



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Composite PMI	Oct	N/A	52.1
US: ISM Non-Manufacturing Index	Oct	59.1	61.6
Japan: Nikkei Composite PMI	Oct	N/A	50.7
HK: Nikkei Composite PMI	Oct	N/A	47.9
Thailand: Consumer Confidence	Oct	N/A	82.3

Source: Bloomberg

II. Macro News

- **Trump Asks Cabinet to Draft Potential US-China Trade Terms.** US President Donald Trump has asked key officials to start drafting possible terms, in want of a trade deal with Chinese President Xi Jinping at end-November G20 Argentina, according to Bloomberg. Trump reportedly asks key Cabinet secretaries to allow a potential agreement showing U.S. intention of ceasing fire amid escalating trade battles. [AAStocks]
- **Vietnam to ratify Pacific Rim trade pact.** Vietnamese President Nguyen Phu Trong on Friday submitted a Pacific Rim trade pact to the National Assembly for approval, the government said. Trong said the pact reflects Vietnam's strong commitment to reform and comprehensive international integration. [The Standard]
- **U.S. Said to Give Eight Nations Oil Waivers Under Iran Sanctions.** The U.S. has agreed to let eight countries, including Japan, India and South Korea, keep buying Iranian oil after it reimposes sanctions on the OPEC producer on Nov. 5, a senior administration official said. [Bloomberg]

III. Industry News

- **Canada Targets Banks With New Consumer Rights It Once Abandoned.** The federal government is reviving a push to beef up consumer rights when dealing with major banks. Finance Minister Bill Morneau's budget implementation bill, known as C-86, a sprawling law unveiled this week, includes a series of changes to Canadian law governing lenders like Royal Bank of Canada and Toronto-Dominion Bank. [Bloomberg]
- **China Securities Regulator to Push Listing of Yuan Forex Futures.** China Securities Regulatory Commission will study and push forward listing of yuan forex futures, according to transcript of speech by CSRC Vice Chairman Fang Xinghai posted on the regulator's Weibo account. [Bloomberg]
- **Beijing City Plans More Financing Support to Private Cos.** Beijing's financial regulators will increase monetary policy support to local financial institutions for them to give loans to smaller and private firms, Securities Times reports, citing guideline issued by PBOC Beijing branch and Municipal Bureau of Financial Work. [Bloomberg]

IV. Corporate News

- **China Three Gorges Attempt to Win Control of EDP Is Said to Slow.** China Three Gorges Corp.'s pursuit of utility EDP-Energias de Portugal SA has slowed as the Chinese energy producer grapples with unexpected obstacles to creating a global renewable-energy powerhouse. [Bloomberg]
- **OCBC in Deal With Xiaomi to Provide Financial Services in China.** Oversea-Chinese Banking said it signed an agreement with smartphone maker Xiaomi and Hanhua Financial Holding to provide financial services in China. Arrangement will allow OCBC to boost its onshore China business, the bank says. [Bloomberg]

- **Link REIT to Keep Searching for Property Projects in China.** Link REIT will continue seeking property projects in 1st-tier Chinese cities, Radio Television Hong Kong reports, citing CEO George Hongchoy. Revenue growth from 3 projects bought in China over the past few years is better than those in Hong Kong, according to its CEO. [Bloomberg]
- **Alibaba posts 54 per cent quarterly revenue growth ahead of Singles' Day shopping festival.** Alibaba said its fiscal second-quarter revenue surged 54%, powered by its core commerce and cloud computing business, even as it decided to forgo monetising from new features to help its merchants amid "fluid macro-economic conditions". [SCMP]
- **Pharma firm Yunnan Baiyao sees synergy in merger with parent.** Listed State-owned pharmaceutical firm Yunnan Baiyao Group Co Ltd said on Thursday that it was making steady progress on its planned merger with parent Yunnan Baiyao Holdings Co Ltd, and said the new combined entity will have greater synergy in its business operations. [SCMP]
- **Ford partners with Baidu to test driverless vehicle in China.** Ford has teamed up with Baidu, China's equivalent of Google, for a two-year autonomous vehicle test project in China. The two companies will further advance the development and on-road testing of autonomous vehicles in China, the world's biggest auto market. [China Daily]
- **Volvo joins hands with Baidu for autonomous taxis.** Volvo Cars has inked a deal with Baidu Inc to develop electric robo-taxis primarily for China, said the Swedish carmaker. According to the agreement, Volvo will offer its car manufacturing expertise and technologies while Baidu, its Apollo autonomous driving platform. [China Daily]
- **Baidu, Hongqi team up on autonomous cars.** Baidu Inc announced it will launch autonomous cars with Level 4 capabilities next year in a partnership with Hongqi, a homegrown brand under automaker FAW Group. Powered by Baidu's Apollo autonomous driving platform, a limited number of Hongqi L4 autonomous passenger cars will be produced in 2019 for testing and pilot operations in cities including Beijing and Changchun in Jilin province. [China Daily]
- **Jaguar Land Rover posts heavy loss as China demand slows.** Jaguar Land Rover has suffered heavy losses due to slowing demand in China and will initiate a 2.5-billion-pound plan to cut costs. Jaguar Land Rover reported pretax losses of 90mn pounds in the second quarter of this year, when retail sales declined by 13.2% on the same period in 2017. [China Daily]
- **GM reports higher profit in Q3 amid good performance in N. America, China.** General Motors reported \$2.5bn profit in 3Q, up significantly YoY, thanks to satisfactory performance in North America and China. The profit was in sharp contrast to a year ago, when GM posted a huge loss due to the sale of its failing Opel-Vauxhall business in Europe. [China Daily]
- **Country Garden ten-month sales at 456b yuan.** Chinese real estate giant Country Garden (2007) reported unaudited contracted sales increased by 34.91 percent year-on-year to 455.99 billion yuan for the ten months ended October 31. Contracted gross floor area sold amounted to 48.44 million square meters – climbed 25.63 percent compared with the same period last year. [The Standard]
- **WeDoctor Biz Expands to HK, Ready for IPO.** WeDoctor, backed by Tencent, rolled out the first innovative platform to promote medical health services in the Greater Bay Area, which has linked 79 hospitals from Guangdong to HK with over 10,000 doctors. The company hopes to expand the services to Hong Kong through the platform, and that it is ready for going public at any time, as positive growth is noted in the company businesses, turnover and profit. [AASocks]
- **Weichai Power Buys Back 11.89 Million A Shares at Nearly RMB100 Million.** Weichai Power announced that it repurchased an aggregate of 11.898 million A-shares for approximately RMB99.9973 million on 31 October. [AASocks]
- **FIH Expects Significantly Higher Net Loss for 1-3Q YoY.** FIH estimated that the group's turnover for the nine months ended 30 September 2018 is likely to be around US\$10.36 billion, compared with the group's turnover of approximately US\$8.26 billion for the nine months ended 30 September 2017. [AASocks]
- **Pony Ma: Tencent Stresses Stronger Data Protection over Data Connection.** Compared with other platforms, Tencent has already had way stronger user data privacy, as Sina Tech quoted from Tencent Chairman Pony Ma. Therefore, Tencent now needs to lay emphasis on strengthening data protection over data connection. The company will not connect different product scenarios simply for its own business needs, added Pony Ma. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,723	(17.3)	(0.6)	2.4	(5.6)	(4.1)	2.2	5.2	1.8
	Dow Jones	25,271	(109.9)	(0.4)	2.4	(4.4)	(0.8)	4.2	7.4	2.2
	Nasdaq Composite	7,357	(77.1)	(1.0)	2.6	(5.5)	(5.8)	2.0	8.8	6.6
	Russell 2000	1,548	3.0	0.2	4.3	(5.2)	(7.5)	(1.1)	3.6	0.8
	VIX Index	19.51	0.2	0.9	(19.2)	31.6	67.6	32.1	113.5	76.7
Europe Equity	Euro Stoxx 50	3,214	10.2	0.3	2.5	(3.9)	(7.7)	(9.5)	(12.9)	(8.3)
	DAX	11,519	50.5	0.4	2.8	(4.9)	(8.7)	(10.1)	(14.5)	(10.8)
	CAC	5,102	16.4	0.3	2.7	(4.8)	(6.9)	(7.5)	(7.5)	(4.0)
	FTSE 100	7,094	(20.5)	(0.3)	2.2	(3.1)	(7.4)	(6.3)	(6.2)	(7.7)
APAC Equity	HSI	26,486	1,070.4	4.2	7.2	(0.3)	(4.3)	(11.5)	(7.4)	(11.5)
	HSCEI	10,688	408.5	4.0	6.3	1.5	(0.1)	(10.1)	(7.9)	(8.7)
	HSI VIX	24.94	0.8	3.1	(14.2)	20.5	23.6	30.8	81.0	70.8
	CSI 300	3,290	113.2	3.6	3.7	(4.3)	(0.8)	(12.8)	(17.6)	(18.4)
	SH Composite	2,676	70.2	2.7	3.0	(5.1)	(2.3)	(13.4)	(20.6)	(19.1)
	SZ Composite	1,351	44.8	3.4	4.7	(6.3)	(9.1)	(24.5)	(31.6)	(28.9)
	Nikkei 225	22,244	556.0	2.6	5.0	(6.5)	(1.2)	(1.0)	(1.3)	(2.3)
Commodities (USD)	KOSPI	2,096	71.5	3.5	3.4	(7.6)	(8.4)	(14.8)	(18.1)	(15.1)
	Brent (Future)	72.83	(0.1)	(0.1)	(6.2)	(14.1)	(0.8)	(0.7)	20.1	8.9
	WTI (Future)	63.14	(0.6)	(0.9)	(6.6)	(16.1)	(8.4)	(7.1)	15.8	4.5
	Gold	1,233	(0.5)	(0.0)	(0.1)	2.5	2.1	(5.5)	(3.4)	(5.4)
	Copper (Future)	6,283	193.0	3.2	2.0	0.0	2.3	(7.9)	(9.3)	(13.3)
FX	Baltic Dry Index	1,470.00	(20.0)	(1.3)	(3.2)	(4.3)	(17.1)	6.2	(0.4)	7.6
	Dollar Index	96.54	0.3	0.3	0.2	1.1	1.4	4.4	2.0	4.8
	EUR	1.14	(0.0)	(0.2)	(0.1)	(1.4)	(1.7)	(4.7)	(2.3)	(5.1)
	JPY	113.20	0.5	0.4	1.2	0.4	(1.4)	(3.0)	0.8	(0.5)
	CNY	6.89	(0.0)	0.5	0.8	(0.3)	(0.7)	(7.7)	(4.1)	(5.6)
CDS	CNH	6.90	(0.0)	(0.3)	(0.8)	(0.2)	(0.2)	(7.6)	(4.2)	(5.6)
	ChinaGov CDS	67.20	(4.5)	(6.2)	(7.4)	15.1	8.9	11.3	21.1	34.2
	CDX Emerging Market	95.77	0.3	0.3	0.5	0.7	(1.2)	(2.0)	(0.5)	(3.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.31	(0.0)	(0.0)	2.3	2.2	2.0	1.8	1.2	1.4
	2-Year Treasury Yield	2.90	0.1	2.1	2.8	2.9	2.6	2.5	1.6	1.9
	5-Year Treasury Yield	3.03	0.1	2.6	2.9	3.1	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.21	0.1	2.6	3.1	3.2	2.9	2.9	2.3	2.4
	2-10 Spread	30.47	2.1	7.4	26.5	34.4	30.2	44.7	71.6	51.8
China rates	O/N China Repo Rate	2.47	0.2	7.4	2.0	2.8	1.9	2.5	2.5	3.0
	1-Week China Repo Rate	2.65	0.2	6.0	2.4	2.9	2.2	2.7	2.9	3.1
	O/N SHIBOR	2.48	(0.1)	(2.7)	2.1	2.7	1.8	2.6	2.6	2.8
	1-Week SHIBOR	2.65	(0.0)	(0.9)	2.6	2.8	2.5	2.8	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



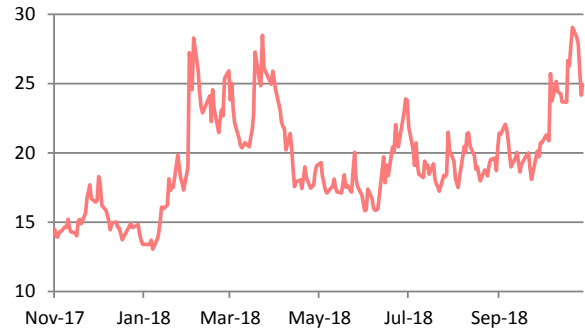
Source: Bloomberg

China 5Y CDS Index_USD



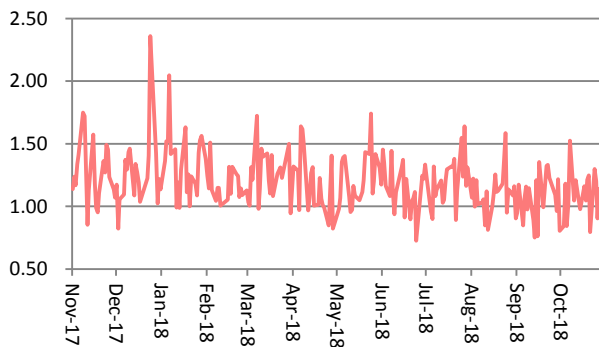
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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