

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: New Residential Home Prices MoM	Oct	N/A	1.00%
Australia: Full / Part Time Employment Change	Oct	N/A	20.3k/-14.7k
Indonesia: Exports / Imports YoY	Oct	N/A	1.7%/14.18%
UK: Retail Sales MoM / YoY	Oct	0.2%/2.8%	-0.8%/3%
Eurozone: Trade Balance	Sep	N/A	EUR16.6bn

Source: Bloomberg

II. Macro News

- **China's latest financial data paints a bleak economic outlook amid trade war with US.** While Beijing has been pressing the country's banks to boost lending to the "real economy", newly granted loans nearly halved to 677bn yuan in October, from 1.38tn yuan in September, according to data released by the PBOC. [SCMP]
- **China Factory Output, Investment Gain, Signaling Stabilization.** China's industrial production and business investment gained pace, while retail sales growth slowed, signaling some stabilization for policy makers grappling with the slowest economic growth in nearly a decade. Retail sales rose 8.6% in Oct from a year earlier, while industrial production gained 5.9% for the same period and fixed-asset investment increased 5.7% in the 10 months through Oct. [Bloomberg]
- **Japan's Economy Shrinks for Second Time in 2018 After Disasters.** Japan's economy contracted more than expected in the third quarter after an earthquake, typhoons and torrential rain battered production at home while exports declined amid softer demand overseas. Japan's gross domestic product shrank by an annualized 1.2% in the three months through September, according to the Cabinet Office. [Bloomberg]

III. Industry News

- **Rates on Hold in Asia as Central Banks Assess Return of Rout.** Interest rates are on hold in Asia this week as central banks give themselves more time to assess the return of market volatility in emerging markets. Thailand and Indonesia are expected by most economists surveyed to hold their ground, following in the steps of Malaysia. [Bloomberg]
- **Greek Banks Inch Toward Bad-Loan Relief With Complicated Plans.** Greek authorities are moving forward with two different plans to save their banks from a downward spiral. To reduce non-performing loans, the Greek central bank is proposing a special-purpose vehicle created with the stricken lenders' tax credits. [Bloomberg]
- **Sri Lanka Central Bank Unexpectedly Raises Key Policy Rates.** Sri Lanka's Central Bank unexpectedly raised its standing lending facility rate to 9% from 8.50% and increased the standing deposit facility rate to 8% from 7.25%, the monetary authority said in a statement. [Bloomberg]

IV. Corporate News

- **Tencent posts better than expected US\$3.4 billion third quarter profit as social ad revenues offset uncertainties in games sector.** The Hong Kong-listed company reported net income of 23.33 billion yuan (US\$3.4 billion) in the quarter ended September 30 compared to the 18.39 billion yuan average estimate of 12 analysts polled by Bloomberg. [SCMP]
- **Link Reit looks to property bargains in Hong Kong and China as credit squeeze begins.** The Link Real Estate Investment Trust is considering the acquisition of shopping malls and office properties in Hong Kong and top cities in mainland China, as tightening credit conditions point to an ideal period for bargain hunting physical assets. [SCMP]

- **Hon Hai's profit miss reflects growing iPhone-supplier woes amid expected fall in shipments.** The main assembler of iPhones reported net income of NT\$24.9bn (US\$806mn) in the Sept quarter, about 12% below the average analysts' estimate. [SCMP]
- **Tencent seeks to kill silo culture that gave it WeChat as it expands into AI, big data.** The Shenzhen-based company aims to break up in-house fiefdoms and promote more cooperation across different groups as part of a business restructuring that has set the direction of the company for the next two decades. [SCMP]
- **Zotye, Ford's China partner, set to sell SUVs in US in 2020.** Zotye Automobile, a Ford Motor Co partner in China, said it planned to begin selling SUVs in the United States in 2020. Ford had tapped Zotye to provide lower-priced electric vehicles to some of its dealers in China. [China Daily]
- **CNOOC pledges 20% rise in winter gas supply.** China National Offshore Oil Corporation said on Tuesday that the company will supply 24.6 billion cubic meters of natural gas during the heating season that kicks off this week, up 20 percent year-on-year, to meet rising demand in the country. [China Daily]
- **Xiaomi's UK launch stumbles on 'click-bait' phone sale.** Xiaomi's latest inroad into the UK market is dented by an embarrassment caused by its first promotional activity a week before the company's official store launch in the country. Xiaomi advertised its new handsets for just one pound (\$1.30) last week in an online "flash sale" that left thousands of potential buyers disappointed when its website told them it had "sold out" soon after it had opened. [China Daily]
- **Tencent joins race for self-driving car.** Tencent has joined the race with rivals such as Baidu and Alibaba to recruit senior autonomous driving engineers in Silicon Valley. The company is building an autonomous driving research team based in Palo Alto, California, according to job postings on LinkedIn. [China Daily]
- **Cathay Says Didn't See Data Leak as Price Sensitive Information.** Cathay Pacific took the view that information about customer data hack not material and price sensitive and the disclosure it made was appropriate when it evaluated the situation, Cathay Chairman John Slosar says at Hong Kong's legislature. [Bloomberg]
- **Weichai Power Hong Kong Buys Ballard Shrs for About \$163.6m.** Weichai also agreed to a \$90 million technology transfer program to the JV related to Ballard's next-generation LCS fuel cell stack and power modules for bus, commercial truck and forklift applications in China. [Bloomberg]
- **Zhaogang.com Drops Dual-Class Structure in Hong Kong IPO.** Chinese steel trading website Zhaogang.com Inc. dropped dual-class share structure in its refiled pre-listing documents with the Hong Kong stock exchange, according to the filing on Tuesday. [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. [Bloomberg]
- **Alibaba-Backed BabyTree Seeks \$282M in Hong Kong IPO.** BabyTree Group offers 250.3m shares at HK\$6.80-HK\$8.80 apiece in Hong Kong initial public offering, according to terms for the deal obtained by Bloomberg. Trading expected to begin on Nov. 27. [Bloomberg]
- **CNOOC Mgmt Confirms Strict Cost Control in 2019; Breakeven US\$35/bbl Oil.** CNOOC's management said that stringent cost control measures will carry on next year, adding the break-even point (BEP) for each project is US\$35 per barrel of oil. Should a project fail to breakeven at such price, it may be ceased under a cost review. [AASocks]
- **ICBC Mulls US\$200M Fund Setup for Indian Small- and Medium Enterprises Investments.** ICBC has established a US\$200 million fund for investments in Indian small- and medium enterprises, as Reuters cited a statement from the Indian Embassy in Beijing. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,702	(20.6)	(0.8)	(4.0)	(1.8)	(4.1)	(0.4)	5.3	1.0
	Dow Jones	25,081	(206.0)	(0.8)	(4.2)	(0.7)	(0.3)	1.5	7.8	1.5
	Nasdaq Composite	7,136	(64.5)	(0.9)	(5.7)	(4.0)	(8.2)	(2.9)	6.4	3.4
	Russell 2000	1,503	(12.3)	(0.8)	(5.0)	(3.3)	(10.1)	(6.1)	2.6	(2.1)
	VIX Index	21.25	1.2	6.1	6.7	(0.2)	45.2	45.2	61.8	92.5
Europe Equity	Euro Stoxx 50	3,205	(19.5)	(0.6)	(1.3)	(0.2)	(4.6)	(10.1)	(9.6)	(8.5)
	DAX	11,413	(11,412.5)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
	CAC	5,069	(33.0)	(0.6)	(1.3)	(0.5)	(4.5)	(8.7)	(4.4)	(4.6)
	FTSE 100	7,034	(7,033.8)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
APAC Equity	HSI	25,654	(138.4)	(0.5)	(1.9)	0.8	(6.1)	(17.6)	(11.1)	(14.3)
	HSCEI	10,405	(73.6)	(0.7)	(2.2)	2.6	(1.2)	(16.4)	(8.8)	(11.1)
	HSI VIX	24.39	0.6	2.7	(2.6)	(3.1)	13.9	38.8	60.2	67.1
	CSI 300	3,205	(32.4)	(1.0)	(0.5)	2.5	(2.6)	(18.3)	(21.3)	(20.5)
	SH Composite	2,632	(22.6)	(0.9)	(0.3)	2.5	(3.3)	(17.5)	(22.6)	(20.4)
	SZ Composite	1,378	(5.6)	(0.4)	2.8	7.6	(7.0)	(25.1)	(31.3)	(27.4)
	Nikkei 225	21,846	36.0	0.2	(1.1)	(1.9)	(1.6)	(4.3)	(0.8)	(4.0)
Commodities (USD)	KOSPI	2,068	(3.2)	(0.2)	(0.5)	(3.6)	(8.4)	(15.9)	(17.9)	(16.2)
	Brent (Future)	66.12	0.7	1.0	(8.3)	(17.8)	(8.7)	(15.5)	6.3	(1.1)
	WTI (Future)	56.25	0.6	1.0	(8.8)	(22.1)	(14.0)	(21.6)	1.1	(7.4)
	Gold	1,211	8.7	0.7	(1.3)	(1.3)	3.0	(6.2)	(5.3)	(7.1)
	Copper (Future)	6,073	24.0	0.4	(1.4)	(3.6)	(1.3)	(12.5)	(11.9)	(16.2)
FX	Baltic Dry Index	1,064.00	(61.0)	(5.4)	(18.4)	(32.6)	(38.3)	(27.9)	(24.3)	(22.1)
	Dollar Index	96.80	(0.5)	(0.5)	0.8	1.7	0.1	4.6	3.2	5.1
	EUR	1.13	0.0	0.2	(1.0)	(2.3)	(0.3)	(4.4)	(4.0)	(5.8)
	JPY	113.63	(0.2)	(0.2)	0.1	(1.6)	(2.5)	(2.8)	(0.6)	(0.8)
	CNY	6.95	(0.0)	0.1	(0.4)	(0.5)	(1.0)	(8.8)	(4.5)	(6.4)
CDS	CNH	6.94	(0.0)	(0.0)	0.4	(0.3)	0.1	(8.3)	(4.5)	(6.2)
	ChinaGov CDS	65.75	0.6	0.8	0.8	0.1	5.5	12.3	5.0	31.3
	CDX Emerging Market	95.58	0.0	0.0	(0.6)	0.3	0.3	(1.7)	(0.1)	(3.6)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.37	0.0	1.5	2.3	2.3	2.0	1.9	1.2	1.4
	2-Year Treasury Yield	2.87	(0.0)	(0.9)	3.0	2.9	2.6	2.6	1.7	1.9
	5-Year Treasury Yield	2.96	(0.0)	(0.9)	3.1	3.0	2.7	2.9	2.0	2.2
	10-Year Treasury Yield	3.13	(0.0)	(0.5)	3.2	3.2	2.9	3.1	2.3	2.4
	2-10 Spread	25.45	1.0	4.1	26.8	29.4	24.5	54.2	63.5	51.8
China rates	O/N China Repo Rate	2.32	0.2	10.5	2.0	2.4	2.5	2.6	2.8	3.0
	1-Week China Repo Rate	2.31	(0.2)	(7.6)	2.4	2.6	2.6	3.0	3.1	3.1
	O/N SHIBOR	2.33	(0.1)	(5.8)	2.0	2.4	2.5	2.6	2.8	2.8
	1-Week SHIBOR	2.63	(0.0)	(0.0)	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



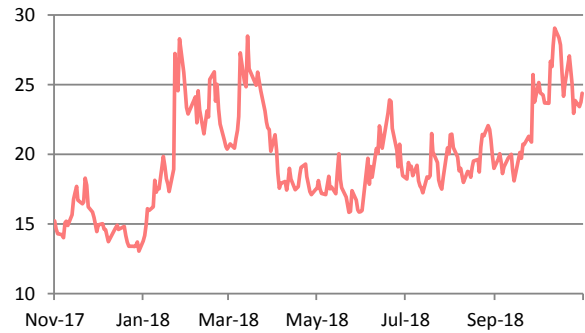
Source: Bloomberg

China 5Y CDS Index_USD



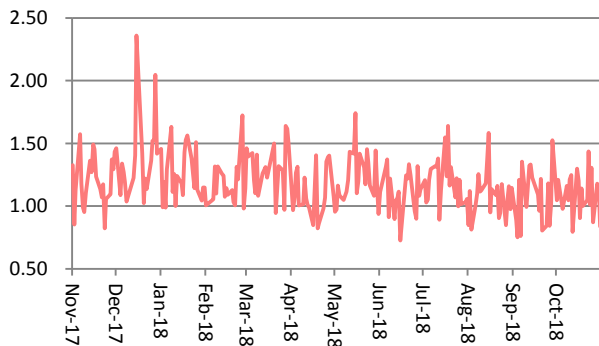
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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