

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: CPI / PPI YoY	Oct	2.5%/3.4%	2.5%/3.6%
US: PPI Final Demand YoY	Oct	2.50%	2.60%
US: U. of Mich. sentiment	Nov	97.9	98.6
UK: Industrial Production MoM / YoY	Sep	-0.1%/0.4%	0.2%/1.3%
UK: Trade Balance	Sep	GBP1200mn	GBP1274mn

Source: Bloomberg

II. Macro News

- **Fed Stands Pat on Rates Ahead of Expected December Hike.** The Federal Reserve left interest rates unchanged and stayed on course to hike in Dec despite recent jitters in financial markets and a critical president. The unanimous 9-0 decision left the benchmark federal funds rate in a target range of 2%-2.25%, following eight quarter-point hikes since late 2015. [Bloomberg]
- **Australia's Major Banks Set to Increase Loss-Absorption Capital.** Australia's major banks will have to raise more capital under new proposals from the prudential regulator aimed at ensuring lenders could be wound-up in an orderly fashion in the event of failure. [Bloomberg]
- **Thailand May Double Future Fund Size to \$3B Before Poll.** Thailand's military govt. is rushing to implement its agenda for infrastructure investment before a general election next year. The latest instance is a push to amend laws so that two expressways worth as much as 50bn baht can be added to the recently listed Thailand Future Fund. [Bloomberg]

III. Industry News

- **Big China Brokers Seek to Raise Capital as Default Risks Linger.** Chinese brokerages are boosting capital to protect against a market plunge that threatens the value of \$640bn worth of shares pledged as collateral. Securities firms have extended more than a third of China's stock-backed loans, which may go sour and force lenders to offload the shares. [Bloomberg]
- **China's Car Market May Contract This Year, Official Warns.** China's vehicle sales will come in under 30 million units this year and may even fall below the number in 2017, Wu Wei, a divisional director under China's top economic planning body, said. [Bloomberg]
- **SAFE Expects Fewer Net Forex Sales by Chinese Banks in Oct.** China banks are estimated to have sold net \$3b foreign currency in Oct., Wang Chunying, spokeswoman of State Administration of Foreign Exchange, says in statement after Oct. forex reserves data was published. [Bloomberg]

IV. Corporate News

- **Hang Seng Index May Eye Anhui Conch Cement, China Resources Beer.** Anhui Conch Cement and China Resources Beer may be considered for Hang Seng Index inclusion at the 3Q review. Meanwhile, Hang Lung Properties and Want Want China are at risk of removal. [Bloomberg]
- **Chinalco Signs 22B Yuan Import Deals at Shanghai Expo.** Aluminum Corp of China signed agreements on Wednesday to import coal, bauxite and copper concentrate from 13 companies at China International Import Expo in Shanghai, company said in a statement. [Bloomberg]

- **Tencent Is Said to Slash Game Marketing Budget Amid Freeze.** Tencent Holdings Ltd. is cutting the marketing budget of its gaming division as the business suffers through regulatory disruptions and a slowdown in the Chinese economy, according to an internal memo seen by Bloomberg. [Bloomberg]
- **Wynn Resorts' 3Q Wynn Palace Strength Offsets Las Vegas Weakness.** Wynn Resorts posted 3Q results, with strength at Wynn Palace driving the consolidated revenue, adj. property Ebitda above estimates and offsetting the Las Vegas operations, which fell short. [Bloomberg]
- **China's Datang, Huadian Said to Await Final Merger Approval.** China Datang Corp. and China Huadian Corp. are in talks to merge and awaiting final government approval for a deal that would create the world's biggest power generator by capacity, according to people with knowledge of the situation. [Bloomberg]
- **Chinese Web Giant Tencent Rolls Out Toughest Gaming Restrictions Amid Crackdown on Industry.** Tencent said via WeChat that in addition to mandatory identification checks, players age 12 and younger will be able to play for just an hour a day and will be barred from playing between 9 p.m. and 8 a.m. Teens ages 13 to 18 will be allowed to play two hours a day. [Bloomberg]
- **BMW Mulls Dialing Back U.S. Output After Trade War Dents Profit.** BMW AG's crumbling profits are forcing the carmaker to mull moving some production to China from the U.S. as a way to sidestep the trade war raging between the two countries. [Bloomberg]
- **BHP Adds Oil Projects in Canada as Resources Sector M&A Rebounds.** BHP Billiton Ltd. agreed to pay \$625 million for two conventional oil exploration licenses off the coast of eastern Canada, part of its strategy to boost growth options in two target commodities. [Bloomberg]
- **LVGEM China Seeks Consent on 8.5% Senior Notes Due 2020.** The company proposes to amend indenture to give it additional flexibility to incur debt in pursuing new business opportunities and new sources of capital, according to statement to Hong Kong stock exchange. [Bloomberg]
- **PICC Group Says A-Share Strategic Investors Include China Life.** China Life Insurance will subscribe to 294.75m A shares, while China Taiping Insurance and New China Life Insurance will each subscribe to 89.8m A shares, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China Baowu Signs 31 Import Deals Including for Coal, Iron Ore.** China Baowu Steel Group Corp. says it signed 31 agreements for purchases including iron ore, coal and equipment at China International Import Expo in Shanghai, according to statement Weds, without giving value or further details. [Bloomberg]
- **Hong Kong Developers' Consortium Wins Kai Tak Site for HK\$8.3B.** A consortium of 4 builders including Wheelock, New World Development won the right to develop a residential site in Hong Kong's former Kai Tak airport for HK\$8.3b (\$1.1 b), the Lands Department says in statement on govt website. [Bloomberg]
- **Nokia Signs EU2b Frame Agreements With Chinese Operators.** Nokia has signed 3 separate frame agreements worth a total of more than EU2b with China Mobile, China Telecom and China Unicom for technologies and services to improve performance in fixed and mobile broadband networks across China, co. says in statement. [Bloomberg]
- **China's Fosun Is Said to Be in Talks for Minerva Investment.** Minerva SA is in talks with China's Fosun International Ltd. to invest in the Brazilian beef producer's businesses overseas, according to a person with direct knowledge of the matter. [Bloomberg]
- **Volvo Cars Rips Up Production Plan.** Volvo Cars is shredding production plans drawn up for much of its lineup in an effort to dodge tariffs the U.S. and China have slapped on auto imports. Only a few months after opening its first U.S. plant, the Swedish brand has canceled plans to export the S60 sedans built there to China. [Bloomberg]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,807	(7.1)	(0.3)	2.4	(2.6)	(1.6)	4.0	8.6	5.0
	Dow Jones	26,191	10.9	0.0	3.2	(0.9)	2.7	6.7	11.6	6.0
	Nasdaq Composite	7,531	(39.9)	(0.5)	1.3	(2.7)	(4.6)	2.6	11.6	9.1
	Russell 2000	1,578	(4.0)	(0.2)	2.2	(2.7)	(6.7)	(1.1)	7.0	2.8
	VIX Index	16.72	0.4	2.2	(13.5)	4.8	48.4	24.6	59.2	51.4
Europe Equity	Euro Stoxx 50	3,238	(8.6)	(0.3)	1.0	(2.5)	(7.3)	(9.3)	(10.4)	(7.6)
	DAX	11,527	(51.8)	(0.4)	0.5	(3.8)	(9.1)	(10.9)	(12.6)	(10.8)
	CAC	5,131	(6.5)	(0.1)	0.9	(3.5)	(6.7)	(7.3)	(5.1)	(3.4)
	FTSE 100	7,141	23.4	0.3	0.4	(1.3)	(7.8)	(6.8)	(4.6)	(7.1)
APAC Equity	HSI	26,228	80.0	0.3	3.2	0.2	(8.3)	(14.1)	(10.0)	(12.3)
	HSCEI	10,704	62.1	0.6	4.1	2.7	(2.9)	(12.2)	(8.9)	(8.6)
	HSI VIX	22.95	(2.1)	(8.4)	(5.1)	8.9	31.1	28.4	60.4	57.2
	CSI 300	3,213	(9.1)	(0.3)	1.1	(2.3)	(5.4)	(17.0)	(21.2)	(20.3)
	SH Composite	2,636	(5.7)	(0.2)	1.1	(3.1)	(5.7)	(16.6)	(23.1)	(20.3)
	SZ Composite	1,334	(6.4)	(0.5)	2.1	(3.7)	(11.4)	(27.3)	(34.2)	(29.8)
	Nikkei 225	22,487	401.1	1.8	3.7	(4.2)	(0.5)	0.3	(1.7)	(1.2)
KOSPI	2,093	13.9	0.7	3.4	(7.2)	(9.2)	(14.4)	(18.0)	(15.2)	
Commodities (USD)	Brent (Future)	70.65	(1.4)	(2.0)	(3.1)	(15.8)	(2.3)	(5.6)	11.3	5.7
	WTI (Future)	60.67	(1.0)	(1.6)	(4.7)	(18.9)	(9.0)	(14.6)	6.3	0.6
	Gold	1,224	(2.5)	(0.2)	(0.8)	2.8	0.9	(6.8)	(4.8)	(6.1)
	Copper (Future)	6,153	(5.0)	(0.1)	2.7	(0.3)	(0.4)	(9.9)	(9.9)	(15.1)
	Baltic Dry Index	1,304.00	(91.0)	(6.5)	(11.3)	(14.8)	(23.5)	(8.9)	(12.2)	(4.5)
FX	Dollar Index	96.00	0.7	0.8	0.5	1.0	1.7	3.9	2.0	5.0
	EUR	1.14	(0.0)	(0.6)	(0.4)	(1.1)	(1.4)	(4.1)	(2.4)	(5.3)
	JPY	114.07	0.6	0.5	1.2	(0.9)	(2.6)	(3.8)	(0.5)	(1.2)
	CNY	6.93	0.0	(0.2)	(0.2)	(0.1)	(1.4)	(8.1)	(4.4)	(6.2)
	CNH	6.94	0.0	0.3	0.4	(0.3)	(1.4)	(8.3)	(4.2)	(6.1)
CDS	ChinaGov CDS	63.09	(2.1)	(3.3)	(12.0)	(1.4)	7.1	2.6	6.7	26.0
	CDX Emerging Market	95.92	(0.2)	(0.2)	0.4	0.7	(0.5)	(1.4)	0.1	(3.2)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.35	(0.0)	(0.2)	2.3	2.3	2.0	1.9	1.2	1.4
	2-Year Treasury Yield	2.97	0.0	0.3	2.9	2.8	2.6	2.5	1.6	1.9
	5-Year Treasury Yield	3.09	0.0	0.4	3.0	3.0	2.7	2.8	2.0	2.2
	10-Year Treasury Yield	3.24	0.0	0.1	3.2	3.2	2.9	3.0	2.3	2.4
	2-10 Spread	26.83	(0.6)	(2.3)	30.5	31.7	26.5	42.8	70.2	51.8
China rates	O/N China Repo Rate	1.99	0.0	1.0	2.5	2.4	1.8	2.5	2.7	3.0
	1-Week China Repo Rate	2.40	(0.2)	(6.3)	2.7	2.5	2.3	2.7	2.9	3.1
	O/N SHIBOR	1.98	(0.1)	(5.4)	2.5	2.4	1.8	2.5	2.6	2.8
	1-Week SHIBOR	2.60	0.0	0.2	2.6	2.6	2.4	2.7	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



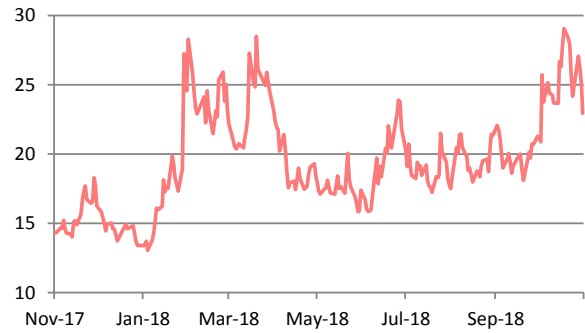
Source: Bloomberg

China 5Y CDS Index_USD



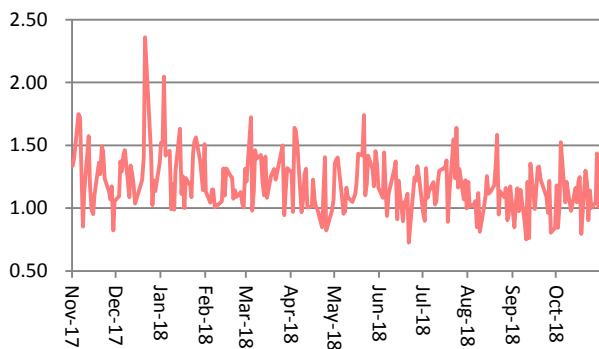
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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