



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: NFIB Small Business Optimism	Oct	108	107.9
China: Aggregate Financing CNY	Oct	RMB1297bn	RMB2205.4bn
Australia: NAB Business Confidence	Oct	N/A	6.00
UK: Average Weekly Earnings 3M YoY	Sep	3.00%	2.70%
Germany: ZEW Survey Current Situation	Nov	63.0	70.1

Source: Bloomberg

## II. Macro News

- **Fed to issue financial stability report.** The US Federal Reserve said it will begin issuing a new report twice a year assessing the stability of the U.S. financial system. The Fed said the first report will be issued on November 28. It will provide information on potential financial vulnerabilities tracked by the central bank such as valuations for bank loans, borrowing by businesses and households and bank funding risks. [The Standard]
- **Monetary policy eyes boosting capital markets.** China's central bank is focused on further boosting capital markets and facilitating corporate financing in order to raise confidence among private businesses and offset headwinds, both external and internal. [China Daily]
- **Philippines, China seek pact to end stand-off over oil, gas.** After years of brinkmanship in the South China Sea, an agreement between China and the Philippines to explore the billions of dollars in oil and gas reserves that may lie beneath seems within reach. [Bloomberg]

## III. Industry News

- **China Signals to Trump With More Open Currency Deals.** China's central bank has begun openly selling off foreign currency reserves to prop up the yuan, in a potentially significant political signal to Washington amid rising trade tensions. [Bloomberg]
- **Traders are eyeing yuan proxies as risks linger that China's central bank would step in to prop up the currency.** China bears are shorting yuan proxies, as risks of central bank intervention loom large with the currency edging closer to its decade-low again. [SCMP]
- **China to Give More Investment Chances to Private Sector.** China will allow the private sector more access to the nation's mixed ownership reform by further easing investment restrictions, Xinhua News Agency reported, citing a top official. China will introduce a negative list for market entry, an evaluation system and tax cuts in a bid to improve the environment for private businesses. [Bloomberg]

## IV. Corporate News

- **Tencent to reserve one in five promotions for young talent to refresh managerial ranks.** Tencent Holdings, which turned 20 on Sunday, will ensure that at least one in five promotions each year go to younger talent in a bid to refresh its managerial ranks and maintain dynamism within the social media-to-gaming giant. [SCMP]
- **Trade war won't derail rise of China's middle-class consumers, Alibaba's Tsai says.** The US-China trade war will not derail the rise of China's middle-class consumers and will power a long-term upgrading of consumption spending in the world's second-biggest economy, said Alibaba Group executive vice-chairman Joe Tsai. [SCMP]

- **Shenwan Hongyuan Board Approves Hong Kong Listing Plan.** Board approved its plan to sell H shares in a Hong Kong listing; to seek shareholders' approval, according to statement to Shenzhen stock exchange dated Nov. 11. H share issue size will be no more than 20% of its enlarged total issued share capital before possible over-allotment. [Bloomberg]
- **OPEC, Allies Move Closer to Oil Cuts as Bear Market Adds Urgency.** OPEC and its allies started laying the groundwork to cut oil supply in 2019, reversing an almost year-long expansion, with Saudi Arabia reasserting its role as swing producer by announcing fewer shipments from next month. [Bloomberg]
- **CNPC's Central Asia Gas Pipelines to Hit 100% Capacity in Winter.** China National Petroleum Corp. says its Central Asia natural gas pipeline system will operate at full capacity this winter, according to statement on co.'s website Monday. Pipelines are expected to transport 160m cubic meters/day of natural gas from Central Asia regions to China during the heating season that runs from Nov. to March. [Bloomberg]
- **China Lingshui Gas Site Starts 'Substantive' Construction.** China National Offshore Oil Corp.'s Lingshui 17-2 gas field in the South China Sea has entered stage of "substantive" development and construction, the Paper reports, citing CNOOC. Project is China's first self-operated deepwater gas field. [Bloomberg]
- **New World Dev Has Sold HK\$28B Hong Kong Homes This Year.** New World Development had sold HK\$28b worth of homes this year as of Nov. 1, Hong Kong Economic Times reports, citing Wong Ho-yin, co.'s assistant general manager of sales. That compared with HK\$14b for the whole of last year. [Bloomberg]
- **Midea targets bigger footprint in washers.** Midea Group, a Chinese home appliances maker, plans to restructure its assets that include subsidiary Wuxi Little Swan Co, a washing machine maker, so as to strengthen the business segment. By restructuring its group-wide assets that include Little Swan, Midea will be able to consolidate its washing machine business, according to a report in 21st Century Business Herald. [China Daily]
- **Rwanda ready to grow its economy through Alibaba partnership.** Rwanda is committed to leveraging technology and the internet through its partnership with Alibaba Group to grow its economy from low to high income. The two parties recently signed three memoranda of understanding, which saw establishment of an electronic world trade platform, or eWTP. [China Daily]
- **Skoda looks to double up its share of the Chinese market.** Skoda Auto, one of the classic brands of German automobile giant Volkswagen AG, aims to grasp a larger share of the Chinese market, backed by the automaker's "Simply Clever" solutions. [China Daily]
- **Shenwan Hongyuan Plans to List H Shares in HK.** Shenwan Hongyuan's board of directors approved the resolution of issuing H shares in Hong Kong. The company proposed to issue H shares and list on the Main Board of the Stock Exchange, in a scale of no more than 20% of the total share capital as enlarged by the IPO. [AASocks]
- **Texwinca Holdings Interim NP Up 8.3% to Over \$190M, DPS Lowered to 15 Cents.** Texwinca Holdings announced interim results ended September 2018. Net profit amounted to \$195 million, up 8.34% yearly. Basic EPS equaled 14.1 cents. DPS was 15 cents, as compared with 20 cents for the corresponding period of the previous year. [AASocks]
- **Tongcheng-Elong to Have Roadshow This Week for Listing in Nov.** Tongcheng-Elong's international roadshow and IPO will officially kick off this week, in pursuit of listing in November, reported market sources. The online travel agency has major shareholders such as Tencent and Ctrip. [AASocks]
- **Tencent 20th Anniversary: Pony Ma Hopes Group to Become Most Respectful Enterprise.** At the 20th anniversary ceremony, Chairman Pony Ma shared his thoughts with his staff internally, envisioning the company to become the most respectful Internet enterprise which beeps up people's living standard. [AASocks]
- **SoftBank Targets \$20 Billion IPO for Japanese Mobile Unit.** SoftBank Group Corp. said it would seek to raise more than \$20 billion with the initial public offering of its Japanese mobile unit, as it hunts for funds to fuel its nearly \$100 billion investment machine. [WSJ]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,726	(54.8)	(2.0)	(0.4)	(1.5)	(3.4)	(0.1)	5.5	2.0
	Dow Jones	25,387	(602.1)	(2.3)	(0.3)	0.2	0.8	2.2	8.3	2.7
	Nasdaq Composite	7,201	(206.0)	(2.8)	(1.7)	(3.9)	(7.9)	(2.7)	6.6	4.3
	Russell 2000	1,519	(30.7)	(2.0)	(1.9)	(1.8)	(9.3)	(5.5)	3.0	(1.1)
	VIX Index	20.45	3.1	17.8	2.5	(4.0)	55.4	61.7	81.1	85.2
Europe Equity	Euro Stoxx 50	3,194	(35.4)	(1.1)	(0.7)	(0.0)	(6.3)	(10.4)	(10.6)	(8.8)
	DAX	11,325	(203.7)	(1.8)	(1.5)	(1.7)	(8.4)	(12.9)	(13.4)	(12.3)
	CAC	5,059	(47.7)	(0.9)	(0.8)	(0.7)	(6.5)	(8.7)	(5.3)	(4.8)
	FTSE 100	7,053	(52.3)	(0.7)	(0.7)	0.8	(7.7)	(8.7)	(4.9)	(8.3)
APAC Equity	HSI	25,633	31.3	0.1	(1.2)	(0.7)	(8.2)	(17.6)	(12.2)	(14.3)
	HSCEI	10,440	8.9	0.1	(1.0)	1.4	(3.0)	(15.4)	(10.6)	(10.8)
	HSI VIX	23.42	(0.4)	(1.8)	(13.5)	(1.4)	14.4	36.9	59.6	60.4
	CSI 300	3,205	37.7	1.2	(1.8)	1.1	(5.5)	(17.2)	(22.4)	(20.5)
	SH Composite	2,631	31.6	1.2	(1.3)	0.9	(5.6)	(16.8)	(23.7)	(20.5)
	SZ Composite	1,362	33.6	2.5	0.8	5.0	(10.5)	(25.4)	(33.4)	(28.3)
	Nikkei 225	22,270	19.6	0.1	1.7	(1.9)	1.9	(2.1)	(0.5)	(2.2)
Commodities (USD)	KOSPI	2,080	(5.7)	(0.3)	0.2	(3.8)	(7.5)	(16.0)	(17.8)	(15.7)
	Brent (Future)	70.12	(0.1)	(0.1)	(4.2)	(12.8)	(3.7)	(9.1)	10.4	4.9
	WTI (Future)	59.93	(0.3)	(0.4)	(5.0)	(17.2)	(12.1)	(16.5)	4.0	(2.3)
	Gold	1,200	(9.3)	(0.8)	(2.5)	(2.0)	0.7	(8.5)	(6.0)	(7.7)
	Copper (Future)	6,056	(99.0)	(1.6)	(3.6)	(3.8)	(2.7)	(11.1)	(11.0)	(16.4)
FX	Baltic Dry Index	1,147.00	(84.0)	(6.8)	(19.7)	(27.4)	(32.2)	(22.1)	(21.7)	(16.0)
	Dollar Index	97.54	0.6	0.7	1.3	2.4	1.2	5.4	3.3	5.9
	EUR	1.12	(0.0)	(1.0)	(1.7)	(3.1)	(1.6)	(5.9)	(3.8)	(6.5)
	JPY	113.84	0.0	0.0	0.6	(1.7)	(2.6)	(3.5)	(0.1)	(0.9)
	CNY	6.96	0.0	(0.1)	(0.5)	(0.6)	(1.0)	(9.0)	(4.6)	(6.6)
CDS	CNH	6.96	0.0	0.2	0.7	(0.6)	(1.0)	(9.0)	(4.4)	(6.5)
	ChinaGov CDS	64.31	0.8	1.2	(3.6)	(2.1)	(0.2)	10.0	4.5	28.4
	CDX Emerging Market	95.85	0.0	0.0	(0.0)	0.6	1.0	(1.7)	0.1	(3.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.34	-	-	2.3	2.3	2.1	1.9	1.2	1.4
	2-Year Treasury Yield	2.92	-	-	2.9	2.9	2.6	2.6	1.7	1.9
	5-Year Treasury Yield	3.04	-	-	3.1	3.0	2.8	2.9	2.1	2.2
	10-Year Treasury Yield	3.18	-	-	3.2	3.2	2.9	3.1	2.4	2.4
	2-10 Spread	25.37	-	-	29.6	30.4	25.7	49.6	72.3	51.8
China rates	O/N China Repo Rate	2.31	0.2	10.0	2.1	2.4	2.4	2.7	2.9	3.0
	1-Week China Repo Rate	2.60	0.1	2.0	2.4	2.5	2.4	3.3	3.2	3.1
	O/N SHIBOR	2.31	0.3	13.3	2.3	2.4	2.3	2.6	2.8	2.8
	1-Week SHIBOR	2.62	0.0	1.0	2.6	2.6	2.6	2.8	2.9	3.0

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



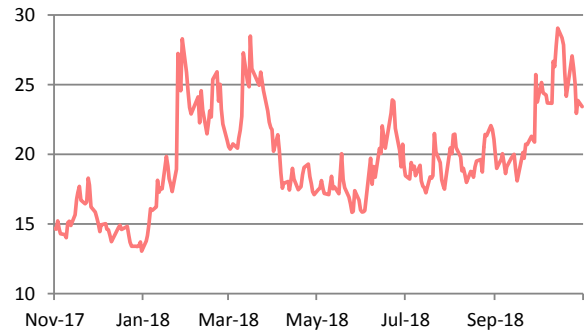
Source: Bloomberg

**China 5Y CDS Index\_USD**



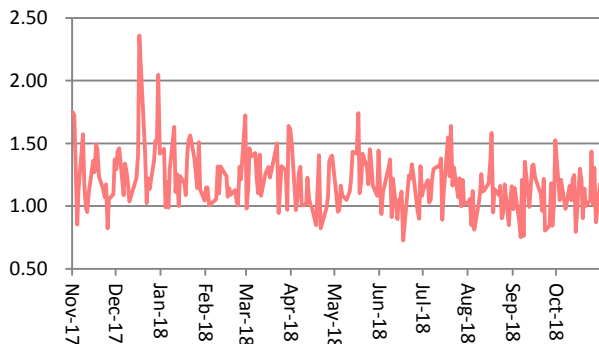
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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