

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Industrial Profits YoY	Oct	N/A	4.10%
US: FHFA House Price Index MoM	Sep	0.40%	0.30%
US: Conference Board Consumer Confidence	Nov	136	137.9
Japan: PPI Service YoY	Oct	1.20%	1.20%
S. Korea: Consumer Confidence	Nov	N/A	99.5

Source: Bloomberg

II. Macro News

- **Italy's Salvini Signals Possible Offering to EU in Budget Spat.** Deputy Premier Matteo Salvini signaled a new openness to change Italy's budget deficit target for next year, the focus of a standoff with Brussels over the populist government's spending push to fund election promises. [Bloomberg]
- **Philippines Eyeing Sukuk, Floaters as Budget Deficit Swells.** The Philippines is seeking a wider source of financing as the budget deficit swells and funds get increasingly expensive. The Bureau of the Treasury is looking to revive the sale of floating-rate notes next yr and debut inflation-linked debt and sukuk bonds, Treasurer Rosalia de Leon said. [Bloomberg]
- **China to Soon Issue Policies to Boost E-Commerce Imports.** China will add 63 items including some electronic products, small home appliances, food and health products to a list of products for retail e-commerce imports, the Economic Information Daily reports. [Bloomberg]

III. Industry News

- **China's exchanges start to rein in rampant issuances of bonus stocks among listed cos.** China's exchanges are starting to crack down on issuances of excessive bonus shares among listed cos, as part of the widened drive to curb speculation. Publicly traded companies with YoY profit declines exceeding 50% and per-share earnings lower than 0.2 yuan are allowed to issue no more than five such stocks for every 10 held, the Shanghai and Shenzhen bourses said. [SCMP]
- **Shanghai Collects Company Information for New Tech Board.** Shanghai municipal commission of economy and information is collecting information including income, profit, R&D investment and patent ownership data, from high-tech companies in the city for new tech board preparation, China Business News reports. [Bloomberg]
- **China's Tech Giants Are Looking Weaker Than Ever.** China's internet sector wrapped up third-quarter earnings season with its slowest growth on record. Aggregate revenue for the five largest companies climbed 31.5 percent for the three months ended September, the third consecutive quarter of slowdown. [Bloomberg]

IV. Corporate News

- **Asia's largest real estate trust buys Beijing shopping mall for US\$369mn.** Link Reit, the largest real estate investment trust in Asia, on Monday announced that it had bought a mall in Beijing for 2.56bn yuan (US\$369mn). The seven-storey Beijing Jingtong Roosevelt Plaza in the Tongzhou district is the company's second acquisition in the Chinese capital and fourth in a tier one city on the mainland. [SCMP]
- **Li & Fung Sees Opportunity Brought by Trade War.** Li & Fung has strong network in SE Asia that can help clients to shift production lines, HK Economic Journal reports, citing a supply chain management VP of the group. About 30% of goods handled by co's logistics service center and delivered to U.S. are from mainland China; 70% from SE Asia. [Bloomberg]

- **iDreamSky to Offer HK IPO Shares at HK\$6 to \$7.80 Each.** iDreamSky Technology Holdings Ltd., a Chinese game distributor, will offer shares in its Hong Kong initial public offering at HK\$6 to HK\$7.80 apiece, according to the company. The Shenzhen-based company plans to raise net proceeds of HK\$782.4mn (\$100mn) from the IPO. [Bloomberg]
- **Kaisa Property Sets HK\$9.08-HK\$10.88 Range for Hong Kong Listing.** Kaisa Property sets listing price range for 35 million shares offered, it says in filing to Hong Kong stock exchange. Trading expected to begin on 6 December 2018. [Bloomberg]
- **Alibaba to Replace Heads of Cloud and Entertainment Units.** Alibaba Group Holding Ltd. Chief Executive Officer Daniel Zhang has announced a reorganization of several key units as he named new executives to lead the cloud computing and entertainment divisions. [Bloomberg]
- **Country Garden First H.K. Project Draws Lackluster Interest.** Only 18 of the 110 flats on offer at Country Garden's first project in Hong Kong were sold as of last night, South China Morning Post reports. The avg selling price for the project, the Altissimo in Ma On Shan, was HK\$16,497 per sq foot. [Bloomberg]
- **S&P Cuts China Automation Group to 'SD' on Distressed Exchange.** S&P Global Ratings cuts long-term issuer credit rating on China Automation Group Ltd. to 'Selective Default' from 'CC', saying the \$10m note exchange that co. just completed was a distressed exchange tantamount to a default. [Bloomberg]
- **Uniqlo's Greater China Sales Growth Slowed Amid Trade War.** Uniqlo's same-store sales growth in mainland China, Hong Kong and Taiwan slowed to single digit in recent months amid U.S.-China trade tensions, Hong Kong Economic Journal reports, citing Ning Pan, CEO of Uniqlo Greater China. [Bloomberg]
- **General Motors Is Said to Plan Closing of Oshawa Plant.** General Motors Co. plans to close all its operations in Oshawa, Canada, affecting some 2,500 jobs, CTV News Toronto reported. According to GM's website, it has two factories at Oshawa, which is east of Toronto. [Bloomberg]
- **H.K. Developer Wing Tai Forms JV for Central London Property.** Wing Tai Properties entered agreement with Manhattan, a real estate investment holding company, to form an equally-owned joint venture to buy leasehold interests in property situated at 30 Gresham Street, Wing Tai says in filing to Hong Kong stock exchange. [Bloomberg]
- **Alibaba announces cloud computing unit upgrade, Tmall restructuring.** E-commerce juggernaut Alibaba Group announced on Monday the upgrading of its cloud computing unit and the restructuring of its iconic Tmall e-commerce segment, indicating the pair's surging importance in the company's strategic layout. [China Daily]
- **Joint venture leaders vow even broader, deeper partnership.** After 30 years of successful cooperation that in many ways represents the pinnacle of success in the world's largest car market, China FAW Corporation Limited and Audi AG are driving into a new era of partnership. [China Daily]
- **FAW-VW meets challenge of China's auto market with dynamic models, rich product lineup.** Despite the headwinds China's automotive market is currently battling, FAW-Volkswagen has kept its momentum thanks to its rich lineup of products, efficient cooperation between partners, and sound sales and marketing system. [China Daily]
- **Chinese bourses gain leverage abroad.** China's bourses are picking up stakes in stock exchanges abroad in the hope of giving further impetus to Belt and Road Initiative projects. The moves are also expected to increase the global presence of mainland capital, besides offering the benefit of Chinese expertise to local bourses. [China Daily]
- **Esprit Holdings Axes 40% Staff at HQ; Wants to Expand Mainland Mkt.** Executive Chairman Raymond Or Ching Fai said the co plans to axe 40% staff at the HQs in Germany and Hong Kong. For Germany, the co is still having communications with local labor committee; whereas for Hong Kong, the related layoff will be proceeded after CNY. [AASocks]
- **Sinopharm Completes Issue of RMB3.3 Billion 3.99% Corporate Debt.** Sinopharm announced the completion of the first tranche of corporate debt for 2018 with an actual issuance size of RMB3.3 billion. The coupon rate is 3.99%. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,673	40.9	1.6	(2.3)	0.6	(7.7)	(1.8)	2.8	(0.0)
	Dow Jones	24,640	354.3	1.5	(3.0)	(0.2)	(5.4)	(0.5)	4.5	(0.3)
	Nasdaq Composite	7,082	142.9	2.1	(2.3)	(1.2)	(11.7)	(4.7)	3.0	2.6
	Russell 2000	1,506	17.3	1.2	(1.4)	1.5	(12.9)	(7.4)	(0.5)	(1.9)
	VIX Index	18.90	(2.6)	(12.2)	4.2	(21.8)	55.4	43.0	91.5	71.2
Europe Equity	Euro Stoxx 50	3,173	35.5	1.1	0.4	1.2	(8.2)	(9.7)	(11.0)	(9.5)
	DAX	11,355	162.0	1.4	1.0	1.4	(9.4)	(12.2)	(12.7)	(12.1)
	CAC	4,995	48.0	1.0	0.2	0.6	(8.8)	(9.9)	(6.8)	(6.0)
	FTSE 100	7,036	83.1	1.2	0.5	1.4	(7.1)	(9.0)	(4.7)	(8.5)
APAC Equity	HSI	26,376	448.5	1.7	0.0	6.7	(6.7)	(13.8)	(11.2)	(11.8)
	HSCEI	10,522	133.0	1.3	(1.0)	4.6	(4.8)	(12.7)	(10.6)	(10.1)
	HSI VIX	24.17	0.7	2.8	1.2	(16.9)	28.8	36.9	54.4	65.5
	CSI 300	3,141	(2.2)	(0.1)	(4.7)	(1.0)	(7.8)	(17.7)	(22.4)	(22.1)
	SH Composite	2,576	(3.7)	(0.1)	(4.7)	(0.9)	(7.4)	(18.0)	(22.5)	(22.1)
	SZ Composite	1,331	(4.2)	(0.3)	(6.1)	3.1	(11.1)	(26.5)	(29.7)	(29.9)
	Nikkei 225	21,812	165.5	0.8	0.6	3.0	(4.3)	(2.8)	(3.0)	(4.2)
Commodities (USD)	KOSPI	2,083	25.5	1.2	(0.8)	2.8	(9.4)	(15.4)	(16.9)	(15.6)
	Brent (Future)	60.48	1.7	2.9	(9.5)	(22.1)	(20.2)	(20.9)	(5.3)	(9.6)
	WTI (Future)	51.63	1.2	2.4	(8.6)	(23.7)	(25.2)	(24.1)	(11.3)	(14.7)
	Gold	1,222	(0.7)	(0.1)	(0.1)	(0.5)	0.9	(5.9)	(5.5)	(6.1)
	Copper (Future)	6,207	(48.0)	(0.8)	0.0	0.2	3.7	(9.6)	(10.9)	(14.4)
FX	Baltic Dry Index	1,093.00	75.0	7.4	6.8	(28.0)	(35.6)	1.5	(25.0)	(20.0)
	Dollar Index	97.07	0.2	0.2	0.9	0.7	2.0	3.0	4.6	5.4
	EUR	1.13	(0.0)	(0.1)	(1.1)	(0.4)	(3.0)	(2.5)	(4.7)	(5.6)
	JPY	113.58	0.6	0.5	0.9	(1.0)	(2.1)	(3.6)	(2.1)	(0.7)
	CNY	6.94	(0.0)	0.1	0.0	0.0	(1.8)	(7.8)	(4.9)	(6.3)
CDS	CNH	6.95	0.0	0.1	0.2	0.4	(2.2)	(7.9)	(5.0)	(6.2)
	ChinaGov CDS	72.36	(0.7)	(0.9)	3.6	(0.5)	28.0	32.3	21.8	44.5
	CDX Emerging Market	94.80	0.0	0.0	(0.7)	(0.3)	(0.7)	(2.5)	(1.6)	(4.3)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.39	(0.0)	(0.1)	2.4	2.3	2.1	1.9	1.2	1.4
	2-Year Treasury Yield	2.83	0.0	0.7	2.8	2.8	2.7	2.3	1.7	1.9
	5-Year Treasury Yield	2.89	0.0	0.7	2.9	2.9	2.8	2.6	2.0	2.2
	10-Year Treasury Yield	3.05	0.0	0.5	3.1	3.1	2.9	2.8	2.3	2.4
	2-10 Spread	21.91	(0.6)	(2.8)	25.7	26.5	21.1	45.8	58.3	51.8
China rates	O/N China Repo Rate	2.50	0.2	7.3	2.5	2.0	2.4	2.8	2.0	3.0
	1-Week China Repo Rate	2.30	0.2	9.5	2.9	2.4	2.5	2.9	2.8	3.1
	O/N SHIBOR	2.50	0.1	6.0	2.6	2.1	2.4	2.7	2.8	2.8
	1-Week SHIBOR	2.64	0.0	0.6	2.7	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



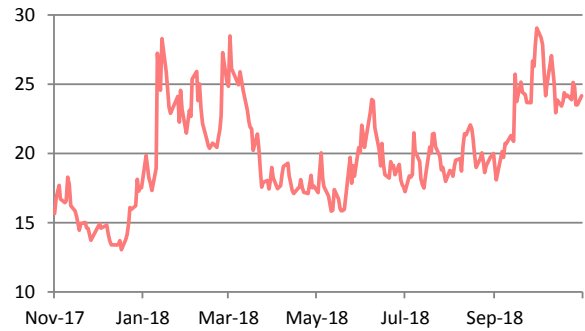
Source: Bloomberg

China 5Y CDS Index_USD



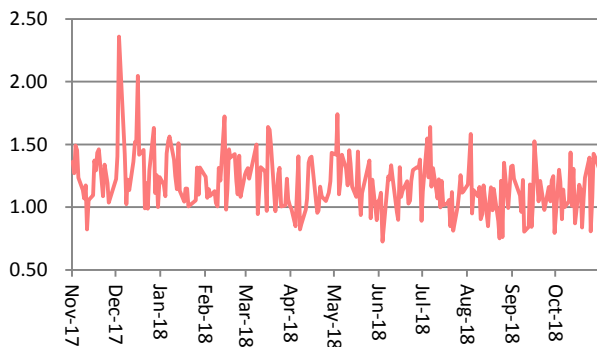
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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