



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Conference Board Consumer Confidence	Oct	136.0	138.0
US: S&P CoreLogic CS 20-City House Price MoM / YoY	Aug	0.1%/5.8%	0.09%/5.92%
Japan: Jobless Rate	Sep	2.40%	2.40%
Germany: CPI YoY	Oct	2.40%	2.30%
Australia: Building Approvals YoY	Sep	-9.00%	-13.60%

Source: Bloomberg

II. Macro News

- **U.S. Said to Consider Nixing Trade From Trump-Xi Meeting Agenda.** The White House is considering excluding trade from the agenda of a meeting between President Donald Trump and China's Xi Jinping next month but likely won't cancel it altogether, according to two people familiar with the matter. [Bloomberg]
- **Early Indicators Show China's Slowdown Worsened Again in October.** China's economic growth continued to slow in October, a period in which the trade conflict with the U.S. has intensified and policy makers have stepped up support for businesses. [Bloomberg]
- **Chinese Industrial Profit Growth Continues to Slow in September.** Profit growth in Chinese industrial enterprises slowed for a fifth month amid the ongoing U.S.-China trade spat and a weakening domestic economy. Industrial profits rose 4.1% in September from a year earlier, versus a 9.2% increase in August. Total profits for the month were 545.5bn yuan (\$78.6bn), NBS said. [Bloomberg]

III. Industry News

- **SGX Considers Delisting Rule Revision, Business Times Reports.** Singapore Exchange Regulation is considering revisions on delisting rules and plans to put these proposals for formal public consultation by the end of this year, Business Times says, citing SGX RegCo's Chief Executive Officer Tan Boon Gin. [Bloomberg]
- **China Regulator to Propose 50% Cut to Car Purchase Tax.** China is considering a tax cut to revive its flagging automotive market, according to people familiar with the matter, lending support to a key industry that's been damaged by an ongoing trade war with the U.S. [Bloomberg]
- **China to Levy up to 97.1% Anti-Dumping Duties on U.S. Chemical.** China will collect anti-dumping duties for five years on Ethanolamines imports from U.S., Saudi Arabia, Malaysia and Thailand, starting from Oct. 30, China's Ministry of Commerce says. [Bloomberg]

IV. Corporate News

- **HSBC's third-quarter earnings beat estimates, boosting CEO's plan to revitalise Europe's largest bank.** HSBC earnings in the third quarter rose 32%. The bank reported a profit of US\$3.9bn in the period compared with a profit of US\$2.96bn at the same stage last year. [SCMP]
- **Wanda finally confirms sale of two units to Sunac China for US\$900m.** Wanda Group on Monday confirmed that it has agreed to sell two of its tourism units to Sunac China for 6.28 billion yuan (US\$902 million), after denying an earlier report. The agreement came after "friendly negotiations" with Sunac, a statement posted on Wanda's website said. Wanda also agreed to unwind a separate hotel management deal with Sunac as part of this transaction. [SCMP]

- **Didi weighs foray into hotel-booking business in potential clash with Meituan, Ctrip.** Didi Chuxing, China's largest ride-hailing platform, is considering a foray into the hotel-booking business that would potentially set it up for another head-on fight with market leaders Meituan Dianping and Ctrip, according to people familiar with the matter. [SCMP]
- **Rio Says Chinalco Pact for \$1 Billion Simandou Stake Has Lapsed.** Rio Tinto Group, the world's second-biggest miner, said a pact to offload its stake in the \$20 billion Simandou iron ore project in Guinea to its Chinese partner, Aluminum Corp. of China, has lapsed. [Bloomberg]
- **IBM Chases Amazon Into Cloud With \$33 Billion Red Hat Purchase.** IBM's purchase of Red Hat Inc. is a \$33 billion bid aimed at catapulting the company into the ranks of the top cloud software competitors. The cash deal, IBM's biggest ever by far, boosts the 107-year-old computer-services giant's credentials overnight in the fast-growing and lucrative cloud market, and gives it much-needed potential for real revenue growth. [Bloomberg]
- **GCL-Poly Boosts Output Capacity of Xinjiang Polysilicon Plant.** Production capacity at the newly built plant will increase to 60,000 tons from 50,000 tons, company says in filing to the Hong Kong stock exchange. The company will officially start testing production. [Bloomberg]
- **Tencent-Backed Online Travel Agent Gauges H.K. IPO Demand.** Tongcheng-Elong Holdings Ltd. starts gauging investor demand for its planned Hong Kong initial public offering, according to terms for the deal obtained by Bloomberg. Tongcheng-Elong is to use the proceeds for boosting products and services offerings, funding potential acquisition, investment and JV opportunities, enhancing technology capabilities, and general corporate purposes. [Bloomberg]
- **ABB Invests \$150 Million on New Robotics Factory in Shanghai.** ABB Ltd. will invest \$150 million to build a robotics factory in Shanghai, as the Swiss manufacturer capitalizes on China's rising consumption and aspiration to transform into a technology pioneer. [Bloomberg]
- **FAW-Volkswagen drives SUV strategy with mid-size Tayron.** Sino-German joint venture FAW-Volkswagen launched a mid-size SUV - the Tayron - last Monday, the latest move in its plan to tap into the sizable segment of such vehicles in the Chinese market. [China Daily]
- **Industrial Bank's outstanding green finance loans exceed 800b yuan.** The Industrial Bank (IB) had seen its outstanding loans of green finance reach over 800bn yuan (\$115bn) by the end of Sept. More than 16,000 enterprises had received over 1.6tn yuan of green finance from the bank by the end of last month, said IB's president Tao Yiping. [China Daily]
- **Tencent, CN Video Web 'B Station' Jointly Develop Animation, Game Contents.** Tencent announced a content cooperation with "B Station" under the Mainland video platform "Bilibili" on development of content supply chain, such as animation and games etc. [AASocks]
- **Sinopharm 9M18 Net Profit Up 7.2% YoY to RMB3.92B.** Sinopharm announced that for the nine months ended 30 September 2018, the net profit lifted 7.18% yearly to RMB3.923bn with EPS of RMB1.42. The operating revenue grew 8.5% yearly to RMB226.312bn. [AASocks]
- **PICC Group Expects 1-3Q Net Profit at RMB13.39-15.57B.** PICC Group announced that the net profit for the first three quarters of 2018 is expected to range from RMB13.387 billion to RMB15.569 billion, representing about -8% to +7% growth year-on-year. [AASocks]
- **Rio Tinto: Non-binding Agreement to Sell 100% Stakes in Guinea Iron Ore Project to Chalco Lapses.** Rio Tinto expressed that the non-binding agreement it had executed with CHALCO in 2016 lapsed, pursuant to which Chalco should acquire all of its stakes in the Simandou iron ore project in Guinea. [AASocks]
- **HSBC Cautiously Optimistic about Prospect; Results May Back Shares.** John Flint, Chief Executive of HSBC HOLDINGS, said during the conference call that the bank is cautiously optimistic about the prospect, saying business has not been evidently affected by China-US trade battle, while rate hike is conducive to the bank's business. [AASocks]
- **China Telecom 1-3Q Net Profit Up 2.7% YoY to RMB19.03B.** China Telecom announced that for the first three quarters ended 30 September 2018, the operating revenues grew 3.6% yearly to RMB284.971 billion, while service revenues increased by 6.0% yearly to RMB264.934bn. [AASocks]

V. Overnight Market Recap

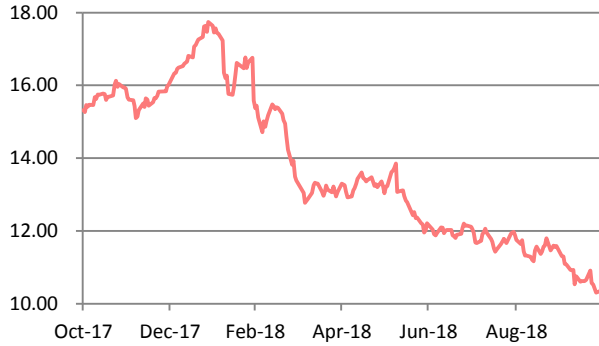
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,641	(17.4)	(0.7)	(4.2)	(9.4)	(5.8)	(0.3)	2.7	(1.2)
	Dow Jones	24,443	(245.4)	(1.0)	(3.5)	(7.6)	(3.4)	1.2	4.7	(1.1)
	Nasdaq Composite	7,050	(116.9)	(1.6)	(5.6)	(12.4)	(7.6)	(0.2)	5.2	2.1
	Russell 2000	1,477	(6.5)	(0.4)	(4.0)	(12.9)	(10.6)	(4.2)	(0.9)	(3.8)
	VIX Index	24.70	0.5	2.2	25.8	103.8	73.2	55.1	135.2	123.7
Europe Equity	Euro Stoxx 50	3,155	20.0	0.6	(1.1)	(7.2)	(10.2)	(10.8)	(13.9)	(10.0)
	DAX	11,335	134.9	1.2	(1.6)	(7.4)	(11.4)	(10.1)	(14.3)	(12.2)
	CAC	4,989	22.0	0.4	(1.3)	(9.2)	(9.1)	(9.6)	(9.2)	(6.1)
	FTSE 100	7,026	86.8	1.3	(0.2)	(6.4)	(8.8)	(6.4)	(6.2)	(8.6)
APAC Equity	HSI	24,812	94.4	0.4	(5.1)	(10.7)	(13.6)	(19.5)	(12.4)	(17.1)
	HSCEI	10,013	(46.0)	(0.5)	(4.6)	(9.1)	(9.4)	(18.8)	(13.4)	(14.5)
	HSI VIX	28.36	(0.7)	(2.4)	19.8	56.7	54.2	62.3	71.9	94.2
	CSI 300	3,077	(96.7)	(3.0)	(5.9)	(10.5)	(12.5)	(18.1)	(23.3)	(23.7)
	SH Composite	2,542	(56.7)	(2.2)	(4.2)	(9.9)	(11.4)	(17.5)	(25.0)	(23.1)
	SZ Composite	1,265	(26.0)	(2.0)	(4.6)	(12.3)	(19.8)	(28.8)	(36.4)	(33.4)
	Nikkei 225	21,150	(34.8)	(0.2)	(6.5)	(12.3)	(6.2)	(5.9)	(3.9)	(7.1)
Commodities (USD)	KOSPI	1,996	(31.1)	(1.5)	(7.7)	(14.8)	(13.0)	(20.6)	(20.2)	(19.1)
	Brent (Future)	77.34	(0.3)	(0.4)	(3.1)	(6.5)	4.1	3.6	28.0	15.7
	WTI (Future)	67.04	(0.6)	(0.8)	(3.1)	(8.9)	(4.9)	(2.7)	23.2	10.4
	Gold	1,229	(4.1)	(0.3)	0.6	3.4	0.7	(6.5)	(3.6)	(5.6)
	Copper (Future)	6,160	(66.0)	(1.1)	(1.0)	(1.9)	(2.1)	(11.6)	(11.8)	(15.0)
FX	Baltic Dry Index	1,519.00	3.0	0.2	(3.7)	(1.4)	(9.4)	11.6	(1.7)	11.2
	Dollar Index	96.58	0.2	0.2	0.6	1.5	2.0	5.5	1.8	4.8
	EUR	1.14	(0.0)	(0.3)	(0.8)	(1.8)	(2.8)	(5.8)	(2.4)	(5.3)
	JPY	112.37	0.5	0.4	(0.4)	1.4	(1.2)	(2.7)	0.7	0.3
	CNY	6.96	0.0	(0.3)	(0.2)	(1.3)	(2.1)	(9.0)	(4.5)	(6.5)
CDS	CNH	6.98	0.0	0.3	0.6	(1.2)	(2.1)	(9.4)	(4.8)	(6.6)
	ChinaGov CDS	72.74	0.2	0.3	9.0	29.7	26.2	26.5	42.8	45.2
	CDX Emerging Market	95.13	(0.2)	(0.2)	(0.3)	(0.6)	(2.1)	(3.0)	(1.5)	(4.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.30	(0.0)	(0.7)	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.82	0.0	0.4	2.9	2.8	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	2.92	0.0	0.4	3.0	3.0	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.08	0.0	0.3	3.2	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	26.46	(0.1)	(0.3)	28.4	23.8	28.6	45.8	79.1	51.8
China rates	O/N China Repo Rate	1.82	(0.2)	(9.0)	2.4	2.8	2.0	2.3	2.8	3.0
	1-Week China Repo Rate	2.50	0.1	4.2	2.6	2.9	2.6	3.0	3.4	3.1
	O/N SHIBOR	1.85	(0.2)	(10.4)	2.5	2.7	2.1	2.8	2.7	2.8
	1-Week SHIBOR	2.61	(0.0)	(0.3)	2.6	2.8	2.6	3.0	2.9	3.0

Source: Bloomberg

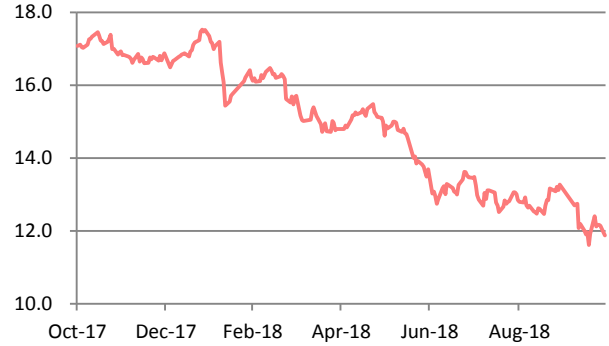
VI. Key Indicators

Hang Seng Index PE Ratio



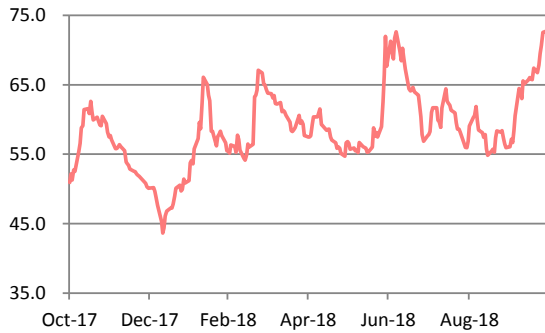
Source: Bloomberg

Shanghai Composite Index PE Ratio



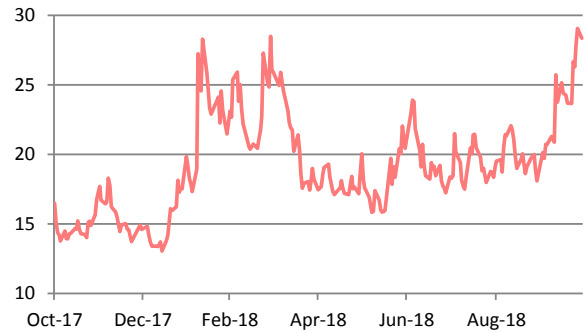
Source: Bloomberg

China 5Y CDS Index_USD



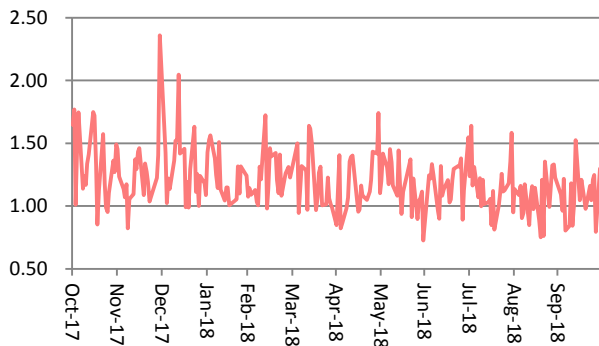
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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