

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Building Permits / Housing Starts	Oct	1260k/1230k	1241k/1201k
Germany: PPI YoY	Oct	3.30%	3.20%
Taiwan: Export Orders YoY	Oct	5.30%	4.20%
Russia: Real Wages YoY	Oct	6.90%	7.20%
Russia: Real Disposable Income YoY	Oct	- 0.90%	- 1.50%

Source: Bloomberg

II. Macro News

- **Japan's Exports Rebound Following Disaster-Hit Sept.** Japan's exports rebounded in October after their first decline in two years in September, when natural disasters disrupted the economy. The value of exports rose 8.2% in October from a year earlier, versus a forecast 8.9% gain, data from the Ministry of Finance showed Monday. [Bloomberg]
- **China's U.S. Treasury Holdings Drop to More Than One-Year Low.** China's holdings of U.S. Treasuries fell to a more than one-year low as the world's second-largest economy takes steps to stabilize the yuan. Holdings of U.S. bonds, bills and notes declined for a fourth month to \$1.15tn in Sept from \$1.17tn in Aug, Treasury Dept said in a statement. [Bloomberg]
- **Taiwan Braces for Earnings Gloom as iPhone, Trade War Bite.** Disappointing earnings may not be over for Taiwan companies, dragged by waning demand for Apple Inc.'s flagship iPhone and deteriorating relations between the island's two biggest trade partners. Net income for companies on the Taiex index is expected to drop 9.2% YoY this quarter after undershooting estimates in three months through September, the first miss since 2Q17. [Bloomberg]

III. Industry News

- **Shanghai-London Stock Connect Brokerage Trial Test to Start on 8 Dec.** Shanghai-London Stock Connect will run the brokerage trial test on 8 December to get set for the real operation, while the trade list on the mutual market access system will likely be announced on 1 or 8 December, the Chinese media quoted brokers as saying. [AASocks]
- **China Simplifies Disclosure Requirement for Listed Companies M&A.** Listed companies will no longer need to disclose estimated value for M&A target, China Securities Regulatory Commission spokesman Chang Depeng says at regular briefing. Listed companies also don't need to disclose business conditions of M&A counterparts. [Bloomberg]
- **China Technology Companies Boost Debt 36% as Earnings Disappoint.** China's technology and communications companies boosted debt issuance 36 percent this year as disappointing earnings made it harder to fund expansion. Run Fixed Income Search to show bond and loan issuance by the two sectors jumped to almost \$47 billion. [Bloomberg]

IV. Corporate News

- **Apple said to cut orders from two China component suppliers by 30% on lukewarm iPhone XR demand.** Apple, whose popular iPhones are among the priciest handsets globally, has reduced orders from two component suppliers in China after its latest, slightly lower-priced iPhone XR model failed to achieve expected sales, according to two people familiar with the matter. [SCMP]
- **Tencent tightens control of WeChat content.** Tencent Holdings has taken another step to tighten control and management of content posted on its messaging and social media app WeChat by cutting back the number of official accounts allowed for producers amid a sustained govt crackdown on the type of materials that appear online. [SCMP]

- **Xiaomi reports second straight profitable quarter on smartphone, IoT and lifestyle products boost.** Xiaomi Corp. on Monday posted a third-quarter net profit of 2.5bn yuan (US\$360mn), rebounding from a loss of 11bn yuan in the same period last year, driven by strong smartphone shipments overseas and its growing internet of things (IoT) and lifestyle products segments. [SCMP]
- **Chinese vaccine maker Changsheng faces delisting for endangering public security under revised rules.** Mainland China vaccines producer Changsheng Bio-Technology, which was fined 9.1bn yuan (US\$1.3bn) for falsifying data and selling ineffective vaccines in July, has become the first company to face a possible delisting under revised rules that give mainland stock exchanges the power to throw out companies endangering public and national security. [SCMP]
- **iPhone glass supplier Biel Crystal postpones US\$1.5 billion Hong Kong listing amid market rout.** Biel Crystal Manufactory, a key iPhone component supplier with factories in Shenzhen and Huizhou, has decided to push back its US\$1.5 billion Hong Kong initial public offering because of the recent sell-off in the equities market. [SCMP]
- **CNPC Natgas Storage Sites Start Fuel Deliveries to End Users.** CNPC's 10 natural gas storage facilities began supplying the fuel to end users Nov. 15, and are expected to provide more than 8 billion cubic meters during peak winter demand season, co. says in statement Monday. [Bloomberg]
- **Airbus, Eutelsat to Build Satellite Parts in Post-Brexit Britain.** Airbus SE and Eutelsat Communications have agreed a multi million-pound deal to assemble satellite components in the U.K. The companies will sign a contract at the Department for Business Energy and Industrial Strategy on Monday, according a statement. [Bloomberg]
- **CCB Becomes Second Big Chinese Bank to Spin Off Its Wealth Unit.** China Construction Bank Corp. plans to start a wealth management subsidiary, the second big Chinese bank to do so as the government steps up efforts to rein in risk in its \$4 trillion financial sector. [Bloomberg]
- **Times China Plans Issue of USD Senior Fixed Rate Notes.** Principal amount, interest rate, payment date and other terms are yet to be determined, Times China says in Hong Kong stock exchange filing. The company plans to use proceeds to refinance some existing debts and for general working capital purposes. [Bloomberg]
- **Tencent's WeChat Pay HK May Cut H.K. Promotion Subsidy.** WeChat Pay HK has achieved satisfactory results as Tencent's first foray into overseas payment market and the company may no longer need big scale of promotion and subsidy, HK Economic Times reports, citing Chen Qiru, a VP at Tencent's financial technology business. [Bloomberg]
- **BlackRock Is Said to Weigh Setting Up Mutual-Funds Unit in China.** BlackRock Inc. is considering seeking a mutual-funds license in China, people with knowledge of the matter said, as the world's largest asset manager pursues ways to expand and exert more control over its operations in the nation. [Bloomberg]
- **Hitachi Is Said in Talks for ABB Power-Grids Unit, FT Says.** Hitachi Ltd. has been in private talks to buy part or all of ABB Ltd.'s power-grids business, which analysts estimate is worth about \$13bn, Financial Times reports. Negotiations are at a fairly developed stage, but a deal isn't assured, the FT said. [Bloomberg]
- **CSPC Pharma nine-month net rises to HK\$2.7b.** Chinese pharmaceuticals maker, CSPC Pharmaceutical Group, reported nine-month net profit grew by 33.8 percent, from the year before to HK\$2.73bn. Sales increased by 41.4 percent to HK\$15.84bnn. The basic earnings per share were HK\$43.79 cents. [The Standard]
- **Legend Holdings food unit Joyvio moves in on Chilean salmon company.** Legend Holdings announced that its wholly-owned subsidiary Joyvio will buy 94.47% of Australis Seafoods S.A., subject to fulfillment of certain conditions. Legend Holdings said upstream salmon resources will help strengthen the brand and market influence of the seafood businesses of Joyvio and will improve its cash returns and profitability. [The Standard]
- **Country Garden Plans US\$1B CBs within Yr.** Country Garden is planning to raise at least US\$1 billion by issuing convertible bonds within the year, a move to prepare for the refinancing of convertible bonds due in January 2019, Bloomberg cited people with the knowledge of the matter. [AAStocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,691	(45.5)	(1.7)	(1.3)	(2.8)	(5.8)	(0.8)	4.2	0.6
	Dow Jones	25,017	(395.8)	(1.6)	(1.5)	(1.7)	(2.9)	1.2	6.8	1.2
	Nasdaq Composite	7,028	(219.4)	(3.0)	(2.4)	(5.6)	(10.1)	(4.4)	3.5	1.8
	Russell 2000	1,497	(31.0)	(2.0)	(1.5)	(3.0)	(11.9)	(8.0)	(0.5)	(2.5)
	VIX Index	20.10	2.0	10.8	15.8	1.1	60.9	49.8	88.7	82.1
Europe Equity	Euro Stoxx 50	3,160	(20.4)	(0.6)	(1.1)	(1.6)	(6.9)	(11.6)	(11.3)	(9.8)
	DAX	11,245	(96.5)	(0.9)	(0.7)	(2.7)	(8.8)	(14.0)	(13.9)	(13.0)
	CAC	4,985	(39.8)	(0.8)	(1.5)	(2.0)	(7.3)	(11.2)	(6.6)	(6.2)
	FTSE 100	7,001	(13.0)	(0.2)	(0.7)	(0.7)	(7.8)	(10.0)	(5.3)	(8.9)
APAC Equity	HSI	26,372	188.5	0.7	2.9	3.2	(4.4)	(15.1)	(9.9)	(11.9)
	HSCEI	10,632	47.9	0.5	1.8	4.0	(0.0)	(13.9)	(7.9)	(9.2)
	HSI VIX	23.89	(0.3)	(1.3)	2.0	0.9	20.6	39.0	67.8	63.6
	CSI 300	3,295	36.9	1.1	2.8	5.1	0.8	(15.6)	(20.5)	(18.3)
	SH Composite	2,704	24.4	0.9	2.8	6.0	0.2	(15.3)	(20.3)	(18.3)
	SZ Composite	1,417	7.2	0.5	4.1	12.2	(2.3)	(22.5)	(28.1)	(25.4)
	Nikkei 225	21,821	140.8	0.7	(2.0)	(3.2)	(1.7)	(4.8)	(2.0)	(4.1)
KOSPI	2,101	8.2	0.4	1.0	(2.6)	(6.6)	(14.6)	(16.9)	(14.9)	
Commodities (USD)	Brent (Future)	66.79	0.0	0.0	(4.8)	(16.3)	(7.0)	(14.9)	6.5	(0.1)
	WTI (Future)	57.20	0.3	0.5	(5.3)	(16.9)	(13.5)	(19.4)	2.4	(4.9)
	Gold	1,224	0.8	0.1	2.0	0.2	2.9	(5.3)	(4.1)	(6.0)
	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	96.19	(0.3)	(0.3)	(1.4)	0.5	0.1	2.7	2.7	4.4
	EUR	1.15	0.0	0.3	2.1	(0.1)	(0.2)	(2.8)	(2.4)	(4.6)
	JPY	112.55	(0.3)	(0.2)	(1.1)	0.3	(2.1)	(1.2)	0.2	0.2
	CNY	6.94	0.0	(0.1)	0.3	(0.2)	(1.2)	(8.0)	(4.4)	(6.3)
	CNH	6.93	0.0	0.2	(0.4)	0.1	(1.4)	(8.3)	(4.1)	(6.0)
CDS	ChinaGov CDS	69.87	2.2	3.3	8.6	4.7	14.6	23.4	15.8	39.5
	CDX Emerging Market	95.20	(0.3)	(0.3)	(0.7)	(0.2)	(0.2)	(1.9)	(0.9)	(3.9)

	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	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.79	(0.0)	(0.4)	2.9	2.9	2.6	2.6	1.8	1.9
	5-Year Treasury Yield	2.87	(0.0)	(0.3)	3.0	3.0	2.7	2.9	2.1	2.2
	10-Year Treasury Yield	3.06	-	(0.0)	3.1	3.2	2.8	3.1	2.4	2.4
	2-10 Spread	27.14	1.3	4.8	24.4	28.4	23.0	49.0	61.2	51.8
China rates	O/N China Repo Rate	2.55	0.2	9.0	2.1	2.4	2.0	2.5	2.8	3.0
	1-Week China Repo Rate	2.60	(0.0)	(1.9)	2.5	2.6	2.7	2.7	3.4	3.1
	O/N SHIBOR	2.55	0.2	8.8	2.5	2.4	2.6	2.5	2.8	2.8
	1-Week SHIBOR	2.64	0.0	0.5	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



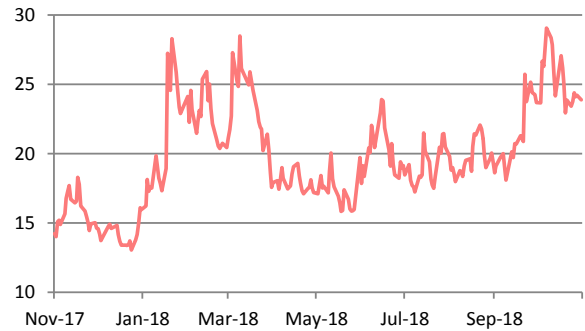
Source: Bloomberg

China 5Y CDS Index_USD



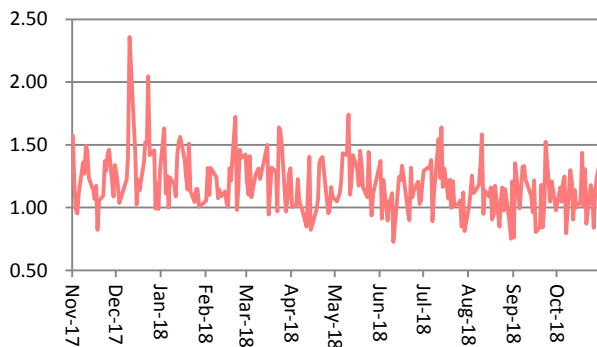
Source: Bloomberg

Hang Seng Index VIX



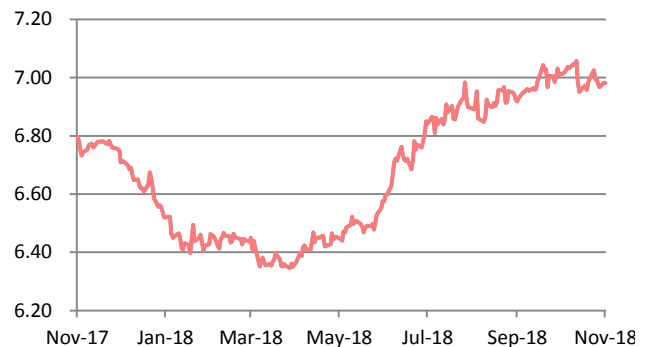
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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