



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Germany: IFO Business Climate	Nov	102.3	102.8
UK: Finance Loans for Housing	Oct	N/A	38505
Japan: Nikkei Manufacturing PMI	Nov	N/A	52.9
Brazil: FGV Consumer Confidence	Nov	N/A	86.1
Hong Kong: Exports / Imports YoY	Nov	N/A	4.5%/4.8%

Source: Bloomberg

II. Macro News

- **China, Kazakhstan Sign MOU for Cooperation in 55 Projects.** Two countries will give necessary support to the projects as part of industry and investment cooperation, Chinese top planning body National Development and Reform Commission says. Total investment on the projects are about \$27.4b. [Bloomberg]
- **ECB Officials Warn of Damage to Italy From Fiscal Fighting.** European Central Bank officials warned that uncertainty and tension over Italy's expansive budget risk causing damage to the country's economy in the long-run. "Italy's current financing conditions are much too tight for a country with weak growth and low inflation," ECB Chief Economist Peter Praet told Handelsblatt in an interview. [Bloomberg]
- **Ghana Seeks \$1.5B in Chinese Loans to Boost Cocoa Sector.** Ghana and China are in talks for the issuing of loans of as much as \$1.5bn that will be used to develop the cocoa sector in the world's second-biggest grower. Ghana Cocoa Board and China National Complete Engineering Corp. signed a memorandum of understanding earlier this month and are continuing discussions over projects that will be covered by the agreement. [Bloomberg]

III. Industry News

- **China's passenger vehicle sales decline in October.** China's passenger vehicle sales stood at 2.05mn units in October, down 0.66% from September and a decline of 12.99% from the same month last year, industry data showed. The aggregate sales for the first 10 months contracted by 1.02% YoY to 19.3mn units, according to CAAM. [China Daily]
- **China Said to Mull Cut in Parts Tariffs, Aiding Home-Built Jets.** China is discussing a plan to cut tariffs on plane parts imported for domestically developed commercial aircraft, a person familiar with the matter said, a move that may also benefit suppliers such as General Electric Co. and Honeywell International Inc. [Bloomberg]
- **PBOC Shanghai Asks Banks to Boost Credit Support to Private Cos.** PBOC Shanghai Head Office asks local policy banks to boost credit support to privately owned companies and startups with Pledged Supplementary Lending funds, according to the rules posted on PBOC website. [Bloomberg]

IV. Corporate News

- **Evergrande denies investing in Faraday Future to secure advanced tech for China.** A Chinese real-estate company cited by the US as having ties to the Chinese Communist Party has denied that a decision to invest in a struggling US start-up was prompted by a desire to acquire advanced technology at the behest of the government. [SCMP]
- **Foxconn's Gou Sees Brisk Business at Least Until January.** Terry Gou, chairman of iPhone-assembler Foxconn Technology Group, said his company's business will remain strong at least until January amid growing concern over cooling demand for Apple's flagship product. [Bloomberg]

- **Huawei Suppliers Shrug Off U.S. Push to Stymie Sales to Allies.** Stocks with notable revenue exposure to China's Huawei Technologies Co. showed little effect from a report that the Trump administration was urging key allies to avoid using the company's equipment. [Bloomberg]
- **China Railway Corp. Unit Is Said to Plan 30 Billion Yuan IPO.** Beijing-Shanghai High-Speed Railway Co., a unit of the state-owned China Railway Corp., is planning to raise 30 billion yuan (\$4.3 billion) in an initial public offering in the domestic market. [Bloomberg]
- **U.S. Urges Allies to Avoid Using Huawei Equipment, WSJ Says.** The U.S. government is contacting key allies to get them to persuade telecommunications companies in their countries to avoid using equipment from China's Huawei Technologies Co., the Wall Street Journal reported. [Bloomberg]
- **Hon Hai Rejects Speculation on Cuts to New Product R&D Expenses.** Hon Hai and group associates are cutting costs relating to administration and logistics, excluding research, development and new product development spending, company says in statement. [Bloomberg]
- **Yanzhou Coal Unit Issues \$275M 6% Senior Bonds.** Yanzhou Coal and unit entered agreement with Deutsche Bank, CMB Intl, StanChart, CEB Intl, Haitong Intl, Industrial Bank, Pudong Development Bank and Silk Road Intl for the bond issuance, co. says in a filing to stock exchange. [Bloomberg]
- **Sun Life Said to Vie for \$3B Hong Kong Insurer FTLife.** Canada's Sun Life Financial Inc. is among suitors vying to acquire FTLife Insurance Co., in a deal that could value the Hong Kong insurer at more than \$3bnn. The Toronto-based insurer is competing with other bidders including the billionaire Cheng family's Chow Tai Fook (Holding) Ltd. [Bloomberg]
- **China Mobile ready to launch 5G devices next year.** China Mobile Communications Corp will launch fifth-generation devices in the first half of next year, a top executive confirmed. "China Mobile will launch 5G smartphones in the first half of 2019, as part of the push for 5G precommercial trials in 2019 and commercialization by 2020," said Li Huidi, vice-president of the major telecommunication carrier. [China Daily]
- **Suppliers of Apple cut revenue estimates.** Major suppliers of components and parts to Apple Inc have cut their revenue estimates due to the lower-than-expected sales of the tech behemoth's newly launched iPhone XR amid fierce competition from rivals. [China Daily]
- **Huawei remains second-largest smartphone maker in the world.** Huawei remained the world's second-largest smartphone supplier for the second consecutive quarter, with the global market share of 14 percent in the third-quarter of this year, consultancy Counterpoint Research said on Friday. [China Daily]
- **Yancoal Australia to Start IPO, Entry Fee \$2,610.04.** Yancoal Australia (03668.HK) plans to start IPO from Monday (26 November) through Thursday (29 November) and to go public on 6 December. Offer prices range \$23.48-25.84. Entry fee is \$2,610.04 per board lot of 100 shares. [AASocks]
- **Esprit Hldgs Targets EBIT to Break-even in 2-3 Yrs.** Esprit Hldgs revealed FY18/19 outlook that the revenue posted a low double-digit percentage yearly decline due to a combination of continue rationalization of distribution footprint; and decline in customers' traffic although at a slightly lower rate than last year. [AASocks]
- **China Power: ABC Financial to Inject RMB290M to SPIC Jinzishan.** China Power announced that SPIC Guangxi, Danxia Company, ABC Financial and SPIC Jinzishan entered into capital injection agreement. ABC Financial, as investor, agreed to acquire about 44.32% equity interest in SPIC Jinzisha by way of RMB290mn cash contribution into SPIC Jinzishan, which will be contributed to increase its registered capital and capital reserve. [AASocks]
- **Xinyi Energy Plans to Raise US\$400 Million.** Xinyi Energy, a spin-off from Xinyi Solar for a separate listing, has initiated the preparation for pre-listing roadshow, raising US\$400 million (equivalent to over HK\$3.1 billion), Reuters cited IFR. [AASocks]
- **China Railway Proposes To Issue of Up to RMB3 Billion Renewable CBs.** China Railway announced the proposed issue of the third tranche of 2018 renewable corporate bonds by way of public offering, with an issuance size of not more than RMB3 billion. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,633	(17.4)	(0.7)	(3.6)	(1.0)	(8.4)	(3.3)	1.2	(1.5)
	Dow Jones	24,286	(178.7)	(0.7)	(4.0)	(1.6)	(5.8)	(1.9)	3.1	(1.8)
	Nasdaq Composite	6,939	(33.3)	(0.5)	(4.4)	(3.2)	(12.7)	(6.7)	0.7	0.5
	Russell 2000	1,489	0.4	0.0	(2.3)	0.3	(13.7)	(8.5)	(2.0)	(3.0)
	VIX Index	21.52	0.7	3.5	7.7	(10.9)	79.5	62.8	122.5	94.9
Europe Equity	Euro Stoxx 50	3,137	10.5	0.3	(1.4)	0.1	(8.5)	(10.8)	(12.4)	(10.5)
	DAX	11,193	54.2	0.5	(1.3)	(0.1)	(9.7)	(13.5)	(14.3)	(13.4)
	CAC	4,947	8.8	0.2	(1.6)	(0.4)	(8.9)	(10.7)	(8.2)	(6.9)
	FTSE 100	6,953	(7.5)	(0.1)	(0.9)	0.2	(8.2)	(10.1)	(6.2)	(9.6)
APAC Equity	HSI	25,928	(91.7)	(0.4)	(1.0)	4.9	(6.3)	(15.2)	(13.2)	(13.3)
	HSCEI	10,389	(57.9)	(0.6)	(1.8)	3.3	(3.6)	(13.8)	(12.8)	(11.3)
	HSI VIX	23.51	-	-	(2.9)	(19.1)	30.8	33.2	57.9	61.0
	CSI 300	3,143	(71.0)	(2.2)	(3.5)	(1.0)	(5.5)	(17.6)	(23.4)	(22.0)
	SH Composite	2,579	(66.0)	(2.5)	(3.7)	(0.7)	(5.5)	(17.9)	(23.1)	(22.0)
	SZ Composite	1,335	(50.7)	(3.7)	(5.3)	3.5	(8.6)	(26.2)	(30.6)	(29.7)
	Nikkei 225	21,647	139.0	0.7	(0.7)	(1.7)	(3.4)	(4.6)	(3.9)	(4.9)
KOSPI	2,057	(12.5)	(0.6)	(1.7)	1.5	(10.3)	(16.4)	(19.1)	(16.6)	
Commodities (USD)	Brent (Future)	58.80	(3.8)	(6.1)	(11.9)	(24.3)	(22.5)	(23.1)	(8.0)	(12.1)
	WTI (Future)	50.42	(4.2)	(7.7)	(10.7)	(25.6)	(26.8)	(25.9)	(14.7)	(16.7)
	Gold	1,223	(5.6)	(0.5)	(0.0)	(0.8)	1.0	(5.8)	(5.5)	(6.1)
	Copper (Future)	6,207	(48.0)	(0.8)	0.0	0.2	3.7	(9.6)	(10.9)	(14.4)
	Baltic Dry Index	1,093.00	75.0	7.4	6.8	(28.0)	(35.6)	1.5	(25.0)	(20.0)
FX	Dollar Index	96.92	0.2	0.2	0.5	0.6	1.9	2.8	4.5	5.2
	EUR	1.13	(0.0)	(0.6)	(0.7)	(0.6)	(2.9)	(2.5)	(4.7)	(5.6)
	JPY	112.96	0.0	0.0	0.1	(0.9)	(1.6)	(3.1)	(1.6)	(0.2)
	CNY	6.95	0.0	(0.2)	(0.2)	(0.2)	(1.0)	(8.1)	(5.3)	(6.4)
	CNH	6.94	0.0	0.3	0.4	0.1	(2.1)	(7.9)	(5.0)	(6.2)
CDS	ChinaGov CDS	73.05	0.2	0.3	8.0	0.7	29.2	33.5	22.9	45.8
	CDX Emerging Market	94.76	(0.2)	(0.3)	(0.8)	(0.6)	(0.7)	(2.6)	(1.6)	(4.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.40	(0.0)	(0.0)	2.3	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.81	(0.0)	(0.2)	2.8	2.8	2.6	2.5	1.7	1.9
	5-Year Treasury Yield	2.87	(0.0)	(0.8)	2.9	2.9	2.7	2.8	2.1	2.2
	10-Year Treasury Yield	3.04	(0.0)	(0.8)	3.1	3.1	2.8	2.9	2.3	2.4
	2-10 Spread	22.54	(2.1)	(8.7)	27.1	26.5	20.1	45.1	59.1	51.8
China rates	O/N China Repo Rate	2.33	(0.1)	(2.9)	2.6	2.0	2.4	2.5	2.8	3.0
	1-Week China Repo Rate	2.10	(0.2)	(8.7)	2.6	2.4	2.6	3.5	3.0	3.1
	O/N SHIBOR	2.36	(0.1)	(4.1)	2.6	2.1	2.4	2.5	2.8	2.8
	1-Week SHIBOR	2.63	(0.0)	(0.5)	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



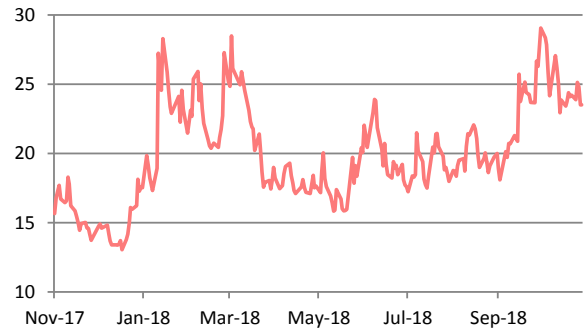
Source: Bloomberg

China 5Y CDS Index_USD



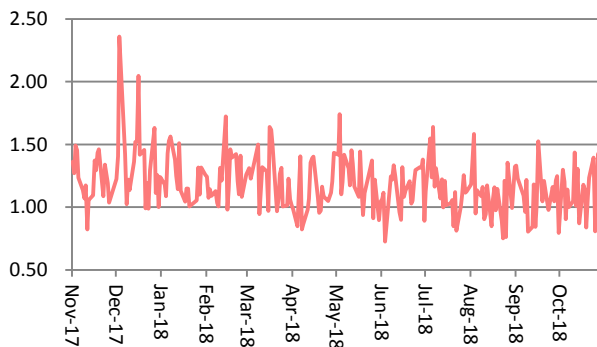
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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