

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Reserve	Oct	USD3055bn	USD3087bn
US: FOMC Rate Decision	8-Nov	2.0% - 2.25%	2.0% - 2.25%
Germany: Industrial Production YoY	Sep	0.20%	- 0.10%
UK: Halifax House Prices MoM / YoY	Oct	0.8% / 1.3%	-1.4% / 2.5%
Taiwan: Exports / Imports YoY	Oct	8.0% / 12.6%	2.6% / 13.9%

Source: Bloomberg

II. Macro News

- **China Vice President Says Beijing Still Wants U.S. Trade Talks.** China's vice president said Beijing remained ready to discuss a trade solution with the U.S., as he urged changes in global governance to address a surge in populism and rapid technological advances. [Bloomberg]
- **Di Maio Hopes to Sign Belt and Road Accord With China.** Italian Deputy Premier Luigi Di Maio says during visit to China that he hopes can sign an agreement on Belt and Road Initiative, which is "a great opportunity for our companies," in interview with Radio Radicale. [Bloomberg]
- **China 3Q Current-Account Surplus \$16b.** China 3Q non-reserve financial account deficit \$18.8b, according to preliminary data from the State Administration of Foreign Exchange. 3Q capital, financial account deficit \$16b. Jan.-Sept. current-account deficit \$12.8b. [Bloomberg]

III. Industry News

- **China New Energy IPOs at Seven-Year High as Gasoline Cars Stall.** China new energy IPOs have reached a seven-year high in 2018 and have risen an average of 75 percent from their offer prices thanks to booming electric-vehicle sales. Use Bloomberg's Equity Search and Offerings functions to analyze initial public offerings as EV startups such as Byton, Xpeng and Weltmeister line up to raise capital. [Bloomberg]
- **Russia Looks to Enhance Currency Swap With China.** Russia is looking to enhance currency swap, local currency settlement with China, Russian Prime Minister Dmitry Medvedev said at China International Import Expo in Shanghai. [Bloomberg]
- **IMF's Lagarde Calls for De-escalation of Trade Frictions.** There is room for even greater reform in China, International Monetary Fund Managing Director Christine Lagarde says at China International Import Expo in Shanghai. Lagarde says China has room to unleash private sector potential. [Bloomberg]

IV. Corporate News

- **Alibaba pledges to bring US\$200 billion of goods into China over next five years.** Alibaba Group said it will help bring US\$200 billion worth of products from more than 120 countries into China over the next five years to help meet the rising demand of Chinese consumers for high-quality international goods. [SCMP]
- **China Eastern, Rolls-Royce Ink \$1.4B Engine, Service Deal.** China Eastern will buy four Trent XWB engines and maintenance services for 44 Trent XWB engines from London-based Rolls-Royce, according to a statement from China Eastern. [Bloomberg]

- **Chinese Car Billionaire Li Sets Sights on ‘Supersonic’ Trains.** Chinese billionaire Li’s Zhejiang Geely Holding Group signed an agreement Tuesday with state-owned China Aerospace Science and Industry Corp. to build “supersonic trains” using homegrown technology. Under the pact, both companies will pool their capabilities to focus on developing what they call next-generation vehicles and mobility technology. [Bloomberg]
- **Ping An Makes China Its Priority, Rules Out Foreign Deals.** Ping An Insurance Chief Executive Peter Ma has ruled out a big overseas acquisition in the near future, emphasizing that the domestic market is the priority for China’s largest insurance company, Financial Times reports. [Bloomberg]
- **Ford CEO Hackett Still Sees Investment Opportunities in China.** Ford CEO Jim Hackett says carmaker is “very excited” about growing in China, when asked about what opportunities he sees from the country taking steps to open up its car industry. [Bloomberg]
- **China Resources Cement Plans to Sell 3 Shanxi Subsidiaries Stake.** The company’s unit China Resources Cement Investments plans to dispose of 72% of three cement companies via public tender on the Shanghai United Assets and Equity Exchange, China Resources Cement says in filing to Hong Kong stock exchange. [Bloomberg]
- **Chinese Developer R&F Plans \$1.4 Billion Share Sale.** Chinese developer Guangzhou R&F Properties Co. could raise as much as \$1.4 billion by selling shares in Hong Kong. The extra money would strengthen the company’s finances, improve its credit rating outlook and help to lower funding costs, it said. [Bloomberg]
- **Xiaomi, China Resources Land Win Right to Beijing Land.** Xiaomi and China Resources Land units won right to a plot of land in northern Beijing for 2.66b yuan on Monday, according to Beijing Municipal Commission for City Planning and Land Resources Management. [Bloomberg]
- **China’s CNPC Renews Natural Gas Import Agreement With Kazakhstan.** China National Petroleum Corp. renewed a natural gas import contract with Kazakhstan to take more than 5 billion cubic meters of the fuel a year, co. says in statement on website. [Bloomberg]
- **Cathay Pacific Data Breach Probed by Hong Kong Privacy Watchdog.** Hong Kong’s privacy watchdog is investigating Cathay Pacific Airways Ltd. after the carrier last month disclosed the world’s biggest airline data breach that exposed personal information of 9.4 million customers. [Bloomberg]
- **Hainan Airlines Sells 800m Yuan Perpetual Bonds at 7.35%.** Hainan Airlines has raised 800m yuan from its fourth domestic perpetual bond since September, according to filing on Shanghai stock exchange on Tuesday. The coupon was set at 7.35%, within the guidance of 7%-8%. [Bloomberg]
- **Hong Kong Exchange CEO Says IPOs in City ‘Just Keep Coming’.** Hong Kong Exchanges & Clearing Ltd. is on track for a record year for initial public offerings, and it doesn’t see a let-up in businesses coming to list. “People are still actually coming in big groups, and the listing pipeline is still very long,” Chief Executive Officer Charles Li said in a Bloomberg Television interview Tuesday. [Bloomberg]
- **Swire Properties, Tmall Introduce Innovative Retail Concept in 5 CN Projects.** Swire Properties and Tmall have announced a new collaboration to introduce an innovative retail concept. The two companies will launch an extensive project using Tmall’s New Retail technologies that is set to create distinct, online and offline, tailored retail experiences at Swire Properties’ five shopping malls in Mainland China. [AASocks]
- **China Resources Pharma Completes Issuance of RMB2B Medium Term Notes.** China Resources Pharma announced that China Resources Pharmaceutical Holdings Company Limited, a wholly-owned subsidiary of the company, had completed the issuance of the second tranche of the medium term notes 2018. [AASocks]
- **Evergrande posts falling contracted sales.** China Evergrande said its contracted property sales in October fell 15.82 percent month on month to 53.04bn (HK\$59.96bn). The developer’s contracted sales area in October declined 16.96 percent to 4.981mn sqm. The average contracted selling price was 10,649 yuan per sqm, up 1.38%. [The Standard]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,755	17.1	0.6	2.7	(4.5)	(3.6)	3.1	6.4	3.1
	Dow Jones	25,635	173.3	0.7	3.1	(3.1)	0.0	5.2	8.8	3.7
	Nasdaq Composite	7,376	47.1	0.6	3.0	(5.3)	(6.4)	1.5	9.0	6.8
	Russell 2000	1,556	8.6	0.6	3.3	(4.7)	(7.8)	(1.4)	5.2	1.3
	VIX Index	19.91	(0.1)	(0.3)	(14.7)	34.3	82.2	35.0	101.3	80.3
Europe Equity	Euro Stoxx 50	3,207	(10.0)	(0.3)	1.9	(4.1)	(8.5)	(10.0)	(12.3)	(8.5)
	DAX	11,484	(10.6)	(0.1)	1.7	(5.2)	(9.2)	(11.3)	(14.2)	(11.1)
	CAC	5,075	(26.2)	(0.5)	1.9	(5.3)	(8.1)	(8.2)	(7.4)	(4.5)
	FTSE 100	7,041	(63.2)	(0.9)	0.1	(3.8)	(8.8)	(7.0)	(6.3)	(8.4)
APAC Equity	HSI	26,121	186.6	0.7	6.2	(1.7)	(7.5)	(12.9)	(9.9)	(12.7)
	HSCEI	10,633	87.7	0.8	6.3	1.0	(2.1)	(11.1)	(8.7)	(9.2)
	HSI VIX	26.20	(0.9)	(3.2)	(5.9)	26.6	44.3	35.7	87.7	79.5
	CSI 300	3,243	(19.7)	(0.6)	4.3	(5.7)	(3.7)	(15.4)	(20.0)	(19.5)
	SH Composite	2,659	(6.1)	(0.2)	3.6	(5.7)	(4.3)	(15.2)	(22.1)	(19.6)
	SZ Composite	1,346	(4.8)	(0.4)	5.5	(6.6)	(10.0)	(26.1)	(33.1)	(29.1)
	Nikkei 225	22,148	248.8	1.1	3.2	(6.9)	(2.3)	(1.4)	(3.4)	(2.7)
KOSPI	2,090	12.7	0.6	3.7	(7.8)	(9.2)	(15.1)	(17.9)	(15.3)	
Commodities (USD)	Brent (Future)	72.13	(1.0)	(1.4)	(5.0)	(14.3)	(2.2)	(3.7)	12.2	7.9
	WTI (Future)	62.21	(0.9)	(1.4)	(6.0)	(16.9)	(10.7)	(12.6)	8.0	2.3
	Gold	1,227	(4.3)	(0.3)	0.4	3.3	1.3	(6.6)	(3.8)	(5.8)
	Copper (Future)	6,191	(92.0)	(1.5)	0.5	0.3	(0.2)	(9.3)	(10.2)	(14.6)
	Baltic Dry Index	1,428.00	(29.0)	(2.0)	(5.6)	(7.0)	(19.5)	3.2	(3.1)	4.5
FX	Dollar Index	96.32	0.0	0.0	(0.7)	0.7	1.0	4.1	1.6	4.6
	EUR	1.14	0.0	0.2	0.7	(0.5)	(1.4)	(4.1)	(1.3)	(4.8)
	JPY	113.43	0.2	0.2	0.3	(0.2)	(1.8)	(3.8)	0.5	(0.7)
	CNY	6.92	(0.0)	0.1	0.7	0.2	(1.0)	(8.0)	(4.1)	(6.0)
	CNH	6.92	0.0	0.2	(0.7)	(0.0)	(1.5)	(8.1)	(4.1)	(5.9)
CDS	ChinaGov CDS	66.15	(0.6)	(0.9)	(8.5)	2.6	10.4	9.5	16.9	32.1
	CDX Emerging Market	95.94	0.1	0.1	0.7	0.9	(1.0)	(1.6)	0.1	(3.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.34	0.0	1.1	2.3	2.2	2.0	1.9	1.2	1.4
	2-Year Treasury Yield	2.93	0.0	0.7	2.9	2.9	2.7	2.5	1.6	1.9
	5-Year Treasury Yield	3.06	0.0	0.9	3.0	3.1	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.23	0.0	0.8	3.1	3.2	3.0	3.0	2.3	2.4
	2-10 Spread	29.55	0.6	2.2	27.3	34.4	28.8	47.0	68.2	51.8
China rates	O/N China Repo Rate	2.05	(0.4)	(14.9)	2.4	2.5	1.4	2.5	2.5	3.0
	1-Week China Repo Rate	2.40	-	-	2.7	2.6	2.2	2.7	2.8	3.1
	O/N SHIBOR	2.27	(0.2)	(6.8)	2.4	2.5	1.4	2.5	2.6	2.8
	1-Week SHIBOR	2.61	(0.0)	(0.9)	2.7	2.7	2.3	2.7	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



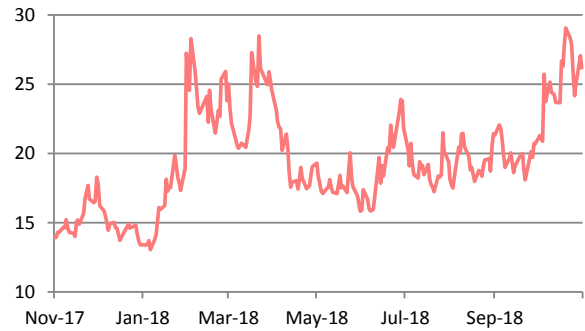
Source: Bloomberg

China 5Y CDS Index_USD



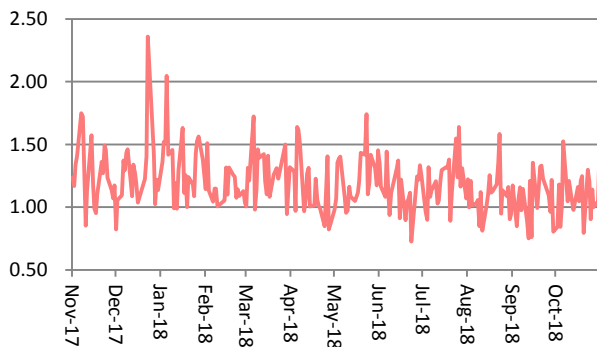
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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