



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Wholesale Inventory MoM	Oct	0.50%	0.40%
US: New Home Sales / MoM	Oct	582k/5.2%	553k/-5.5%
Germany: GfK Consumer Confidence	Dec	10.6	10.6
S. Korea: Business Survey Manufacturing	Dec	N/A	72
Eurozone: M3 Money Supply YoY	Oct	N/A	3.50%

Source: Bloomberg

II. Macro News

- **Trump Signals U.S. Likely to Go Ahead With China Tariff Increase.** President Donald Trump said he'll likely push forward with plans to increase tariffs on \$200 billion of Chinese goods, indicating he would also slap duties on all remaining imports from the Asian nation if negotiations with China's leader Xi Jinping fail to produce a trade deal. [Bloomberg]
- **China industrial profit grows 3.6% in Oct.** China's industrial firms saw profit growth slump to 3.6 percent year-on-year in October, down from 4.1 percent in September. In the first 10 months, profits of industrial firms increased 13.6 percent, 1.1 percentage points lower than in the first nine months, the National Bureau of Statistics said. [China Daily]
- **India Is Said to Push RBI to Lift Lending Curbs on Some Banks.** The Indian government will push its central bank to ease lending restrictions for some weak banks and review rules governing its functioning at a board meeting next month. The members, including govt nominees, will press for some of the weak banks to be removed from the so-called prompt corrective action list, particularly those ones that have been consistent in recovering outstanding debt. [Bloomberg]

III. Industry News

- **Govt to develop 600 excellent SMEs.** China aims to cultivate about 600 "little giants", or small, highly specialized world market leaders, in three years, as part of its broader push to promote the development of small-and-medium-sized enterprises, the country's top industry regulator said. [China Daily]
- **Nation raises foreign banks' debt quota.** The National Development and Reform Commission announced it will allow foreign banks in China to apply for government approval for a quota increase in their medium to long-term foreign debt for 2019. [China Daily]
- **SFC vows to keep market clean.** The Securities and Futures Commission has vowed to take more direct action to make companies avoid irregular activities. SFC executive director Brian Ho Yin-tung said that the HK stock market has grown healthier in recent years as the SFC has engaged in targeted intervention at an early stage to prevent misconduct and harm to investors since early 2017. [The Standard]

IV. Corporate News

- **AXA to pay US\$662mn for full control of China JV, as Beijing speeds up opening before Xi-Trump meeting.** AXA said on Tuesday it will pay 4.6bn yuan (US\$662.34mn) to buy the remaining 50% stake in its Chinese JV that it didn't already own, becoming the second foreign insurer in 3 days to announce plans for a wholly-owned insurance co in China. [SCMP]
- **Tencent-backed online travel agency Tongcheng-eLong plans to use HK IPO to build brand awareness.** Tencent-backed Tongcheng-eLong Holdings, China's third-largest online travel agency, will use its trading debut on the Hong Kong stock exchange to gain brand awareness at home and abroad. [SCMP]

- **Tencent partners with Line on mobile payments in Japan, heating up competition with Alibaba's Alipay.** Tencent and Japanese messaging app operator Line are joining hands to provide payment services in Japan. Japanese merchants will be able to use an integrated payments system to serve local users of Line Pay, as well as Chinese tourists who use WeChat Pay, the payment system incorporated within Tencent's messaging and social media app WeChat. [SCMP]
- **StanChart Said to Weigh a Simpler Structure to Control Costs.** Standard Chartered Plc is weighing a plan to simplify its structure as the emerging markets lender looks to control costs across its sprawling network from Zambia to Macau. The bank is exploring how to free up liquidity and reduce funding expenses within its different legal entities. [Bloomberg]
- **IBM CEO Joins Apple in Blasting Data Use by Silicon Valley.** International Business Machines Corp. Chief Executive Officer Ginni Rometty joined a growing chorus of tech executives lambasting web platforms, like Google and Facebook Inc., over their collection of user data and urged governments to target regulation at those companies. [Bloomberg]
- **Saudi Petrochemical Giant Has Team Scouring World for M&A Deals.** Saudi Basic Industries Corp. is targeting acquisitions and partnerships with oil majors as the petrochemicals giant seeks to expand in faster-growing markets such as China and India, according to Chief Executive Officer Yousef Abdullah Al Benyan. [Bloomberg]
- **CNPC Signs Deals to Supply 11% More Gas to Users This Winter.** China National Petroleum Corp. has signed natural gas agreements with domestic users for the supply of 84.1b cubic meters during peak heating season, +11.2% y/y, according to statement on website Tuesday. [Bloomberg]
- **Apple iPhones May Get Hit With 10% Tariff, Trump Suggests.** Apple Inc., which has lost a fifth of its value in a tech market rout since October, is poised for another setback after U.S. President Donald Trump suggested that 10 percent tariffs could be placed on mobile phones, like the iPhone, and laptops made in China. [Bloomberg]
- **Bank Indonesia Sees Relief for Rupiah and Bonds as Crude Slides.** Pressure on Indonesia's currency and bonds is set to ease as global risks recede and falling oil prices offer relief on the nation's current-account deficit, according to the central bank. [Bloomberg]
- **Air China brings Asian country and Spain closer together.** As the first airliner running direct flight routes between China and Spain, Air China has helped facilitate exchanges between the two countries and is ready to do more, said Han Pengyu, head of Air China in Spain. [China Daily]
- **J&J plans product expansion after sales success.** US healthcare giant Johnson & Johnson, owner of brands such as Nutrogena, Listerine, and Band-Aid, is planning to bring dozens more of its products and technologies to China, after being encouraged by the country's recent opening-up and backing for science. [China Daily]
- **Rio Tinto sells its stake in Namibian mine to CNUC.** Mining giant Rio Tinto will sell its entire 68.62 percent stake in Rossing Uranium Ltd in Namibia for \$106.5 million to China National Uranium Corporation Ltd, in order to focus on its core assets including iron, copper and aluminum, the company said. [China Daily]
- **Babytree Group: Envisions More Cooperation with Fosun Int'l in Big Health.** The listing benefits Babytree Group in many ways in long term, Wang Huainan, the founder, chairman and CEO said after the listing ceremony, urging investors not to define its value by short-term performance. [AASocks]
- **ABC Mulls Setting Up Wealth Mgmt Subsidiary, Registered Capital Up to RMB12B.** ABC announced the intention to set up Agricultural Bank of China Wealth Management Co., Ltd. , to be 100% held by it, with a registered capital of no more than RMB12 billion. [AASocks]
- **ICBC Mulls Setting Up Wealth Management Subsidiary, Registered Capital RMB16 Billion or Less.** ICBC announced that it intends to establish a wealth management subsidiary with a registered capital of no more than RMB16 billion. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,682	8.7	0.3	(0.3)	0.9	(7.4)	(1.4)	2.1	0.3
	Dow Jones	24,749	108.5	0.4	(1.1)	0.2	(5.0)	(0.0)	3.8	0.1
	Nasdaq Composite	7,083	0.8	0.0	0.8	(1.2)	(11.8)	(4.7)	2.5	2.6
	Russell 2000	1,493	(13.1)	(0.9)	(0.2)	0.6	(13.6)	(8.2)	(2.8)	(2.8)
	VIX Index	19.02	0.1	0.6	(5.4)	(21.3)	52.2	43.9	89.6	72.3
Europe Equity	Euro Stoxx 50	3,166	(6.3)	(0.2)	1.6	1.0	(8.2)	(9.1)	(11.6)	(9.6)
	DAX	11,309	(45.6)	(0.4)	2.2	1.0	(9.7)	(12.1)	(13.4)	(12.5)
	CAC	4,983	(11.8)	(0.2)	1.2	0.3	(9.1)	(9.5)	(7.6)	(6.2)
	FTSE 100	7,017	(19.2)	(0.3)	1.0	1.1	(7.9)	(9.2)	(5.9)	(8.7)
APAC Equity	HSI	26,332	(44.2)	(0.2)	1.9	6.5	(7.1)	(14.5)	(11.3)	(12.0)
	HSCEI	10,515	(6.2)	(0.1)	0.5	4.5	(5.2)	(13.2)	(10.2)	(10.2)
	HSI VIX	24.39	0.2	0.9	(2.9)	(16.1)	30.4	42.1	45.4	67.1
	CSI 300	3,137	(4.0)	(0.1)	(2.5)	(1.1)	(7.7)	(18.2)	(22.6)	(22.2)
	SH Composite	2,575	(1.1)	(0.0)	(2.7)	(0.9)	(7.3)	(17.9)	(22.8)	(22.1)
	SZ Composite	1,337	5.7	0.4	(3.1)	3.6	(10.8)	(26.0)	(30.3)	(29.6)
	Nikkei 225	21,952	140.4	0.6	0.6	3.6	(3.8)	(2.4)	(2.4)	(3.6)
KOSPI	2,099	16.4	0.8	0.8	3.6	(8.8)	(15.3)	(16.5)	(14.9)	
Commodities (USD)	Brent (Future)	60.21	(0.3)	(0.5)	(3.7)	(22.4)	(21.0)	(21.2)	(5.7)	(10.0)
	WTI (Future)	51.56	(0.1)	(0.1)	(9.2)	(23.0)	(24.0)	(23.3)	(10.2)	(13.8)
	Gold	1,215	(7.4)	(0.6)	(0.5)	(1.2)	1.1	(6.5)	(6.1)	(6.8)
	Copper (Future)	6,189	(18.0)	(0.3)	(1.1)	0.5	1.4	(10.1)	(11.6)	(14.6)
	Baltic Dry Index	1,217.00	124.0	11.3	21.3	(19.9)	(28.3)	13.0	(17.6)	(10.9)
FX	Dollar Index	97.37	0.3	0.3	0.6	1.0	2.7	3.3	4.8	5.7
	EUR	1.13	(0.0)	(0.3)	(0.7)	(0.7)	(3.4)	(2.8)	(4.6)	(5.9)
	JPY	113.79	0.2	0.2	0.9	(1.2)	(2.3)	(3.8)	(2.0)	(0.9)
	CNY	6.95	0.0	(0.2)	(0.1)	0.2	(2.0)	(7.9)	(5.1)	(6.4)
	CNH	6.95	0.0	0.0	0.1	0.3	(2.2)	(8.0)	(4.9)	(6.3)
CDS	ChinaGov CDS	72.46	0.1	0.1	0.2	(0.4)	29.5	32.4	24.5	44.7
	CDX Emerging Market	94.73	(0.1)	(0.1)	(0.5)	(0.4)	(0.7)	(2.6)	(1.7)	(4.4)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.39	(0.0)	(0.2)	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.83	0.0	0.1	2.8	2.8	2.7	2.4	1.7	1.9
	5-Year Treasury Yield	2.89	0.0	0.2	2.9	2.9	2.8	2.7	2.1	2.2
	10-Year Treasury Yield	3.06	0.0	0.1	3.1	3.1	2.9	2.9	2.3	2.4
	2-10 Spread	22.22	0.3	1.4	24.7	26.5	20.4	43.9	57.8	51.8
China rates	O/N China Repo Rate	2.40	(0.1)	(4.0)	2.6	1.8	2.4	2.9	2.8	3.0
	1-Week China Repo Rate	2.65	0.4	15.2	2.5	2.5	2.6	3.0	3.4	3.1
	O/N SHIBOR	2.56	0.1	2.3	2.6	1.9	2.4	2.9	2.8	2.8
	1-Week SHIBOR	2.64	(0.0)	(0.0)	2.7	2.6	2.6	2.9	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



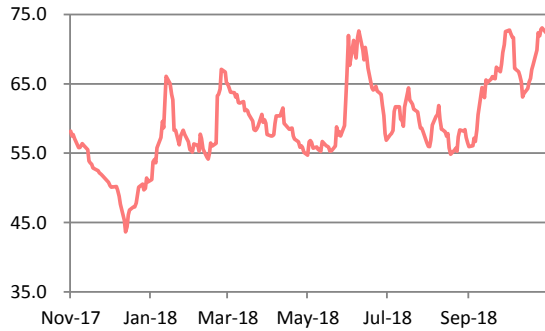
Source: Bloomberg

Shanghai Composite Index PE Ratio



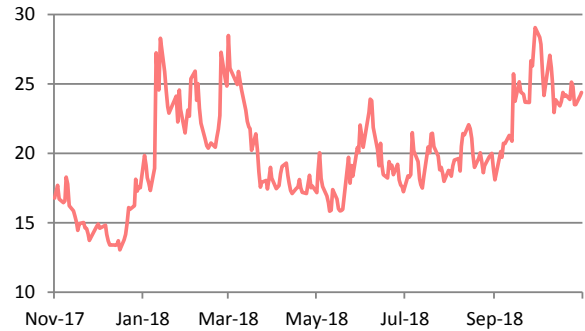
Source: Bloomberg

China 5Y CDS Index_USD



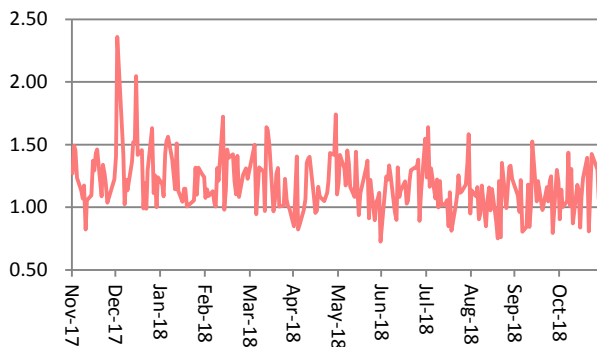
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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