



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: NAHB Housing Market Index	Nov	67	68
UK: Rightmove House Prices YoY / MoM	Nov	N/A	0.9%/1.0%
Japan: Exports / Imports YoY	Oct	9.0%/14.3%	-1.2%/7.0%
New Zealand: Performance Service Index	Oct	N/A	53.9
Thailand: GDP YoY	3Q18	4.20%	4.60%

Source: Bloomberg

II. Macro News

- **Fed Plans 2019 Review of How It Pursues Goals on Jobs, Inflation.** The Federal Reserve said it will conduct a wide-ranging and public review next year of how it goes about achieving its twin goals of maximum employment and price stability. [Bloomberg]
- **China Says Talk on Equal Footing Only Way to Solve Trade Issues.** Negotiation on the basis of mutual respect, reciprocity and mutual benefit is the "only right way" to solve China-U.S. economic and trade issues, foreign ministry spokeswoman Hua Chunying says at regular briefing. [Bloomberg]
- **Hong Kong's Economy Likely Slowed Last Quarter Amid Trade Gloom.** Hong Kong's economic growth is expected to have continued slowing last quarter, as the U.S.-China trade dispute and the deceleration on the mainland worsen the outlook for the trade-dependent economy. GDP grew 3.3% in the third quarter from a year ago. [Bloomberg]

III. Industry News

- **China Allows Retail Investors to Buy Local Govt Bonds at Banks.** China allows individual investors to buy local government bonds over counters of qualified institutions, according to a PBOC statement. The move is aimed at offering smaller investors more investment options. [Bloomberg]
- **China Is Said to Halt Custom Clearance of Coal Imports This Year.** China will suspend custom clearance of coal imports the rest of 2018 as the world's largest buyer seeks to cap annual shipments at the same levels as last year. The NDRC has ordered mainland ports to stop coal import clearance. [Bloomberg]
- **Macau Government 'Cautiously Optimistic' on Gaming Sector.** Macau government is "cautiously optimistic" on the gaming sector's outlook next year, says Macau Chief Executive Fernando Chui at a briefing in the territory. "For next year, our tone is to remain stable and seek growth," says Chui. [Bloomberg]

IV. Corporate News

- **Bank of China to Start \$1.4 Billion Wealth-Management Subsidiary.** Bank of China Ltd., the nation's fourth-largest bank by assets, said it plans to establish a wholly owned wealth management subsidiary, responding to a regulatory push to cut risk in the financial sector. [Bloomberg]
- **Shanghai-Backed Buyout Firm BMC Buys German Rayon Maker Cordenka.** BMC Europe, a private equity firm backed by Shanghai's government, acquired German rayon producer Cordenka GmbH in a deal that underscores the interest in forging investment ties between China and Europe. [Bloomberg]

- **Tencent Picks HERE to Provide Mapping Content Outside China.** Tencent Holdings Ltd. has picked HERE Technologies as a provider of mapping content outside China, a high-profile boost for the Berlin-based firm owned by German automakers as it grapples with rivals like Google Inc. and TomTom NV. [Bloomberg]
- **Volkswagen, Partners to Invest EU4B in China Next Year.** Investment is aimed at keeping pace with the car industry's transformation, Volkswagen's China chief Jochem Heizmann says in a speech in Guangzhou, China. Volkswagen expects further growth for the company in China next year, though the overall market may be flat. [Bloomberg]
- **Yandex Partners With WeChat to Ease Payments for China Tourists.** Yandex.Checkout partnered with WeChat Pay to let Chinese tourists pay in Russian online and offline stores, according to a statement. Russia sees ~1.5m Chinese tourists annually, and partnership "offers payment method that they are accustomed to". [Bloomberg]
- **Victor Li Wants New China Tech to Transform Father's Old Empire.** Victor Li, head of one of Hong Kong's oldest business empires, has been busy forging partnerships with a slew of mainland Chinese technology companies to modernize CK Group after taking over the conglomerate earlier this year. [Bloomberg]
- **Amazon, China's Venustech Among Stock Picks at Melbourne Sohn.** Amazon could be the first U.S. company to hit a \$2 trillion valuation, Nick Griffin, chief investment officer at Munro, tells the third annual Sohn Hearts & Minds Australia conference Friday, according to the Australian Financial Review. [Bloomberg]
- **Copper Giant Sees Wider Deficit as China Bans Scrap Imports.** China's drive to curb pollution is deepening the supply gap in copper, according to the copper commission in Chile, the largest producer of the metal. The Asian nation's demand for copper will rise 2.5% next year, faster than forecast in July, as producers of pipes and wires seek substitutes for imported metal scraps, Cochilco said. [Bloomberg]
- **China Kindergarten Stocks May Follow RYB's Plunge on New Policy.** Vtron Group, Jiangsu Xiuqiang may drop after China adopted new policy that will prohibit listed companies from investing in for-profit kindergartens using funds raised in stock market. [Bloomberg]
- **HSBC, China's Sovereign Wealth Fund Plan GBP1b U.K. Fund.** HSBC and China Investment Corp. are in talks to raise GBP1b that will help the sovereign wealth fund to invest in British companies with Chinese links, Financial Times reports, citing unidentified people familiar with the plans. [Bloomberg]
- **GE Sells Health-Care Assets to TIAA Bank for \$1.5 Billion.** General Electric Co. sold a portfolio of health-care equipment leases and loans for \$1.5 billion to Florida-based TIAA Bank, part of the once-mighty conglomerate's effort to slim down and focus on industrial operations. [Bloomberg]
- **Conoco Enters Into Exclusive Talks to Sell U.K. Assets to Ineos.** ConocoPhillips is in exclusive talks to sell its U.K. oil and gas fields, said to be valued at as much as \$3bn, to British billionaire Jim Ratcliffe's Ineos Group. The U.S. explorer plans to invite bids by end of year for the assets, which would include what's left of its holding in the Clair Field [Bloomberg]
- **China's FAW recalls vehicle over fuel pump defect.** China's FAW Group Co Ltd, a state-owned automaker in Northeast China's Jilin province, is recalling over 280,000 automobiles starting from Dec 28, 2018, due to a fuel pump defect. The company will replace the defective fuel pumps free of charge. [China Daily]
- **Sinochem builds up refining capability.** Sinochem Energy, a unit of Sinochem Group, aims to expand its key refining assets and increase petrochemicals production by going public in Hong Kong. Based in Quanzhou in Fujin province, the petroleum and petrochemical business operator seeks to raise about US\$2bn. [The Standard]
- **CCB Mulls Setting Up Subsidiary Through Up to RMB15B Investment.** CCB announced that upon consideration and approval of the board, it intends to establish a wholly-owned subsidiary, CCB Wealth Management, with a capital of no more than RMB15 billion. [AASocks]
- **China Coal: Oct Commercial Coal Production Grows 3.7%, Sales Rises 28%.** China Coal announced that the production volume of commercial coal in October grew 3.7% yearly to 6.14 million tonnes, while the sales volume rose 28% yearly to 13.71 million tonnes. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,736	6.1	0.2	(1.6)	(1.1)	(4.0)	0.9	6.1	2.3
	Dow Jones	25,413	124.0	0.5	(2.2)	(0.1)	(1.0)	2.8	8.8	2.8
	Nasdaq Composite	7,248	(11.2)	(0.2)	(2.1)	(2.7)	(7.3)	(1.4)	6.9	5.0
	Russell 2000	1,528	3.4	0.2	(1.4)	(0.9)	(9.8)	(6.1)	2.3	(0.5)
	VIX Index	18.14	(1.8)	(9.2)	8.5	(8.8)	43.5	35.2	58.7	64.3
Europe Equity	Euro Stoxx 50	3,181	(9.6)	(0.3)	(1.5)	(0.9)	(5.7)	(11.0)	(10.3)	(9.2)
	DAX	11,341	(12.7)	(0.1)	(1.6)	(1.8)	(7.1)	(13.3)	(12.7)	(12.2)
	CAC	5,025	(8.4)	(0.2)	(1.6)	(1.2)	(6.0)	(10.5)	(5.5)	(5.4)
	FTSE 100	7,014	(24.1)	(0.3)	(1.3)	(0.5)	(7.2)	(9.8)	(5.0)	(8.8)
APAC Equity	HSI	26,184	80.2	0.3	2.3	2.4	(3.8)	(15.7)	(10.3)	(12.5)
	HSCEI	10,584	28.3	0.3	1.5	3.5	0.7	(14.3)	(8.8)	(9.6)
	HSI VIX	24.21	0.1	0.5	1.5	2.2	18.2	40.8	69.4	65.8
	CSI 300	3,258	15.3	0.5	2.8	3.9	0.9	(16.5)	(20.9)	(19.2)
	SH Composite	2,679	10.9	0.4	3.1	5.0	0.4	(16.1)	(20.8)	(19.0)
	SZ Composite	1,410	11.8	0.8	6.2	11.6	(2.2)	(22.9)	(27.8)	(25.8)
	Nikkei 225	21,680	(123.3)	(0.6)	(2.6)	(3.8)	(2.6)	(5.5)	(3.2)	(4.8)
KOSPI	2,092	4.3	0.2	0.3	(3.0)	(6.9)	(15.0)	(17.4)	(15.2)	
Commodities (USD)	Brent (Future)	66.76	0.1	0.2	(4.9)	(15.6)	(6.3)	(14.2)	7.4	0.7
	WTI (Future)	56.46	-	-	(6.2)	(17.4)	(13.4)	(19.9)	1.0	(5.5)
	Gold	1,223	10.0	0.8	1.1	(0.3)	2.7	(5.4)	(4.3)	(6.2)
	Copper (Future)	6,205	21.0	0.3	2.5	(0.2)	4.5	(9.1)	(7.9)	(14.4)
	Baltic Dry Index	1,031.00	11.0	1.1	(8.4)	(34.6)	(40.2)	(19.0)	(24.8)	(24.5)
FX	Dollar Index	96.47	(0.5)	(0.5)	(0.5)	0.7	0.3	3.0	3.0	4.7
	EUR	1.14	0.0	0.8	0.7	(0.9)	(0.6)	(3.2)	(2.7)	(4.9)
	JPY	112.83	(0.8)	(0.7)	(0.9)	(0.1)	(2.3)	(1.5)	(0.1)	(0.0)
	CNY	6.94	(0.0)	0.0	0.3	(0.4)	(0.8)	(8.2)	(4.4)	(6.2)
	CNH	6.92	(0.0)	(0.1)	(0.4)	0.1	(1.3)	(8.2)	(4.0)	(5.9)
CDS	ChinaGov CDS	67.64	0.6	0.9	6.4	0.4	11.0	19.5	12.2	35.0
	CDX Emerging Market	95.45	(0.1)	(0.1)	(0.4)	0.2	0.0	(1.6)	(0.6)	(3.7)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.34	(0.0)	(0.6)	2.3	2.3	2.0	1.9	1.3	1.4
	2-Year Treasury Yield	2.80	(0.1)	(1.9)	2.9	2.9	2.6	2.6	1.7	1.9
	5-Year Treasury Yield	2.88	(0.1)	(2.0)	3.0	3.0	2.7	2.9	2.1	2.2
	10-Year Treasury Yield	3.06	(0.0)	(1.5)	3.2	3.2	2.8	3.1	2.3	2.4
	2-10 Spread	25.89	0.7	2.6	25.4	28.4	23.2	49.0	61.8	51.8
China rates	O/N China Repo Rate	2.34	-	-	2.3	2.4	2.7	2.5	2.7	3.0
	1-Week China Repo Rate	2.65	0.1	2.7	2.6	2.6	2.7	2.8	3.2	3.1
	O/N SHIBOR	2.35	0.0	0.3	2.3	2.4	2.6	2.5	2.7	2.8
	1-Week SHIBOR	2.63	-	-	2.6	2.6	2.7	2.8	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



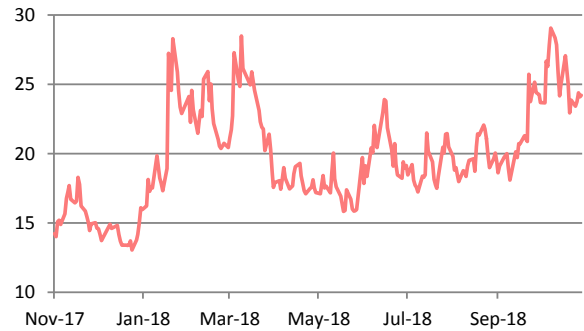
Source: Bloomberg

China 5Y CDS Index_USD



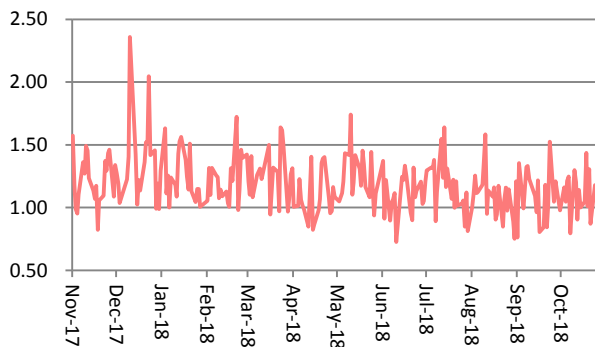
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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