



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Personal Income / Spending MoM	Sep	0.4%/0.4%	0.3%/0.3%
US: PCE Deflator YoY	Sep	2.00%	2.20%
UK: Net Consumer Credit	Sep	GBP1.2bn	GBP1.1bn
UK: Mortgage Approvals	Sep	64.7k	66.4k
Brazil: FGV Inflation IGPM YoY	Oct	10.80%	10.0%

Source: Bloomberg

II. Macro News

- **World Bank lauds efforts to boost trade.** Amid rising global trade tensions and domestic economic rebalancing, the World Bank assesses the evolution of China's foreign trade positively, and is "very impressed" with China's efforts to boost foreign trade, a World Bank economist has said. [China Daily]
- **Beijing inks investment deals worth \$3.53b with Hong Kong.** Investment deals worth \$3.53 billion were inked between Beijing and the Hong Kong Special Administrative Region on cooperation in services, infrastructure construction and finance sectors at the 22nd Beijing-Hong Kong Economic Cooperation Symposium. [China Daily]
- **US Not to Resume Trade Talks Until PRC Draws Up Concrete Proposal.** Officials from Beijing and Washington disclosed that US is not resuming trade talks with China, unless Beijing comes up with a concrete scheme to mitigate Washington's concerns about forced technology transfers and other economic topics, the Wall Street Journal reported. [AASocks]

III. Industry News

- **China Tells State-Owned Giants to Halt Iran Oil Buying.** China govt has told at least two state oil companies to avoid purchasing Iranian oil as U.S. prepares to impose sanctions on the Persian Gulf state. Cos that continue buying Iranian crude after sanctions take effect on Nov. 4 face the risk of being cut off from the American financial system. [Bloomberg]
- **BRI trade spikes in first three quarters of 2018.** Trade volume between China and economies participating in the Belt and Road Initiative reached 6.08tn yuan (\$875bn) in the first three quarters, an increase of 13.2% YoY, the Ministry of Commerce said. [China Daily]
- **Japan, China agree on 200b yuan forex swap.** China and Japan signed a bilateral currency swap agreement Friday during Japanese Prime Minister Shinzo Abe's visit in Beijing. The deal will allow the exchange of local currencies between the two central banks for up to 200bn yuan or 3.4tn yen (US\$30bn), the Bank of Japan said. The currency swap treaty will be available for three years and it may be extended by mutual consent, the PBOC said in a statement. [The Standard]

IV. Corporate News

- **ZTE's profit dives 65 per cent as it tries to move past US ban.** ZTE Corp's quarterly earnings slid 65%, underscoring a difficult recovery from US sanctions that briefly brought China's No. 2 telecommunications gear vendor to a standstill. The company reported net income of 564.5mn yuan (US\$81.2mn) for the quarter ended Sept, compared with its own projection for almost break-even to 1.02bn yuan. [SCMP]
- **Zijin Mining earnings up in first nine months.** Zijin Mining Group's net profit rose 51.4% to 3.35bn yuan for the nine months to September 30. In a filing to the Hong Kong Stock Exchange, it said net cash flows from operating activities was 6.62bn yuan, up 14.83% from the corresponding period last year. [SCMP]

- **RBS Sets Aside 100 Million Pounds Over Brexit Fears.** Royal Bank of Scotland Group Plc set aside 100 million pounds (\$128 million) to reflect greater uncertainty around Brexit, the first British bank to do so this quarter, as Chief Executive Ross McEwan said big companies are pausing investment as the talks drag on. [Bloomberg]
- **Tencent looks to tap smart transport.** Tencent Holdings Ltd is expanding its QR code payments, bus hailing and intelligent travel assistance, in an effort to grab a slice of China's burgeoning smart transportation market. The company has ramped up efforts to promote the digitalization of China's public transport sector, and is working with local governments, bus and subway companies to promote its QR code payment. [China Daily]
- **BMW to continue to invest in China beyond Shenyang project.** The Munich-based car maker announced earlier this month that it would extend the contract term of the JV BMW Brilliance Automotive in Shenyang, the capital of Liaoning province, and increase investment in its production capacity expansion. Meanwhile, the BMW Group will invest more than 3bn euros (\$3.5bn) in new and existing plants in Shenyang over the coming years. [China Daily]
- **Great Wall to launch new SUVs.** Great Wall Motor is set to release SUVs that meet the tougher China VI emission standard, the company said. The stricter standard, formulated in 2016, will be adopted in Hebei province - where the company is headquartered - in July, 2019, according to the Hebei Provincial Environmental Protection Dept. [China Daily]
- **Chinasoft set to ramp up efforts in foreign markets.** Chinasoft International Ltd, a leading information technology and software service provider in China, is aiming to expand its annual revenue to 30bn yuan (\$4.32bn) over the next three years, with its overseas business as an important growth engine, its CEO said. [China Daily]
- **CNOOC's Yuedong import terminal receives LNG from Australia.** CNOOC said its Yuedong LNG import terminal, whose access was sold to third party, State-owned Zhenhua Oil and private logistics firm Longkou Shengtong Energy in September, has for the first time received LNG that the latter two companies bought from Australia. [China Daily]
- **Tencent 'Honor of Kings' Age Verification on Beijing Users; Caps Juveniles' Game Time.** Tencent upgrades again its "Healthy System for Honor of Kings". With effect from 25 Oct, the System initiates mandatory public security real name verification for the Game, starting from Beijing. Juveniles whose age is 12 or below are only allowed to play the Game for one hour a day; while those who are above 12 years old are limited to a two-hour gaming time. [AASocks]
- **Evergrande RMB1.674B Corporate Bonds at Normal Feedback Stage, No Halt in Financing Plan.** Evergrande's intended issue of RMB1.674 billion of corporate bonds relapsed into suspension, as The Beijing News learnt from Shanghai Stock Exchange early October. Yet, the case was updated to "replied to Exchange Opinion" on 17 October. [AASocks]
- **Great Wall Motor 1-3Q Net Profit RMB3.93B, Up 36.4% YoY.** Great Wall Motor announced first three quarters result ended September 2018. The turnover rose 5.1% year on year to RMB66.645bn. The net profit amounted to RMB3.927bn, up 36.4% year on year. EPS was RMB0.4302. [AASocks]
- **Datang Power 9M18 Total Power Generation 202.24B kWh.** Datang Power announced that for the nine months ended 30 September 2018, the total power generation of the company and its subsidiaries amounted to approximately 202.236 billion kWh, and total on-grid power generation amounted to approximately 190.832 billion kWh. [AASocks]
- **Great Wall Motor Mulls Selling Honeycomb Energy for RMB790M.** Great Wall Motor announced that it has agreed to sell 100% of the equity interest in Honeycomb Energy, a substantial shareholder of the company, to Baoding Ruimao, at a consideration of RMB790mn. [AASocks]
- **Beijing Asks CNPC, Sinopec Corp to Halt Iranian Oil Imports.** Chinese government has requested at least two of its state-owned oil enterprises, including China National Petroleum and SINOPEC CORP, to avoid importing oil from Iran, as Bloomberg cited market sources. [AASocks]
- **Tesla turnaround delivers US\$311m quarterly profit.** Tesla earned US\$311.5mn during the three months ending in Sept, swinging from a loss of US\$619mn at the same time last year. It is only the third time that Tesla has posted a quarterly profit in its eight-year history as a public company and the first time in two years. [The Standard]

V. Overnight Market Recap

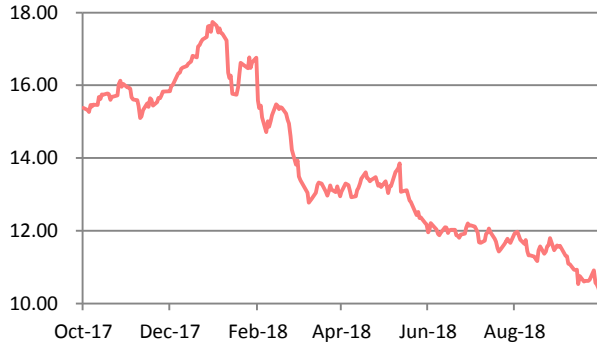
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,659	(46.9)	(1.7)	(3.9)	(8.8)	(5.7)	(0.4)	3.0	(0.6)
	Dow Jones	24,688	(296.2)	(1.2)	(3.0)	(6.7)	(3.0)	1.6	5.4	(0.1)
	Nasdaq Composite	7,167	(151.1)	(2.1)	(3.8)	(10.9)	(7.4)	0.7	7.0	3.8
	Russell 2000	1,484	(16.6)	(1.1)	(3.8)	(12.5)	(10.8)	(4.7)	(1.6)	(3.4)
	VIX Index	24.16	(0.1)	(0.2)	21.5	99.3	85.4	56.8	146.5	118.8
Europe Equity	Euro Stoxx 50	3,135	(29.5)	(0.9)	(2.4)	(7.8)	(11.1)	(10.9)	(14.2)	(10.5)
	DAX	11,201	(106.5)	(0.9)	(3.1)	(8.5)	(12.9)	(11.0)	(15.3)	(13.3)
	CAC	4,967	(64.9)	(1.3)	(2.3)	(9.6)	(9.9)	(9.4)	(9.6)	(6.5)
	FTSE 100	6,940	(64.5)	(0.9)	(1.6)	(7.6)	(9.9)	(7.5)	(7.5)	(9.7)
APAC Equity	HSI	24,718	(276.8)	(1.1)	(3.3)	(11.1)	(14.2)	(18.4)	(13.1)	(17.4)
	HSCEI	10,059	(117.9)	(1.2)	(1.6)	(8.7)	(9.0)	(16.6)	(13.6)	(14.1)
	HSI VIX	29.07	1.3	4.5	22.8	60.6	68.6	59.5	92.9	99.1
	CSI 300	3,174	(20.7)	(0.6)	1.2	(7.7)	(9.9)	(15.5)	(21.1)	(21.3)
	SH Composite	2,599	(5.0)	(0.2)	1.9	(7.9)	(9.6)	(15.7)	(23.9)	(21.4)
	SZ Composite	1,291	(2.2)	(0.2)	2.1	(10.5)	(19.3)	(27.3)	(36.2)	(32.0)
	Nikkei 225	21,185	(84.1)	(0.4)	(6.0)	(12.2)	(6.7)	(5.7)	(3.7)	(6.9)
KOSPI	2,027	(36.2)	(1.8)	(6.0)	(13.5)	(11.7)	(18.7)	(18.8)	(17.8)	
Commodities (USD)	Brent (Future)	77.62	0.7	1.0	(2.7)	(4.6)	4.1	3.9	30.9	16.1
	WTI (Future)	67.59	0.3	0.4	(2.2)	(5.6)	(2.9)	(0.9)	28.4	11.9
	Gold	1,234	1.4	0.1	0.6	3.3	0.9	(6.3)	(2.6)	(5.3)
	Copper (Future)	6,160	(66.0)	(1.1)	(1.0)	(1.9)	(2.1)	(11.6)	(11.8)	(15.0)
	Baltic Dry Index	1,519.00	3.0	0.2	(3.6)	(1.4)	(9.4)	11.6	(1.7)	11.2
FX	Dollar Index	96.36	(0.3)	(0.3)	0.7	2.3	1.7	5.2	1.8	4.6
	EUR	1.14	0.0	0.2	(1.0)	(2.9)	(2.1)	(5.8)	(2.1)	(5.0)
	JPY	111.91	(0.5)	(0.5)	(0.6)	0.7	(0.6)	(2.3)	1.8	0.7
	CNY	6.94	(0.0)	0.1	(0.2)	(0.9)	(2.2)	(8.7)	(4.3)	(6.3)
	CNH	6.95	(0.0)	(0.1)	0.3	(1.1)	(1.8)	(9.0)	(4.3)	(6.3)
CDS	ChinaGov CDS	72.55	1.9	2.7	7.7	28.4	27.6	25.7	47.1	44.8
	CDX Emerging Market	95.33	(0.0)	(0.0)	0.0	(0.6)	(2.0)	(2.9)	(1.3)	(3.8)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.32	(0.0)	(0.2)	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.81	(0.0)	(1.4)	2.9	2.8	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	2.91	(0.1)	(1.8)	3.0	3.0	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.08	(0.0)	(1.3)	3.2	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	26.52	(0.1)	(0.3)	28.4	22.1	28.1	47.1	81.5	51.8
China rates	O/N China Repo Rate	2.00	(0.2)	(9.1)	2.4	2.3	2.0	2.3	2.9	3.0
	1-Week China Repo Rate	2.40	(0.1)	(4.0)	2.6	2.5	2.6	3.0	3.4	3.1
	O/N SHIBOR	2.07	(0.1)	(6.7)	2.4	2.5	2.3	2.8	2.7	2.8
	1-Week SHIBOR	2.62	(0.0)	(0.5)	2.6	2.7	2.7	3.0	2.9	3.0

Source: Bloomberg

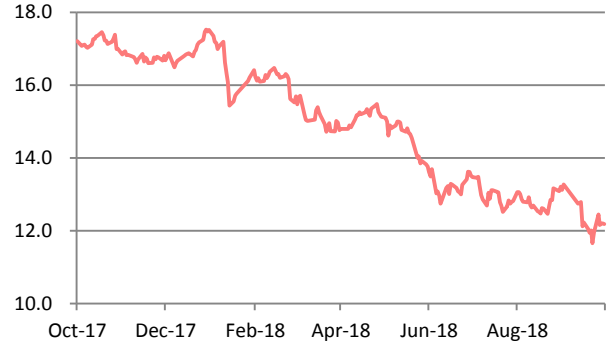
VI. Key Indicators

Hang Seng Index PE Ratio



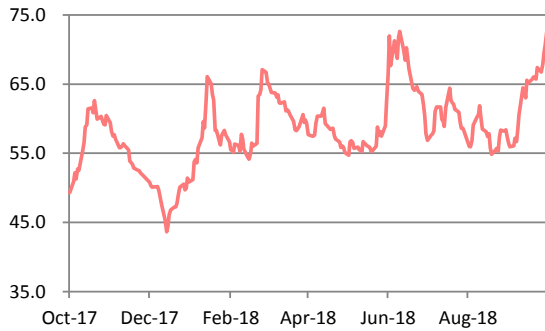
Source: Bloomberg

Shanghai Composite Index PE Ratio



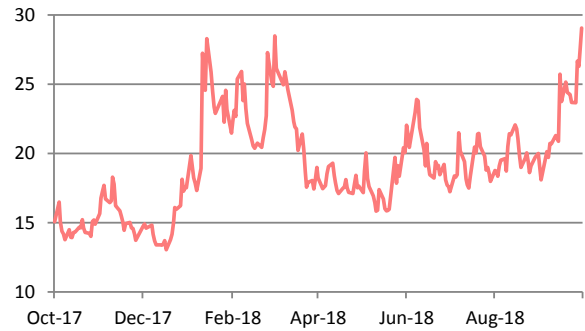
Source: Bloomberg

China 5Y CDS Index_USD



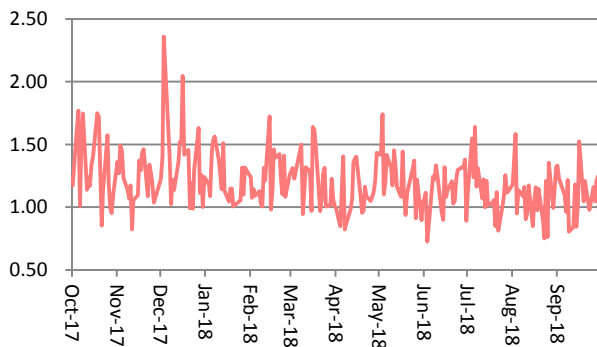
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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