



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Official Manufacturing PMI	Oct	50.6	50.8
US: ADP Employment Cchange	Oct	187k	230k
S. Korea: Industrial Production YoY	Sep	-5.10%	2.50%
Japan: Industrial Production YoY	Sep	-2.10%	0.20%
UK: GfK Consumer Confidence	Oct	-10.0	-9.0

Source: Bloomberg

II. Macro News

- **U.S. Plans More China Tariffs If Trump-Xi Meeting Fails, Sources Say.** The U.S. is preparing to announce by early December tariffs on all remaining Chinese imports if talks next month between presidents Donald Trump and Xi Jinping fail to ease the trade war, three people familiar with the matter said. [Bloomberg]
- **Treasury Sees 2018 Borrowing Needs Surging to \$1.34tn.** The U.S. Treasury Dept said govt borrowing this year will more than double from 2017 to \$1.34tn as the Trump administration finances a rising budget deficit. The department expects to issue \$425bn in net marketable debt from October through Dec, lower than the \$440bn estimated in July. The Treasury sees an end-of-Dec cash balance of \$410bn, compared with its previous forecast of \$390bn. [Bloomberg]
- **Share of consumption in GDP growth rises to 78%.** Consumption accounted for 78 percent of China's GDP growth during the first three quarters, an increase of 14ppts over the same period last year, official data shows. China's GDP growth registered at 6.7% YoY in the first three quarters of this year, or 6.2% after deducting the natural growth of the total population, according to National Bureau of Statistics. [China Daily]

III. Industry News

- **Australian Bank Earnings to Be the Worst in a Decade.** Australia's big banks are set for their worst earnings season since the global financial crisis. A softening housing market, margin pressure from rising funding costs, and the ballooning cost of dealing with the fallout from an inquiry into misconduct in the financial industry, are all squeezing profits. [Bloomberg]
- **China Aims to Pull More Currency Trading to Its Domestic Markets.** China plans to deepen its foreign-exchange markets to encourage both domestic and overseas players to trade and borrow external currencies more onshore, in the latest step toward fostering a global role for its financial system. [Bloomberg]
- **China imposes duties on US, Malaysian ethanalamines shipments.** China's MOC says it will impose anti-dumping duties on ethanalamines imported from the U.S., Saudi Arabia, Malaysia, and Thailand. Duties will be collected at rates ranging from 10.1 percent to 97.1% for a five-year period, according to a statement, Xinhua reports. [The Standard]

IV. Corporate News

- **U.S. to Restrict Exports to Chinese Chipmaker Fujian Jinhua.** The Trump administration will impose restrictions on exports to Chinese chipmaker Fujian Jinhua Integrated Circuit Company, Ltd. for national security reasons, the Commerce Department said. [Bloomberg]
- **Bank of China to Sell \$17 Billion of Shares in Capital Boost.** Bank of China Ltd. announced a \$17 billion share sale, as the country's largest lenders shore up their capital buffers in the face of a slowing economy that they're being called upon to support with more credit. [Bloomberg]

- **Tycoon Victor Li Says No Bubble in H.K. Housing Market.** Hong Kong's housing market is not in a bubble waiting to burst despite the continued rise in prices, SCMP reports, citing Victor Li. "Do not say it is a bubble. It is not that serious": report, citing Victor Li, chairman of CK Asset, after co.'s extraordinary general meeting. [Bloomberg]
- **Hillhouse seeking billions of dollars for China stocks.** Hillhouse Capital Management Ltd is seeking to raise billions of dollars to invest in beaten-down Chinese stocks after this year's market rout, according to people with knowledge of the firm's deliberations. [China Daily]
- **Highly indebted mainland developer China Evergrande to pay double-digit interest on US dollar bonds.** China Evergrande Group is resorting to high-interest US dollar bonds, mostly in the double digits, to refinance existing loans, with analysts expecting a similar trend at other builders amid tightening liquidity. [SCMP]
- **PetroChina reaps gains from rise in oil price.** PetroChina posted a net profit of 21bn yuan in the three months to September, up from 4.69bn yuan a year earlier. Profit for the first nine months soared 177.1% YoY to 48.1bn yuan, mainly on the back of a 39.3% jump in the ASP of oil and a 13% increase in that of gas. [SCMP]
- **Cathay Info Leak Serious, Urges Full Cooperation on Probe.** The Acting Chief Executive Matthew Cheung expressed that he is highly concerned about the serious information leakage issue of Cathay Pacific Airways. Cheung urged the airline to follow instructions from the Privacy Commissioner and fully cooperate with them on their investigation, or it may face legal actions and penalty. [AASocks]
- **Changan Automobile 1-3Q Net Profit Down 80% YoY to RMB1.16B.** Changan Automobile disclosed the third quarter report, where net profit belonging to shareholders of the listed company declined by 79.98% yearly to RMB1.163 billion for the first three quarters of 2018. The basic EPS was RMB0.24. [AASocks]
- **Ping An Announces Shr Buyback Proposal, Up to 10% of Total Capital.** Ping An said it will buy back its outstanding domestic and/or overseas shares as appropriate and at suitable times based on volatility and changes in the capital market and the share price, with a max amount of no more than 10% of the total number of shares in issue. [AASocks]
- **BOC Mulls Domestic & Offshore Preference Shrs Up to RMB120B.** Bank of China announced that it intends to issue at most 1.2 billion domestic and offshore preference shares and the aggregate amount of the shares to be issued will not exceed the equivalent of RMB120 billion. [AASocks]
- **Jiangxi Copper 1-3Q Net Profit Up 29.4% to RMB2.045B.** Jiangxi Copper announced that based on PRC Accounting Standards, the net profit surged by 29.4% yearly to RMB2.045 billion for the first three quarters ended 30 September. The EPS was 59 fen. [AASocks]
- **BYD Company 1Q-3Q NP RMB1.527B, Down 45.3%.** BYD Company announced first three quarter results ended September 2018. Turnover totaled RMB88.981 billion, up 20.4% yearly. Net profit amounted to RMB1.527 billion, down 45.3%. EPS equaled 49 fen. [AASocks]
- **GAC Group 1-3Q Net Profit Up 10% to RMB9.86B.** GAC Group announced that based on the China Accounting Standards for Business Enterprises, the net profit increased by 10% yearly to RMB9.86 billion for the first three quarters ended 30 September. The EPS was 97 fen. [AASocks]
- **BYD Electronic 9M18 Net Profit RMB1.8B, Down 9.2%.** BYD Electronic announced first nine month results ended September 2018. Gross profit was RMB3.259bn, up 1.2%. Net profit amounted to RMB1.802 billion, down 9.2%. EPS equaled 80 fen. [AASocks]
- **Angang Steel 1-3Q Net Profit Increased 80.7% to RMB6.855 Billion.** Angang Steel announced that for the first three quarters ended September 2018, net profit increased 80.7% YoY to RMB6.855bn, with an EPS of 94.7 fen. [AASocks]
- **Datang Power 1-3Q Net Profit Up 14.7% to RMB1.762B.** Datang Power announced that based on the China Accounting Standards for Business Enterprises, the net profit surged by 14.7% yearly to RMB1.762 billion for the first three quarters ended 30 September. The EPS was 10.5 fen. [AASocks]

V. Overnight Market Recap

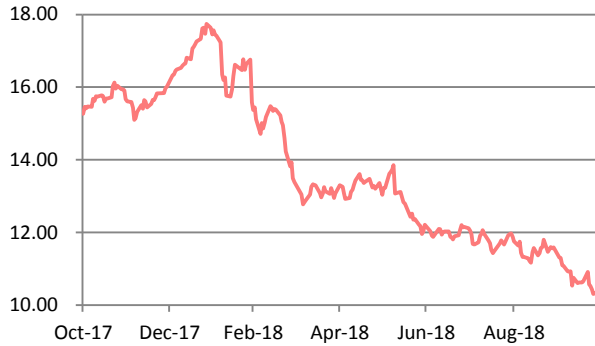
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,683	41.4	1.6	(2.1)	(7.9)	(4.7)	1.3	4.2	0.3
	Dow Jones	24,875	431.7	1.8	(1.3)	(6.0)	(2.1)	2.9	6.4	0.6
	Nasdaq Composite	7,162	111.4	1.6	(3.7)	(11.0)	(6.6)	1.3	6.5	3.7
	Russell 2000	1,507	29.3	2.0	(1.3)	(11.2)	(9.8)	(2.3)	0.3	(1.9)
	VIX Index	23.35	(1.4)	(5.5)	12.7	92.7	82.0	46.6	129.4	111.5
Europe Equity	Euro Stoxx 50	3,147	(7.8)	(0.2)	0.2	(7.4)	(10.7)	(11.0)	(14.3)	(10.2)
	DAX	11,287	(48.1)	(0.4)	0.1	(7.8)	(11.9)	(10.5)	(14.7)	(12.6)
	CAC	4,979	(10.8)	(0.2)	0.2	(9.4)	(9.7)	(9.8)	(9.5)	(6.3)
	FTSE 100	7,036	9.5	0.1	1.2	(6.3)	(9.2)	(6.3)	(6.1)	(8.5)
APAC Equity	HSI	24,586	(226.5)	(0.9)	(3.0)	(11.5)	(14.0)	(20.2)	(13.0)	(17.8)
	HSCEI	9,999	(13.7)	(0.1)	(2.3)	(9.2)	(9.3)	(18.9)	(13.1)	(14.6)
	HSI VIX	27.85	(0.5)	(1.8)	4.4	53.9	52.3	59.4	85.2	90.8
	CSI 300	3,110	33.4	1.1	(2.3)	(9.6)	(11.6)	(17.2)	(22.4)	(22.8)
	SH Composite	2,568	25.9	1.0	(1.0)	(9.0)	(10.7)	(16.7)	(24.3)	(22.3)
	SZ Composite	1,276	11.9	0.9	(1.8)	(11.5)	(19.0)	(28.1)	(36.3)	(32.8)
	Nikkei 225	21,457	307.5	1.5	(2.5)	(11.0)	(4.9)	(4.5)	(2.5)	(5.7)
Commodities (USD)	KOSPI	2,015	18.6	0.9	(4.3)	(14.0)	(12.2)	(19.9)	(20.2)	(18.4)
	Brent (Future)	75.91	(1.4)	(1.9)	(0.7)	(8.2)	1.3	1.0	24.6	13.5
	WTI (Future)	66.18	(0.9)	(1.3)	(0.4)	(9.2)	(3.3)	(3.0)	22.3	10.0
	Gold	1,223	(6.5)	(0.5)	(0.6)	2.8	(0.1)	(7.1)	(3.8)	(6.2)
	Copper (Future)	6,160	-	-	(1.3)	(1.6)	(2.2)	(9.4)	(9.8)	(15.0)
FX	Baltic Dry Index	1,522.00	3.0	0.2	(1.6)	(1.2)	(12.9)	13.5	-	11.4
	Dollar Index	97.01	0.4	0.5	1.1	2.0	2.8	5.6	2.6	5.3
	EUR	1.13	(0.0)	(0.2)	(1.1)	(2.0)	(3.0)	(6.1)	(2.6)	(5.5)
	JPY	113.13	0.8	0.7	0.6	0.8	(1.1)	(3.3)	0.5	(0.3)
	CNY	6.97	0.0	(0.1)	(0.4)	(1.4)	(2.2)	(9.1)	(4.6)	(6.6)
CDS	CNH	6.97	(0.0)	(0.1)	0.5	(1.2)	(2.4)	(9.4)	(4.9)	(6.6)
	ChinaGov CDS	72.26	(0.5)	(0.7)	6.5	28.9	25.0	25.7	38.5	44.3
	CDX Emerging Market	95.27	0.1	0.1	(0.1)	(0.5)	(1.8)	(2.8)	(1.3)	(3.9)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.32	0.0	0.8	2.3	2.2	2.0	1.8	1.1	1.4
	2-Year Treasury Yield	2.85	0.0	1.2	2.8	2.8	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	2.96	0.0	1.3	2.9	3.0	2.9	2.8	2.0	2.2
	10-Year Treasury Yield	3.12	0.0	1.2	3.1	3.1	3.0	3.0	2.4	2.4
	2-10 Spread	26.79	0.3	1.3	26.9	26.1	32.5	47.6	77.6	51.8
China rates	O/N China Repo Rate	1.55	(0.3)	(14.8)	2.4	2.8	2.0	2.7	2.8	3.0
	1-Week China Repo Rate	2.55	0.0	2.0	2.5	2.9	2.5	3.0	3.4	3.1
	O/N SHIBOR	1.57	(0.3)	(15.4)	2.4	2.7	2.0	2.7	2.7	2.8
	1-Week SHIBOR	2.60	(0.0)	(0.4)	2.6	2.8	2.6	2.9	2.9	3.0

Source: Bloomberg

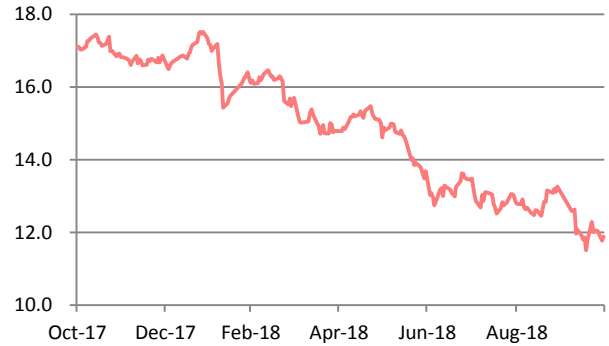
VI. Key Indicators

Hang Seng Index PE Ratio



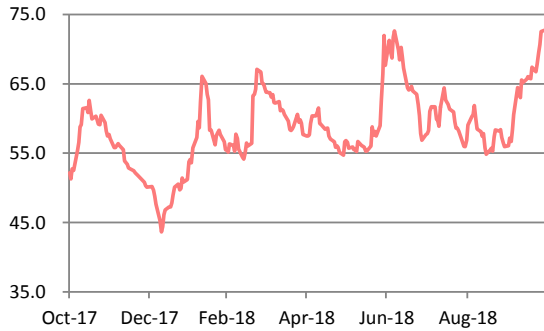
Source: Bloomberg

Shanghai Composite Index PE Ratio



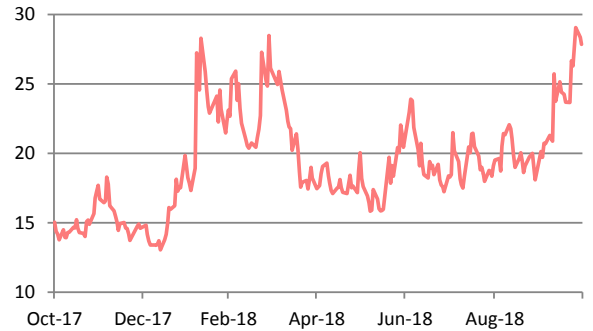
Source: Bloomberg

China 5Y CDS Index_USD



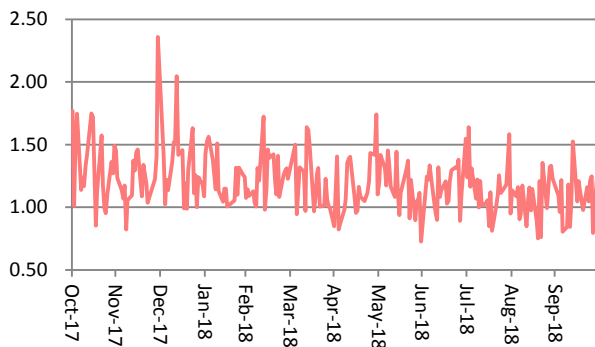
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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