



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Germany: Factory Orders YoY	Sep	-2.80%	-2.10%
Australia: RBA Cash Rate Target	6-Nov	1.50%	1.50%
Japan: Household Spending YoY	Sep	1.50%	2.80%
Eurozone: PPI YoY	Sep	4.30%	4.20%
Mexico: Consumer Confidence Index	Oct	101.3	101.7

Source: Bloomberg

II. Macro News

- **China will buy US\$40 trillion worth of imports in next 15 years.** Chinese President Xi Jinping China's total purchase of foreign goods will amount to US\$30 trillion over the next 15 years, while its purchase of services will reach US\$10 trillion in the same period. [SCMP]
- **Singapore Assessing 2019 Forecasts With Trade War Risks in View.** Singapore may need to review its economic growth projections for next year as a trade spat between the world's two biggest economies increases uncertainty and crimps business investment, the city state's finance minister said. [Bloomberg]
- **China Oct Caixin Services PMI 50.8, Logging 13-month Low.** According to the latest Caixin China Composite PMI data, only marginal increase was recorded in service business activity. Seasonally adjusted Caixin China General Services Business Activity Index fell to 13-month low at 50.8 in Oct, missing 52.8 in consensus, from 53.1 in Sept. [AAStocks]

III. Industry News

- **Shanghai to create a tech board for start-ups, unicorns to raise capital, upping the ante with Nasdaq and Hong Kong.** In a surprise announcement, China's president ordered the establishment of a new equity bourse in Shanghai to help technology companies raise capital, upping the ante with Nasdaq and the newly reformed Hong Kong stock exchange as the market of choice for start-ups. [SCMP]
- **Brazilian, Mexican and Colombian stock exchanges make sales pitch to investors from Hong Kong, China.** Senior stock exchange officials from Brazil, Mexico, and Colombia – the three largest economies in Latin America – were in the city recently to meet asset managers to diversify and grow their investor base. [SCMP]
- **Xi Says China to Cut Import Taxes Further, Import \$30 Trillion.** Chinese President Xi Jinping says during a speech in Shanghai that China intends to cut import taxes further, as part of its efforts to open its economy. China's goods imports will exceed \$30 trillion over the next 15 years, while services imports will exceed \$10 trillion. [Bloomberg]

IV. Corporate News

- **PICC Group Seeks to Raise 6.01B Yuan in Shanghai IPO.** PICC Group sets Shanghai IPO price at 3.34 yuan per share, according to a statement to Shanghai stock exchange. Proceeds from the share sale will be used to replenish capital. [Bloomberg]
- **Bank of China Mulls More Measures to Support Private Companies.** Bank of China will treat privately owned, state-owned and foreign companies equally and proactively support private firms in tackling financing difficulties, according to statement. [Bloomberg]

- **CNPC Sees Record Shale Gas Output in South Sichuan ‘Battlefield’.** China National Petroleum Corp. says unit produced 13.24m cubic meters of shale gas in southern Sichuan on Nov. 2, a record for daily output, according to statement on website. [Bloomberg]
- **Toyota Said in Talks Over Fuel-Cell Buses for Beijing Olympics.** Toyota Motor Corp. is in talks with a unit of Beijing Automotive Group over providing fuel-cell systems for buses to be deployed during the Beijing Winter Olympics in 2022. The discussions are with BAIC’s bus-making subsidiary Beiqi Foton Motor Co. [Bloomberg]
- **China State Chipmaker Denies Stealing Technology From Micron.** Fujian Jinhua Integrated Circuit Co., a state-owned designer and manufacturer of dynamic random-access memory chips, said it always attaches importance to intellectual property protection and never steals others’ technologies. [Bloomberg]
- **Tencent to step up investments in industrial internet to support shift from consumers to businesses.** Tencent Holdings will step up its investments into areas related to the industrial internet as part of the Chinese internet company’s shift in focus from consumers to businesses. [SCMP]
- **Exchange Fund third quarter investment return drops 97pc on year to HK\$1.6bn.** The Exchange Fund, Hong Kong’s war chest to defend the currency, reported a 97.4% YoY decline in its investment return in the third quarter, as a result of its heavy loss in Hong Kong stocks and foreign currency-related holdings, according to the HKMA on Monday. [SCMP]
- **Tesla plans to achieve weekly production of Model 3 cars by 3,000 in China.** Tesla Inc said it is planning to produce 3,000 Model 3 sedans per week in China in the near future. In a regulatory filing released Friday, Tesla said it is going to invest up to \$6bn on factories and equipment over the next two years, while it is also developing plans to start producing approximately 3,000 Model 3 vehicles per week in Shanghai, China. [China Daily]
- **Amazon to build Washington HQ.** Amazon Inc. is in “advanced talks” to open its second headquarters in the Washington, D.C., metropolitan area, The Washington Post reported. Amazon is apparently seriously considering an area known as Crystal City. It’s a large residential and office complex in Arlington, Virginia, just south of Washington, the Post said. [The Standard]
- **Sinochem Energy Passes Listing Hearing, May Raise Up to US\$2 Billion.** Sinochem Group's Sinochem Energy has passed the listing hearing under the Stock Exchange, and it is expected to raise up to US\$2.0 billion, as IFR cited parties with knowledge of the matter. [AASocks]
- **Mobvista Mulls IPO Soon, Valuation Up to US\$3.3 Billion.** Market rumors had it that Mobvista has passed the listing hearing, and the public offer may begin soon. Accordingly, the valuation on Mobvista was up to US\$2.3-3.3 billion. [AASocks]
- **Li Ka-shing, Victor Li Lift Stake in CKA with Approx. \$68.4M.** Li Ka-shing and Chairman of CK Asset Victor Li purchased a total of 1.32mn shares of the company via Li Ka Shing Foundation with c.\$68.4mn on 30 and 31 Oct, Stock Exchange data revealed. Li Ka-shing's holding in CKA increased to 33.27% while Victor Li's holding rose to 33.34%. [AASocks]
- **China Resources Beer, Heineken Strike Deal for Tie-up in Mainland Biz.** China Resources Beer announced that the Group entered into a master share purchase agreement with the Heineken Group, pursuant to which the Company (through its wholly-owned subsidiary, China Resources Snow Breweries), has agreed to acquire from Heineken International the entire equity interest of six PRC established companies. [AASocks]
- **China Vanke Oct Contracted Sales Lift 47% YoY.** China Vanke announced that from January to October of 2018, the Company achieved a contract sales amount of RMB485.62 billion, up 12.18% yearly, and an accumulated contract sales area of 32.434 million sq.m.. [AASocks]
- **Bank of China Chairman Meets UK Trade Minister at China Int’l Import Expo.** Bank of China Chairman Chen Siqing met with British International Trade Secretary Liam Fox at the first China International Import Expo on 4 November. Both of them exchanged views on China-UK trade and investment cooperation prospects with each other. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,738	15.3	0.6	3.7	(5.1)	(3.9)	2.8	5.7	2.4
	Dow Jones	25,462	190.9	0.8	4.2	(3.7)	(0.2)	4.9	8.1	3.0
	Nasdaq Composite	7,329	(28.1)	(0.4)	4.0	(5.9)	(6.8)	1.7	8.0	6.2
	Russell 2000	1,548	(0.5)	(0.0)	4.8	(5.2)	(8.1)	(1.2)	3.3	0.8
	VIX Index	19.96	0.5	2.3	(19.2)	34.7	77.1	35.1	112.3	80.8
Europe Equity	Euro Stoxx 50	3,217	3.0	0.1	2.0	(3.8)	(7.6)	(9.4)	(12.6)	(8.2)
	DAX	11,495	(24.0)	(0.2)	1.4	(5.1)	(8.8)	(10.3)	(14.7)	(11.0)
	CAC	5,101	(0.7)	(0.0)	2.2	(4.8)	(6.9)	(7.5)	(7.4)	(4.0)
	FTSE 100	7,104	9.7	0.1	1.1	(2.9)	(7.3)	(6.1)	(6.1)	(7.6)
APAC Equity	HSI	25,934	(552.0)	(2.1)	4.5	(2.4)	(6.8)	(13.3)	(9.3)	(13.3)
	HSCEI	10,545	(142.9)	(1.3)	5.3	0.1	(1.5)	(11.3)	(8.5)	(9.9)
	HSI VIX	27.08	2.1	8.6	(4.5)	30.8	39.5	42.1	86.9	85.5
	CSI 300	3,263	(27.4)	(0.8)	6.0	(5.1)	(0.3)	(13.6)	(18.9)	(19.1)
	SH Composite	2,665	(11.0)	(0.4)	4.9	(5.5)	(1.5)	(13.8)	(21.3)	(19.4)
	SZ Composite	1,351	(0.1)	(0.0)	6.8	(6.3)	(7.2)	(24.5)	(32.4)	(28.9)
	Nikkei 225	21,899	(344.7)	(1.6)	3.5	(7.9)	(2.7)	(2.6)	(2.9)	(3.8)
KOSPI	2,077	(19.1)	(0.9)	4.1	(8.4)	(9.2)	(15.6)	(18.5)	(15.8)	
Commodities (USD)	Brent (Future)	73.17	0.3	0.5	(5.4)	(13.1)	(0.1)	(2.3)	17.9	9.4
	WTI (Future)	63.10	(0.0)	(0.1)	(5.9)	(15.4)	(8.9)	(9.8)	9.7	4.1
	Gold	1,231	(1.4)	(0.1)	0.2	3.7	2.0	(6.3)	(3.9)	(5.5)
	Copper (Future)	6,283	193.0	3.2	2.0	0.0	2.3	(7.9)	(9.3)	(13.3)
	Baltic Dry Index	1,457.00	(13.0)	(0.9)	(4.3)	(5.1)	(17.8)	5.3	(1.3)	6.7
FX	Dollar Index	96.28	(0.3)	(0.3)	(0.3)	0.7	1.2	4.0	1.4	4.5
	EUR	1.14	0.0	0.2	0.3	(0.7)	(1.2)	(4.3)	(1.7)	(5.0)
	JPY	113.19	(0.0)	(0.0)	0.7	(0.0)	(1.6)	(3.7)	0.4	(0.5)
	CNY	6.93	0.0	(0.5)	0.5	(0.8)	(1.0)	(8.1)	(4.2)	(6.0)
	CNH	6.91	0.0	0.2	(0.9)	0.1	(0.7)	(8.0)	(4.2)	(5.8)
CDS	ChinaGov CDS	66.73	(0.5)	(0.7)	(8.3)	3.5	8.2	10.5	20.3	33.2
	CDX Emerging Market	95.87	0.1	0.1	0.8	0.9	(1.1)	(1.6)	(0.4)	(3.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.31	(0.0)	(0.1)	2.3	2.2	2.0	1.9	1.2	1.4
	2-Year Treasury Yield	2.91	0.0	0.1	2.9	2.9	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	3.03	(0.0)	(0.2)	3.0	3.1	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.20	(0.0)	(0.4)	3.1	3.2	3.0	3.0	2.3	2.4
	2-10 Spread	28.92	(1.5)	(5.1)	26.8	34.4	29.9	46.2	69.2	51.8
China rates	O/N China Repo Rate	2.41	(0.1)	(2.4)	1.6	2.8	1.6	2.5	2.5	3.0
	1-Week China Repo Rate	2.40	(0.3)	(9.4)	2.6	2.9	2.1	2.5	2.8	3.1
	O/N SHIBOR	2.43	(0.0)	(1.7)	1.6	2.7	1.6	2.6	2.5	2.8
	1-Week SHIBOR	2.64	(0.0)	(0.4)	2.6	2.8	2.4	2.8	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



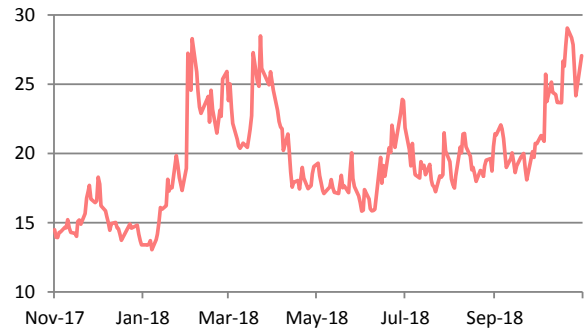
Source: Bloomberg

China 5Y CDS Index_USD



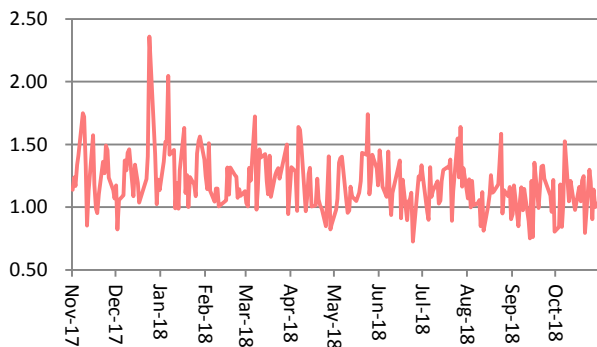
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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