant Baidu Inc on Tuesday launched artificial intelligence (AI) guide tour program, the Baidu Wi-Fi Translator, for Chinese travelers in Barcelona, the second most populous municipality of Spain. [China Daily]
- **China Coal 1Q-3Q Net Profit RMB4.125 billion, Up 76.9% YoY.** China Coal announced that during the first three quarters ended September 2018, net profit amounted to RMB4.125 billion, up 76.9% year on year. EPS equaled 31 fen. [AASocks]
- **Yanzhou Coal Completes Issuance of RMB3B 4.39% Notes.** Yanzhou Coal announced that it has completed the issuance of the 2018 second tranche of medium term notes, with a RMB3 billion total amount of issuance. The term for the notes is three years, while the annual coupon rate is 4.39%. [AASocks]
- **Huawei to Open Info Security Lab in Germany.** Huawei will open a new information security laboratory in Bonn, Germany next month to conduct reviews on source code, aiming at gaining German regulators' confidence before the 5G mobile spectrum auction, Reuters reported. [AASocks]

V. Overnight Market Recap

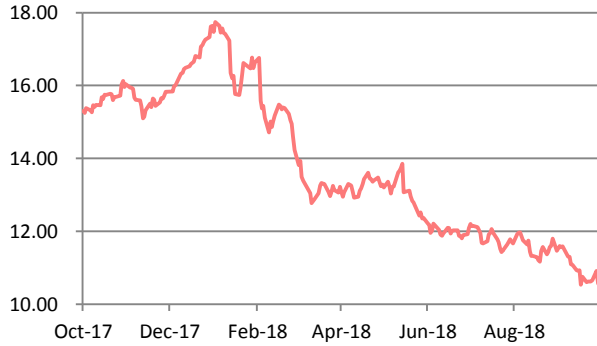
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,656	(84.6)	(3.1)	(5.5)	(8.9)	(6.7)	0.6	3.9	(0.7)
	Dow Jones	24,583	(608.0)	(2.4)	(4.4)	(7.2)	(3.3)	2.1	5.4	(0.5)
	Nasdaq Composite	7,108	(329.1)	(4.4)	(7.0)	(11.2)	(10.4)	1.5	8.3	3.0
	Russell 2000	1,469	(57.9)	(3.8)	(7.6)	(14.1)	(12.8)	(5.3)	(1.7)	(4.4)
	VIX Index	25.23	4.5	21.8	45.0	103.1	105.3	41.4	124.7	128.5
Europe Equity	Euro Stoxx 50	3,130	(10.6)	(0.3)	(3.5)	(8.5)	(9.7)	(10.2)	(12.8)	(10.7)
	DAX	11,192	(82.7)	(0.7)	(4.5)	(9.6)	(11.0)	(9.9)	(13.6)	(13.4)
	CAC	4,953	(14.6)	(0.3)	(3.7)	(9.6)	(8.7)	(8.5)	(7.8)	(6.8)
	FTSE 100	6,963	7.8	0.1	(1.3)	(7.3)	(9.1)	(5.6)	(6.5)	(9.4)
APAC Equity	HSI	25,250	(96.8)	(0.4)	(0.8)	(8.2)	(12.7)	(16.7)	(10.8)	(15.6)
	HSCEI	10,226	(8.5)	(0.1)	0.3	(5.6)	(7.7)	(15.4)	(11.0)	(12.7)
	HSI VIX	26.31	(0.4)	(1.3)	7.8	33.2	48.5	45.0	80.2	80.2
	CSI 300	3,188	4.8	0.2	2.2	(5.7)	(10.9)	(16.7)	(19.8)	(20.9)
	SH Composite	2,603	8.5	0.3	1.6	(6.4)	(10.3)	(16.5)	(23.4)	(21.3)
	SZ Composite	1,297	(3.1)	(0.2)	2.4	(9.7)	(20.2)	(28.3)	(35.9)	(31.7)
	Nikkei 225	22,091	80.4	0.4	(3.3)	(7.7)	(2.3)	(0.6)	1.8	(3.0)
Commodities (USD)	KOSPI	2,098	(8.5)	(0.4)	(3.2)	(10.3)	(7.7)	(14.3)	(15.8)	(15.0)
	Brent (Future)	76.17	(0.3)	(0.4)	(4.9)	(6.2)	3.7	3.1	30.6	13.9
	WTI (Future)	66.82	0.4	0.6	(4.2)	(8.2)	(4.2)	(2.5)	27.2	9.8
	Gold	1,234	3.5	0.3	0.9	2.8	0.2	(6.7)	(3.4)	(5.3)
	Copper (Future)	6,179	(17.0)	(0.3)	(0.6)	(2.7)	(1.8)	(11.9)	(12.2)	(14.7)
FX	Baltic Dry Index	1,577.00	(2.0)	(0.1)	1.5	8.8	(11.0)	14.6	0.3	15.4
	Dollar Index	96.43	0.5	0.5	0.9	2.4	1.9	6.2	2.8	4.7
	EUR	1.14	(0.0)	(0.7)	(1.0)	(3.1)	(2.8)	(6.3)	(3.5)	(5.1)
	JPY	112.26	(0.2)	(0.2)	(0.4)	0.8	(0.9)	(2.3)	1.5	0.6
	CNY	6.94	0.0	(0.1)	(0.2)	(1.3)	(2.2)	(9.2)	(4.4)	(6.3)
CDS	CNH	6.94	0.0	0.1	0.2	(1.1)	(2.7)	(9.0)	(4.4)	(6.2)
	ChinaGov CDS	69.52	1.7	2.5	5.6	19.1	15.1	16.3	40.9	38.8
	CDX Emerging Market	95.23	(0.1)	(0.1)	(0.3)	(0.3)	(1.9)	(2.9)	(1.2)	(3.9)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.33	0.0	0.2	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.83	(0.0)	(1.7)	2.9	2.8	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	2.94	(0.1)	(2.4)	3.0	3.0	2.9	2.8	2.0	2.2
	10-Year Treasury Yield	3.10	(0.1)	(2.0)	3.2	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	26.90	(1.5)	(5.4)	29.8	25.3	29.1	49.7	83.3	51.8
China rates	O/N China Repo Rate	2.37	(0.0)	(1.2)	2.4	2.5	2.3	2.8	2.7	3.0
	1-Week China Repo Rate	2.50	(0.1)	(3.8)	2.4	2.8	2.6	3.5	3.3	3.1
	O/N SHIBOR	2.39	(0.1)	(2.4)	2.4	2.5	2.3	2.8	2.7	2.8
	1-Week SHIBOR	2.63	(0.0)	(0.2)	2.6	2.7	2.7	2.9	2.9	3.0

Source: Bloomberg

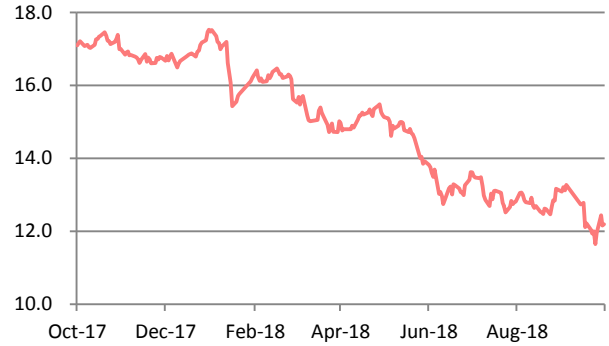
VI. Key Indicators

Hang Seng Index PE Ratio



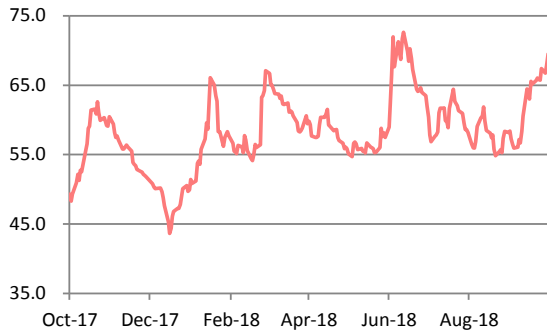
Source: Bloomberg

Shanghai Composite Index PE Ratio



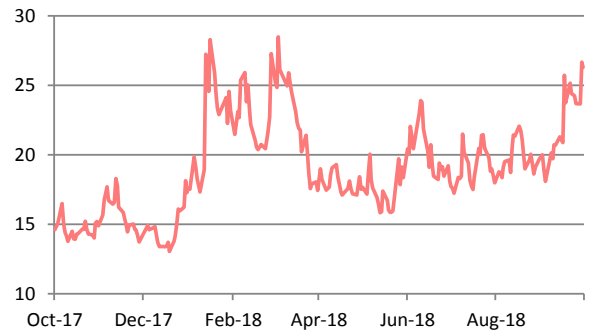
Source: Bloomberg

China 5Y CDS Index_USD



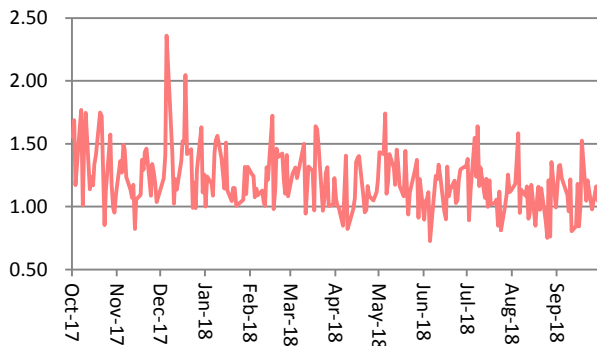
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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