

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD Exports / Imports YoY	Oct	12.0%/14.7%	14.5%/14.3%
Japan: Core Machine Orders YoY	Sep	7.70%	12.60%
Germany: Trade Balance	Sep	EUR20.0bn	EUR17.2bn
New Zealand: RBNA Official Cash Rate	8-Nov	1.75%	1.75%
Philippines: GDP YoY	3Q18	6.20%	6.00%

Source: Bloomberg

II. Macro News

- **China aims to increase its imports of services.** China plans to increase its service-sector imports over the next five years in a bid to satisfy ever-increasing domestic demand and contribute more to global trade, according to a government report. China's total services imports are expected to reach \$2.5tn over the next five years. [China Daily]
- **Singapore offers its experience to help Chin.** Singapore believes that services, including financing and legal services, are strengths it can offer China as opening-up accelerates. "Under the framework of the Belt and Road Initiative, one-third of China's investment abroad has gone through Singapore to reach other countries for projects," said Chan Chun Sing, Singapore's minister for trade and industry, on the sidelines of the China Int'l Import Expo in Shanghai. [China Daily]
- **Manufacturing Exit From China to Dodge Duties Gains Pace.** A manufacturing retreat from China to avoid U.S. tariffs is gathering pace. With U.S. levies on \$200bn of Chinese products set to balloon to 25% in 2019, cos on the mainland making everything from car parts to cameras are lining up other production facilities across SE Asia. [Bloomberg]

III. Industry News

- **China's forex reserves hit 18-month low as trade war piles pressure on yuan.** China's foreign exchange reserves fell more than expected in Oct to a 18-month low. The reserves fell US\$33.93bn in Oct to US\$3.053tn, versus a decline of US\$22.69bn in Sept, central bank data showed on Wednesday. [SCMP]
- **China Says It Will Cut Maximum Length of Stock Trading Halts.** Chinese authorities said they will reduce the amount of time stocks can stay suspended, addressing a longstanding concern that investors can be left stranded for months, unable to sell. It didn't say what the new maximum halt length will be, nor when the new rules will be introduced, though it did say that shares should not be suspended during a co's bankruptcy restructuring period. [Bloomberg]
- **HKEX: 10M18 Funds Raised through IPO Up 187% YoY to over \$255B.** HKEX announced the monthly market highlights. For securities market, the average daily turnover for the first 10 months of 2018 was \$112.7 billion, an increase of 35% yearly. The average daily turnover of derivative warrants was \$16.1 billion, an increase of 42% yearly. [AASocks]

IV. Corporate News

- **Puerto Rico Bank Gets Court Blessing to Restructure Debt.** The fed judge overseeing Puerto Rico's record bankruptcy approved a plan to restructure debt of the former Government Development Bank, the first court authorization for a workout of a commonwealth debtor since the island began defaulting on its obligations in 2015. [Bloomberg]
- **China's Top Steelmaker Says Demand Has Likely Peaked for Now.** China's top steel mill, China Baowu Steel Group Corp., says domestic usage has probably hit a peak and will stabilize at these levels, as absolute growth in the economy offsets changes in in the nature of demand. [Bloomberg]

- **HKEX rides boom in turnover and new listings.** Hong Kong Exchanges and Clearing reported a better-than-expected 20% jump in net profit for the third quarter after its largest listing reform in decades spurred a rise in market turnover and new flotations. The bourse operator said net profit came to HKD2.44bn, vs. HKD2.02bn a year earlier. [SCMP]
- **China's Ping An Insurance overtakes BlackRock to become HSBC's biggest shareholder.** Ping An Insurance has overtaken BlackRock to become the largest shareholder of HSBC Holdings, as demand for offshore equity investments among Chinese companies grows. The Chinese insurer's stake in the bank has grown to just over 7%, according to a filing to the HK stock exchange. Ping An Insurance held just over 5% in HSBC in December last year. [SCMP]
- **Hong Kong conglomerate CK Group's US\$9.4 billion bid for gas pipeline operator blocked by Australia.** CK Group's A\$13 billion (US\$9.4 billion) bid for gas pipeline operator APA Group was knocked back by Australia's government on national security grounds, a decision that has the potential to further inflame diplomatic tensions with China. [SCMP]
- **Li Ka-shing's CK Asset swoops on UK developer CapCo's troubled London luxury housing project.** CK Asset Holdings is in preliminary talks to buy most of Capital & Counties Properties' Earls Court project, a sign of investors' faith in the long-term prospects of London's luxury-housing market. [SCMP]
- **China's state-owned firms are ready to welcome foreign stakeholders, says top state-asset watchdog.** Beijing offered further hope to international investors on Tuesday after President Xi Jinping's push for globalisation, inviting foreign companies to take part in the reform of the mainland's major state-owned enterprise. [SCMP]
- **CNPC signs contracts with global suppliers.** China National Petroleum Corp, the nation's largest oil and gas producer by domestic annual output, signed contracts with 23 global suppliers during the China International Import Expo in Shanghai on Wednesday. [China Daily]
- **Dutch dairy giant upbeat on prospects.** Sales of premium dairy products will grow in China as people demand a wider range of high-quality food and drink, senior executives from Dutch dairy giant Royal Friesland Campina said at the ongoing China International Import Expo. [China Daily]
- **Sinomach signs deals for imports.** Machine maker China National Machinery Industry Corp, known as Sinomach, signed 21 import deals with international partners worth a total \$8.4 billion, including in high-end manufacturing, automobiles and information technology on Tuesday during the China International Import Expo. [China Daily]
- **China's electronic giant to construct technology park in India.** Midea Group, Chinese electrical appliance manufacturing company, has started construction of a Science and Technology Park in western India. The Chinese consumer appliances maker said that it will invest \$184.63mn over the next five years in Ahmednagar in western Maharashtra state to set up a technology park. [China Daily]
- **Sasol chemicals plant nears completion in Nanjing.** Sasol, the South African integrated energy and chemical company, has said its new 600mn yuan (\$86.2mn) production facility in East China has entered the final stages of construction and will be operational next year. [China Daily]
- **BYD Company Envisions NEV Sales Volume Leap This Yr.** BYD Company said the sales volume of new energy vehicles of the company has been accelerating rapidly since 2H18, whereas the production capacity has been directing to NEVs. The company assumed the sales volume of NEVs this year to leap over a year ago. [AASocks]
- **Foxconn Considers Bringing Chinese Workers to Wisconsin as U.S. Labor Market Tightens.** Foxconn Technology Group is considering bringing in personnel from China to help staff a large facility under construction in southern Wisconsin as it struggles to find engineers and other workers in one of the tightest labor markets in the U.S. [WSJ]
- **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	2,814	58.4	2.1	3.8	(2.5)	(1.6)	5.3	8.6	5.2
	Dow Jones	26,180	545.3	2.1	4.2	(1.0)	2.2	7.5	11.1	5.9
	Nasdaq Composite	7,571	194.8	2.6	3.6	(2.8)	(4.0)	4.2	11.9	9.7
	Russell 2000	1,582	26.1	1.7	4.7	(3.1)	(6.3)	0.2	7.0	3.0
	VIX Index	16.36	(3.6)	(17.8)	(22.9)	10.4	49.7	10.9	65.4	48.2
Europe Equity	Euro Stoxx 50	3,246	38.7	1.2	1.5	(3.0)	(7.4)	(8.9)	(11.3)	(7.4)
	DAX	11,579	94.8	0.8	1.1	(4.4)	(8.5)	(10.6)	(13.5)	(10.4)
	CAC	5,138	62.8	1.2	0.9	(4.1)	(6.9)	(7.1)	(6.3)	(3.3)
	FTSE 100	7,117	76.6	1.1	(0.2)	(2.8)	(7.8)	(5.9)	(5.3)	(7.4)
APAC Equity	HSI	26,148	26.7	0.1	4.7	(0.2)	(7.8)	(14.0)	(9.5)	(12.6)
	HSCEI	10,641	8.8	0.1	5.0	2.4	(2.4)	(12.4)	(8.1)	(9.1)
	HSI VIX	25.05	(1.2)	(4.4)	(3.2)	17.7	41.1	36.1	80.0	71.6
	CSI 300	3,222	(21.2)	(0.7)	2.2	(2.1)	(2.8)	(16.9)	(20.4)	(20.1)
	SH Composite	2,641	(18.0)	(0.7)	1.5	(2.8)	(3.7)	(16.5)	(22.7)	(20.1)
	SZ Composite	1,340	(5.8)	(0.4)	3.6	(3.3)	(8.6)	(27.0)	(33.4)	(29.4)
	Nikkei 225	22,086	(62.0)	(0.3)	0.8	(7.1)	(2.5)	(1.9)	(3.6)	(3.0)
Commodities (USD)	KOSPI	2,079	(10.9)	(0.5)	2.4	(7.8)	(9.7)	(15.1)	(18.6)	(15.8)
	Brent (Future)	72.13	(0.1)	(0.2)	(4.6)	(14.5)	(3.6)	(5.5)	13.0	7.7
	WTI (Future)	61.67	(0.5)	(0.9)	(5.6)	(17.0)	(10.8)	(12.8)	7.8	2.1
	Gold	1,226	(0.7)	(0.1)	1.0	3.3	1.1	(6.7)	(4.2)	(5.8)
	Copper (Future)	6,158	(33.0)	(0.5)	2.1	(0.2)	0.4	(9.8)	(11.6)	(15.0)
FX	Baltic Dry Index	1,395.00	(33.0)	(2.3)	(6.4)	(9.2)	(19.5)	0.8	(5.6)	2.1
	Dollar Index	96.32	(0.1)	(0.2)	(1.0)	0.6	1.0	3.7	1.3	4.4
	EUR	1.14	(0.0)	(0.0)	1.0	(0.5)	(1.5)	(3.6)	(1.4)	(4.8)
	JPY	113.52	0.1	0.1	0.5	(0.3)	(2.2)	(3.9)	0.3	(0.7)
	CNY	6.92	0.0	(0.0)	0.8	0.2	(1.3)	(8.0)	(4.0)	(6.0)
CDS	CNH	6.92	(0.0)	(0.1)	(0.8)	0.0	(1.4)	(8.0)	(4.2)	(5.9)
	ChinaGov CDS	65.23	(0.9)	(1.4)	(9.1)	1.2	9.2	7.1	11.0	30.2
	CDX Emerging Market	96.13	0.2	0.2	0.9	1.2	(0.7)	(1.1)	0.3	(3.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.35	0.0	0.7	2.3	2.2	2.0	1.9	1.2	1.4
	2-Year Treasury Yield	2.96	0.0	1.0	2.8	2.9	2.6	2.5	1.6	1.9
	5-Year Treasury Yield	3.08	0.0	0.8	3.0	3.1	2.8	2.8	2.0	2.2
	10-Year Treasury Yield	3.24	0.0	0.2	3.1	3.2	2.9	3.0	2.3	2.4
	2-10 Spread	27.47	(2.1)	(7.0)	28.4	31.7	27.6	42.8	68.5	51.8
China rates	O/N China Repo Rate	1.97	(0.1)	(3.9)	2.3	2.5	1.6	2.5	2.6	3.0
	1-Week China Repo Rate	2.56	0.2	6.7	2.5	2.6	2.4	2.8	3.2	3.1
	O/N SHIBOR	2.09	(0.2)	(7.9)	2.5	2.5	1.6	2.5	2.6	2.8
	1-Week SHIBOR	2.60	(0.0)	(0.7)	2.7	2.6	2.5	2.7	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



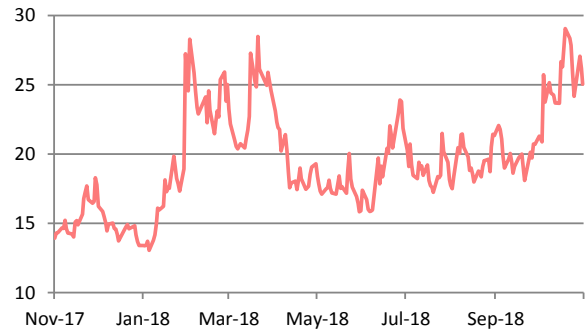
Source: Bloomberg

China 5Y CDS Index_USD



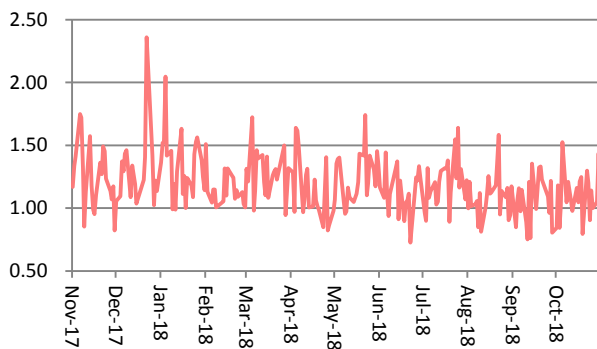
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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