



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Leading Index	Oct	0.1%	0.5%
US: Durable Goods Orders MoM	Oct	- 2.1%	0.7%
S. Korea: Exports / Imports YoY	Nov	N/A	26.0% / 31.4%
Thailand: Exports / Imports YoY	Oct	3.0% / 6.0%	-5.2% / 9.9%

Source: Bloomberg

II. Macro News

- **Regulator considers ways to aid private firms.** China's banking and insurance regulator is proposing more practical measures to further support financing for private companies as a way to continue shoring up the real economy, a senior official said. [China Daily]
- **Nation adopts measures to lift real economy.** China will select 10 centrally-administered State-owned enterprises as the second batch of pilot State-owned capital investment and operating companies to optimize capital use via diversified forms of operation, the country's top regulator for State assets said. [China Daily]
- **Eurozone Construction Output Up 2% MoM in Sep.** Eurozone's seasonally adjusted construction output gained 2% month-on-month in September while the preliminary value was revised to -0.6% from -0.5%, Eurostat data showed. After work-day adjustment, eurozone's construction production growth accelerated to 4.6% while the preliminary value was revised down to +2.2% from +2.5%. [AAStocks]

III. Industry News

- **Countdown begins for 5G commercialization.** China's 5G commercialization has entered a countdown stage, with certification to be issued by the end of this year at the earliest and major areas in main cities covered with 5G technology by 2020, Securities Daily reported on Tuesday. [China Daily]
- **Profit of China's petroleum, chemical industry up 45.2% in first three quarters.** China's petroleum and chemical industry posted rapid growth in the first nine months of 2018, official data showed. The sector's profit amounted to 712.1bn yuan (\$102bn) in Jan-Sep, with an increase of 45.2% YoY, according to the MIIT. [China Daily]
- **Chinese commercial lenders' bad loan ratio slightly up in Q3.** China's commercial banks saw a higher non-performing loan ratio at the end of Q3. The non-performing loan ratio of commercial banks stood at 1.87%, 0.01ppts higher than the end of Q2. Outstanding bad loans amounted to 2.03tn yuan by end Q3, 75.1bn yuan more than Q2. [China Daily]

IV. Corporate News

- **JD Founder Struggles to Calm Investors After Slowdown, Arrest.** JD.com Inc. founder Richard Liu is struggling to reassure investors of his e-commerce giant's prospects amid rising competition and a global trade war, even as U.S. prosecutors mull whether to charge him over rape allegations. [Bloomberg]
- **Tencent's co-founder tells Chinese state media that fate played a role in the company's success.** Pony Ma attributes the success of his internet giant Tencent Holdings to fate and "the era" in which the company grew up in, according to an interview the low profile tech leader gave to People's Daily, the ruling Communist Party's mouthpiece. [SCMP]

- **Hong Kong's securities regulator orders Chinese drug company Hua Han to suspend trading.** Hong Kong's Securities and Futures Commission (SFC) has directed the city's exchange to suspend all trading in the shares of Hua Han Health Industry Holdings, a Chinese pharmaceutical company, from Tuesday. [SCMP]
- **Convoy Global buys 'significant' stake in Britain's Tandem Bank, as part of digital banking move.** Convoy Global Holdings will invest 15mn pounds (US\$19.29mn) for a significant stake in British virtual bank Tandem Bank, as it seeks to apply for a virtual bank licence from the Hong Kong Monetary Authority, according to a stock exchange filing on Tuesday. [SCMP]
- **China's JD.com feels pressure as sales of big ticket items slow.** JD.com reported its slowest quarterly revenue growth since its initial public offering in 2014. It said slower sales in its core e-commerce business, particularly big ticket items, dented third-quarter earnings growth. While revenue rose 25% YoY, it lagged analysts' forecasts and was well below previous growth rates, which peaked at over 60 per cent in 2015. [SCMP]
- **BYD harnesses reform energy for global rewards.** BYD Co Ltd's resounding success in the international arena is perhaps one of the best examples of the nation's reform and opening-up in the last 40 years. "Without reform and opening-up, there would be no BYD," said Wang Chuanfu, the founder, chairman and president of BYD. [China Daily]
- **JD's first large-scale UAV debuts in Shaanxi.** JD.com has launched its first large-scale unmanned aerial vehicle at Pucheng airport, Shaanxi province, Nov 19, 2018. The UAV will be used for the company's cargo deliveries. JD.com's plan to develop a large-scale UAV was unveiled in June, [China Daily]
- **Carmakers optimistic on market potential despite slowdown.** Despite the rising odds that China's automotive market may see its first annual fall in more than two decades, carmakers at the ongoing Guangzhou auto show are announcing massive product and investment plans in the country, a sign of their confidence in its long-term growth potential. [China Daily]
- **Airline alliances see new trend.** The planned withdrawal of China Southern Airlines Co from the SkyTeam airline alliance signifies less close-knit alliances and more cross-alliance cooperation, analysts said. China Southern announced it would not renew its SkyTeam membership when it expires on Jan 1 next yr "based on the needs of the company's development strategy and to better align with the new trend of cooperation in the global aviation industry". [China Daily]
- **Aion S coupe embodies the global ambition of GAC New Energy Automobile.** GAC New Energy Automobile Co is showcasing its Aion S at the Guangzhou auto show, which the less-than two-year-old subsidiary under the Guangzhou Automobile Group said is an indication of its ambition to become a global leader in three to five years. [China Daily]
- **China Mobile 4G Net Addition Slows to 5.083M in Oct.** China Mobile announced that the number of 4G customers delivered a net addition of 5.083 million in October, decelerating from 5.531 million in September. 4G clients added to 700.4 million. [AASocks]
- **Xiaomi-W Boss: 3FQ Rosy Data Backed by Mi Fans' Trust, Support.** Xiaomi-W's Chairman Lei Jun, on his personal Weibo, laid out the performance of the company for 3FQ18. The revenue added 49.1% yearly to RMB50.8bn. Handset sales bucked the universal trend to grow to 33 million units, grasping stable shares in high-end market. [AASocks]
- **CN Automakers to See Stressed GM in 2019, PV Sales Outlook Meager.** Fitch Ratings previewed in its report that Chinese automakers have been prone to economic slowdown, Sino-US trade war and poorer consumption confidence under the cooling Chinese property market. Hence, the possibly weaker passenger vehicle sales will squeeze the gross margins of these automakers next year. [AASocks]
- **Meitu Expects Annual Loss to Widen to RMB950-1,200M.** Meitu issued profit warning, expecting that the Group may record a net loss of between approximately RMB950 million and RMB1,200 million for the year ending December 31, 2018 (compared to a net loss of approximately RMB197 million for the year ended December 31, 2017). [AASocks]
- **HSB 2019 Salary Hike Up to 4%; HSBC Increase Slimmer.** Hang Seng Bank has hiked budgets for fixed pay by approximately 3.5%-4% for next year, whereas HSBC has a narrower proposed wage increment although there is no plan to freeze the salary of mid-to-senior management staff, Apple Daily quoted sources as saying. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,642	(48.8)	(1.8)	(2.9)	(4.5)	(7.7)	(3.3)	1.6	(1.2)
	Dow Jones	24,466	(551.8)	(2.2)	(3.2)	(3.8)	(5.3)	(2.2)	3.7	(1.0)
	Nasdaq Composite	6,909	(119.7)	(1.7)	(4.1)	(7.3)	(12.1)	(6.6)	0.7	0.1
	Russell 2000	1,469	(27.5)	(1.8)	(3.0)	(4.7)	(14.5)	(10.3)	(3.3)	(4.3)
	VIX Index	22.48	2.4	11.8	12.3	13.0	74.8	71.9	131.0	103.6
Europe Equity	Euro Stoxx 50	3,116	(44.3)	(1.4)	(3.4)	(3.0)	(8.7)	(12.8)	(12.9)	(11.1)
	DAX	11,066	(178.1)	(1.6)	(3.5)	(4.2)	(10.6)	(15.4)	(16.0)	(14.3)
	CAC	4,925	(60.6)	(1.2)	(3.5)	(3.1)	(8.9)	(12.6)	(8.2)	(7.3)
	FTSE 100	6,948	(53.0)	(0.8)	(1.5)	(1.4)	(8.2)	(11.6)	(6.3)	(9.6)
APAC Equity	HSI	25,840	(531.7)	(2.0)	0.2	1.1	(6.9)	(17.3)	(13.3)	(13.6)
	HSCEI	10,466	(165.6)	(1.6)	(0.1)	2.4	(2.5)	(15.3)	(11.9)	(10.6)
	HSI VIX	25.13	1.2	5.2	5.8	6.1	33.5	46.9	79.4	72.1
	CSI 300	3,218	(76.2)	(2.3)	(0.6)	2.7	(3.3)	(17.9)	(23.7)	(20.2)
	SH Composite	2,646	(57.7)	(2.1)	(0.3)	3.7	(3.2)	(17.7)	(22.4)	(20.0)
	SZ Composite	1,379	(38.5)	(2.7)	(0.4)	9.1	(6.3)	(25.4)	(30.6)	(27.4)
	Nikkei 225	21,583	(238.0)	(1.1)	(1.0)	(4.2)	(2.9)	(6.2)	(3.7)	(5.2)
KOSPI	2,083	(18.0)	(0.9)	0.6	(3.4)	(8.3)	(15.5)	(17.7)	(15.6)	
Commodities (USD)	Brent (Future)	62.53	(4.3)	(6.4)	(4.5)	(21.6)	(13.4)	(20.4)	0.5	(6.5)
	WTI (Future)	53.43	(3.3)	(5.9)	(4.1)	(22.6)	(20.5)	(25.9)	(5.8)	(11.4)
	Gold	1,222	(2.5)	(0.2)	1.6	0.0	2.2	(5.4)	(4.6)	(6.2)
	Copper (Future)	6,259	54.0	0.9	3.5	0.6	5.6	(8.7)	(7.6)	(13.6)
	Baltic Dry Index	1,023.00	(8.0)	(0.8)	(3.9)	(35.1)	(40.8)	(19.6)	(26.1)	(25.1)
FX	Dollar Index	96.84	0.6	0.7	(0.5)	1.2	1.0	3.4	2.9	5.1
	EUR	1.14	(0.0)	(0.7)	0.7	(0.8)	(1.7)	(3.6)	(3.1)	(5.3)
	JPY	112.77	0.2	0.2	(0.9)	0.1	(2.1)	(1.4)	(0.2)	0.0
	CNY	6.95	0.0	(0.0)	0.2	0.0	(1.3)	(8.1)	(4.4)	(6.3)
	CNH	6.95	0.0	0.2	(0.0)	(0.1)	(1.7)	(8.5)	(4.6)	(6.2)
CDS	ChinaGov CDS	72.34	2.5	3.5	11.0	8.4	21.5	27.8	20.9	44.4
	CDX Emerging Market	94.82	(0.4)	(0.4)	(0.8)	(0.6)	(0.6)	(2.3)	(1.3)	(4.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.38	0.0	1.3	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.80	0.0	0.5	2.9	2.9	2.6	2.5	1.8	1.9
	5-Year Treasury Yield	2.89	0.0	0.6	3.0	3.0	2.7	2.8	2.1	2.2
	10-Year Treasury Yield	3.06	-	(0.0)	3.1	3.2	2.8	3.0	2.4	2.4
	2-10 Spread	25.70	(1.4)	(5.3)	25.5	28.5	22.4	45.9	58.2	51.8
China rates	O/N China Repo Rate	2.52	(0.0)	(1.2)	2.3	2.5	2.5	2.5	3.1	3.0
	1-Week China Repo Rate	2.90	0.3	11.5	2.3	2.3	2.5	2.5	3.4	3.1
	O/N SHIBOR	2.61	0.1	2.3	2.3	2.5	2.5	2.5	2.8	2.8
	1-Week SHIBOR	2.67	0.0	0.8	2.6	2.6	2.7	2.8	2.9	3.0

Source: Bloomberg

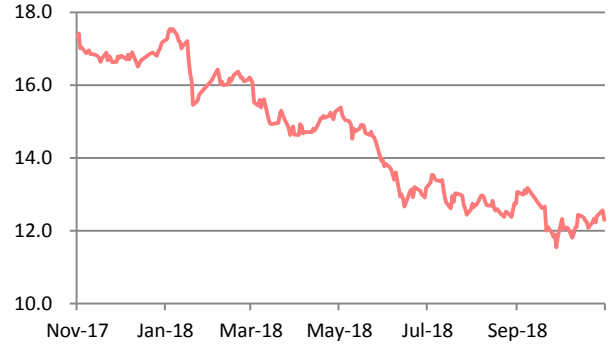
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



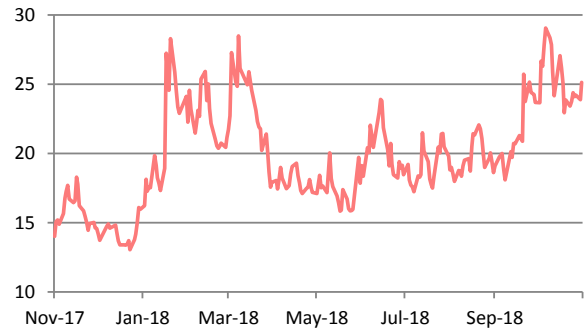
Source: Bloomberg

China 5Y CDS Index_USD



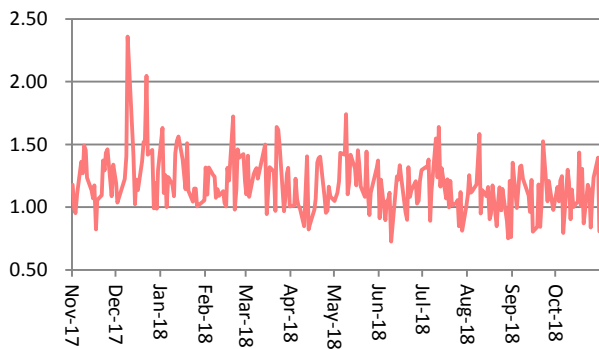
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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