



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Japan: National CPI YoY	Oct	1.40%	1.20%
Turkey: Consumer Confidence Index	Nov	N/A	57.3
France: Business Confidence	Nov	N/A	104
Taiwan: Unemployment Rate	Oct	3.70%	3.70%
Eurozone: Consumer Confidence	Nov	-3.00	-2.70

Source: Bloomberg

II. Macro News

- **Federal Reserve Not Likely Swayed by Recent Stock Market Declines.** Market turbulence is leading some investors to call on the Federal Reserve to halt its campaign of interest rate increases. But Fed officials have signaled in recent days they plan to proceed with another quarter percentage point increase in their benchmark short-term interest rate when they meet Dec. 19, marking their fourth rate increase this year. [WSJ]
- **U.S. Housing Starts Increased in October.** U.S. housing starts rose last month on a bounce back in multifamily building, but underlying figures signal weakness in the construction pipeline. Housing starts climbed 1.5% in October from the prior month to a seasonally adjusted annual rate of 1.228mn, the Commerce Department said. [WSJ]
- **Mixed ownership reform to expand.** China will increase the number of pilot SOEs involved in mixed ownership reform in key areas and support the development of the non-public sector. The government will choose a number of centrally and locally-administered SOEs with a wider range of business categories to enrich the ongoing mixed ownership reform. [China Daily]

III. Industry News

- **Chinese Tech Companies Get a New Exchange in Shanghai.** President Xi Jinping is touting the launch of a new trading venue in Shanghai that will make it easier for high-tech companies to access funding. The board has generated some buzz, lifting shares of brokerages that stand to gain from the increased business. Shanghai Mayor Ying Yong, on a recent visit to the city's stock exchange, urged it to get the project up and running as soon as possible. [Bloomberg]
- **Banks ramp up lending to SMEs.** Large State-owned commercial banks have ramped up support for private and small businesses after government officials urged financial institutions to address financing difficulties of these enterprises. China Construction Bank Corp. has been using financial technologies to help small businesses obtain loans more easily, while it is stepping up efforts to control lending risks effectively, said CCB executives. [China Daily]
- **Pilot cos get green light for parallel import of vehicles.** The Ministry of Commerce has approved four automobile trading cos to conduct parallel import automobile business in Haikou Comprehensive Bonded Zone, Hainan province. More than 200 parallel import vehicles will enter the bonded zone by end of this year, according to media. [China Daily]

IV. Corporate News

- **CK Scraps Australia Deal in First Major Setback for Victor Li.** CK Group has formally walked away from its A\$13 billion (\$9.5 billion) bid to buy Australia's biggest gas-pipeline operator, representing the first major setback for Chairman Victor Li since taking over the family empire from his father in May. [Bloomberg]

- **Tencent-Backed Travel Site Raises \$180M in Hong Kong IPO.** Tongcheng-Elong Holdings Ltd., a Chinese travel website backed by Tencent Holdings Ltd., raised \$180m after pricing its Hong Kong IPO near the bottom of a marketed range. The Jiangsu-based company priced its sale of 143.8mn shares at HK\$9.80 apiece, according to terms for the deal obtained by Bloomberg on Wednesday. The shares were offered at HK\$9.75 to HK\$12.65 each. [Bloomberg]
- **HNA's Hainan Airlines sells 40 per cent stake in unprofitable local carrier to Urumqi government.** Hainan Airlines Holding, the flagship aviation unit of Chinese conglomerate HNA Group, is to sell a big chunk of its stake in an unprofitable local carrier to the government of Urumqi, in northwest China. [SCMP]
- **SoftBank doubles down on Korean online retailer Coupang with US\$2 billion investment.** SoftBank's Vision Fund is investing an additional US\$2 billion (HK\$15.6 billion) in South Korea's top e-commerce firm Coupang, the retailer said on Tuesday, as the loss-making start-up seeks to cement its market dominance. [SCMP]
- **CK Infrastructure considers sale of interests in European assets.** CK Infrastructure Holdings, which owns energy, transport and water utilities globally, is considering selling minority stakes in some of its European assets to a new investment company which would then be listed on the London Stock Exchange. [SCMP]
- **China Telecom enters Philippine market.** China Telecommunications Corp is making a major advance in its globalization strategy, with a consortium involving the co. becoming the third major mobile operator in the Philippines. The National Telecommunications Commission announced that Mislatel consortium, composed of China Telecom and two local cos, Chelsea Holdings and Udenna Corp, had been selected to operate mobile telecom services in the country. [China Daily]
- **JD chief seeks to reassure investors.** Liu Qiangdong, the billionaire founder and CEO of Chinese e-commerce giant JD, is struggling to reassure investors of his company's prospects after the online retailer posted weaker-than-expected third-quarter sales. [China Daily]
- **Coal giant seeks HK-Oz IPO listing.** Australia-listed Yancoal Australia, owned by China's coal giant Yanzhou Coal Mining (1171), is seeking a dual listing through Hong Kong initial public offering next Monday to raise about US\$200 million (HK\$1.56 billion), according to Reuters IFR. [The Standard]
- **Xiaomi-W Mulls 5,000 Stores in India by End-19.** with over 500 stores in India now, plans to ramp the number up to 5,000 by the end of 2019, foreign media reported. The tech giant hopes to penetrate into rural areas to fuel its offline sales, likely to generate 15,000 jobs for the country, said the article. [AAStocks]
- **China Education Group 8M18 NP RMB358M; Final Div HK7.4 Cents.** Texwinca Holdings announced the results for the eight months ended August 2018. Revenue reached RMB933 million, while net profit amounted to RMB358 million. EPS equaled 17.7 fen. A final dividend of HK7.4 cents was declared. [AAStocks]
- **CKI Mulls Selling Some European Assets to New Investment Co.** CKI Holdings announced that it is considering a proposal that would involve the company and its affiliates selling minority interests in certain of their European infrastructure assets to a new investment company proposed to be listed on the London Stock Exchange. [AAStocks]
- **BYD Company Completes Issuance of RMB2B Super Short-term Debentures with Rate 4.08.** BYD Company announced that it had completed the issuance of the fifth-tranche super short-term debentures this year with an issuance size of RMB2 billion. The debentures have a term of 270 days and bears an interest rate of 4.08%. [AAStocks]
- **SA SA Int'l Interim Net Profit Up 84.5%; Div HK7 Cents.** Sa Sa Int'l announced the interim result ended Sep 2018. Turnover rose 16.3% year on year to HK\$4.147bn. Net profit amounted to HK\$203mn, up 84.5% yearly. EPS was HK6.7 cents. An interim dividend of HK7 cents was declared against HK3.5 cents in the corresponding period of previous year. [AAStocks]
- **China Railway Construction Wins Zhuhai Lot with RMB1.25 Billion.** China Railway Construction won the bid for a land parcel between the south side of Jinqu Road and the west side of Shuanghu Road, Jinwan District, Zhuhai, as Chinese media reported. [AAStocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,650	8.0	0.3	(1.9)	(3.8)	(7.4)	(2.7)	2.0	(0.9)
	Dow Jones	24,465	(1.0)	(0.0)	(2.5)	(3.4)	(4.9)	(1.5)	4.0	(1.0)
	Nasdaq Composite	6,972	63.4	0.9	(2.3)	(6.6)	(11.6)	(5.5)	1.5	1.0
	Russell 2000	1,488	19.3	1.3	(0.9)	(3.3)	(13.6)	(8.4)	(1.9)	(3.1)
	VIX Index	20.80	(1.7)	(7.5)	(2.1)	5.9	69.8	57.3	110.5	88.4
Europe Equity	Euro Stoxx 50	3,154	37.8	1.2	(1.6)	(1.1)	(7.8)	(12.1)	(11.5)	(10.0)
	DAX	11,244	177.8	1.6	(1.5)	(2.4)	(9.2)	(14.6)	(13.6)	(13.0)
	CAC	4,976	50.6	1.0	(1.8)	(1.5)	(8.2)	(11.8)	(7.0)	(6.3)
	FTSE 100	7,050	102.3	1.5	0.2	0.1	(6.9)	(10.5)	(5.0)	(8.3)
APAC Equity	HSI	25,971	131.1	0.5	1.2	(0.7)	(7.0)	(16.8)	(13.4)	(13.2)
	HSCEI	10,486	20.0	0.2	0.8	(0.0)	(3.4)	(15.1)	(12.3)	(10.4)
	HSI VIX	24.80	(0.3)	(1.3)	1.7	4.8	30.6	44.9	64.5	69.9
	CSI 300	3,226	8.1	0.3	0.7	(1.3)	(2.5)	(17.4)	(23.7)	(20.0)
	SH Composite	2,652	5.7	0.2	0.7	(0.1)	(2.3)	(17.5)	(22.7)	(19.8)
	SZ Composite	1,386	7.5	0.5	0.6	4.6	(4.7)	(25.3)	(30.1)	(27.0)
	Nikkei 225	21,508	(75.6)	(0.4)	(1.6)	(4.9)	(3.8)	(6.3)	(4.5)	(5.5)
KOSPI	2,077	(6.0)	(0.3)	0.4	(3.9)	(8.7)	(15.8)	(18.3)	(15.8)	
Commodities (USD)	Brent (Future)	63.48	1.0	1.5	(4.0)	(20.4)	(12.6)	(19.9)	1.5	(5.1)
	WTI (Future)	54.63	1.2	2.3	(2.9)	(20.9)	(19.4)	(24.2)	(5.8)	(9.5)
	Gold	1,226	4.4	0.4	1.3	0.3	2.5	(5.1)	(5.1)	(5.9)
	Copper (Future)	6,184	(75.0)	(1.2)	1.8	(0.6)	3.2	(9.8)	(9.4)	(14.7)
	Baltic Dry Index	1,003.00	(20.0)	(2.0)	(0.6)	(36.4)	(42.2)	(19.0)	(28.2)	(26.6)
FX	Dollar Index	96.71	(0.1)	(0.1)	(0.1)	1.0	1.5	3.2	2.9	5.0
	EUR	1.14	0.0	0.1	0.7	(0.7)	(1.8)	(3.3)	(3.7)	(5.1)
	JPY	113.06	0.3	0.3	(0.5)	(0.2)	(2.2)	(1.9)	(1.6)	(0.3)
	CNY	6.93	(0.0)	0.3	0.3	0.3	(1.2)	(7.8)	(4.3)	(6.1)
	CNH	6.92	(0.0)	(0.3)	(0.3)	0.1	(1.2)	(8.3)	(4.8)	(6.0)
CDS	ChinaGov CDS	71.90	(0.4)	(0.6)	9.4	7.8	22.6	28.7	21.5	43.5
	CDX Emerging Market	95.00	0.2	0.2	(0.6)	(0.4)	(0.6)	(2.2)	(1.3)	(4.1)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.40	0.0	0.7	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.81	0.0	0.4	2.9	2.9	2.6	2.5	1.7	1.9
	5-Year Treasury Yield	2.89	0.0	0.1	2.9	3.0	2.7	2.8	2.0	2.2
	10-Year Treasury Yield	3.06	-	(0.0)	3.1	3.2	2.8	3.0	2.3	2.4
	2-10 Spread	24.68	(1.0)	(4.0)	25.2	28.4	20.6	46.5	58.8	51.8
China rates	O/N China Repo Rate	2.56	0.0	1.6	2.3	2.4	2.4	2.5	3.0	3.0
	1-Week China Repo Rate	2.50	(0.4)	(13.8)	2.6	2.6	2.6	2.7	3.4	3.1
	O/N SHIBOR	2.58	(0.0)	(1.1)	2.3	2.5	2.5	2.5	2.8	2.8
	1-Week SHIBOR	2.66	(0.0)	(0.3)	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



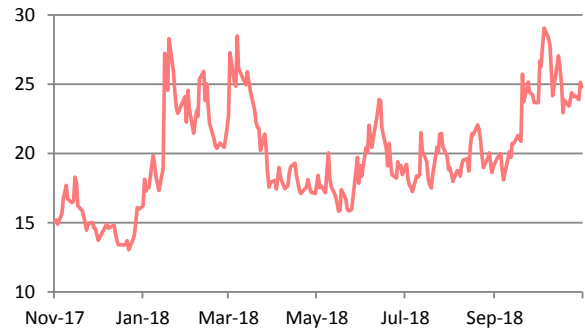
Source: Bloomberg

China 5Y CDS Index_USD



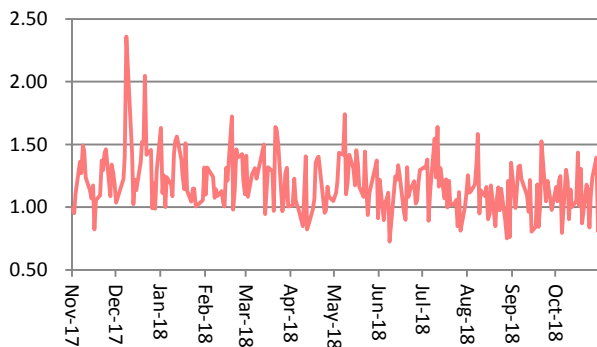
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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