



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Official Manufacturing PMI	Nov	N/A	50.2
UK: GfK Consumer Confidence	Nov	-11	-10
Japan: Industrial Production YoY	Oct	2.50%	-2.50%
India: GDP YoY	3Q18	N/A	8.20%
S. Korea: Industrial Production YoY	Oct	N/A	-8.40%

Source: Bloomberg

II. Macro News

- **Fed Emphasizes Flexible Rate Path After Likely December Hike.** Federal Reserve officials signaled they're adopting a more flexible approach in their gradual interest-rate increases after a likely December hike, as they try to sustain a U.S. expansion that may become the longest on record next year. [Bloomberg]
- **Japan's Retail Sales Rebound.** Japan's retail sales rose more than expected in October, offering a sign that consumer spending could support the economy's return to health after it shrank in a disaster-hit third quarter. Retail sales increased 1.2% from Sept for a fifth-straight monthly gain, according to economy ministry data released. [Bloomberg]
- **U.K. Consumer Confidence Wanes to Year-Low on Brexit Worry.** U.K. consumer confidence slumped to the lowest in a year as the country copes with the economic uncertainty of Brexit. The index compiled by YouGov and the Centre for Economics and Business Research fell in November and remains "notably below" where it was before the 2016 referendum to leave the European Union. [Bloomberg]

III. Industry News

- **China's Big Banks Are Lagging in Small-Business Lending Push.** China's behemoth state-backed lenders are proving less responsive to the government's call to boost lending to smaller businesses than local-level banks. Outstanding loans to small and micro-sized enterprises by the five biggest commercial banks shrank in the first nine months of the year, while remaining the biggest single source of lending to the sector. [Bloomberg]
- **US Considers Raising Tariffs on CN Auto Imports to 40%.** As instructed by US President Donald Trump, Trade Representative Robert Lighthizer is studying all available instruments to raise American levies on Chinese car imports to 40%, the same rate charged by China on American-produced vehicles, quoted Reuters. [AASocks]
- **U.K. Banks Get BOE Stamp of Approval to Weather Any Brexit Chaos.** The U.K.'s seven largest lenders all passed the central bank's latest stress test, showing they're strong enough to continue lending even during a no-deal Brexit that could send the economy into a tailspin. [Bloomberg]

IV. Corporate News

- **China Telecom Pledges 258b Pesos For 84% Philippine Coverage.** China Telecommunications and Davao businessman Dennis Uy's venture, which won slot to be Philippines' third major telecom player, pledged network coverage of 37% on its first yr of operation and rising to 84% on the fifth yr, according to govt. presentation at Senate hearing. [Bloomberg]
- **Sunac China Proposed Retap Eases Some Refinancing Needs.** Sunac's proposal to retap offshore issuance could ease some refinancing needs over short term as the developer plans to use proceeds to refinance existing debt, S&P Global Ratings says in report. [Bloomberg]

- **China Regulator Slams Didi Over Safety as Startup Pledges Fixes.** Chinese authorities have made scathing criticism of ride-hailing giant Didi Chuxing over its safety practices as the startup promised to fix its shortcomings. The Ministry of Transport demanded that Didi implement key changes, from shutting down the Hitch service until it ceases to be a danger for users to speeding up the dispute resolution process with drivers. [Bloomberg]
- **Yanzhou Coal to Raise \$335M in Upsized Offering of Senior Bonds.** Aggregate proceeds from the upsized offering are \$335m, being \$60m in addition to the original issuance of \$275m, Yanzhou Coal says in Hong Kong stock exchange filing. Proceeds to be used to repay debts or on-lent to subsidiaries for capital expenditure, working capital and general corporate purposes. [Bloomberg]
- **SoftBank's Blockbuster IPO Said to Reach Retail Sales Target.** SoftBank Group Corp.'s 2.4 trillion yen (\$21 billion) initial public offering of its Japanese telecommunications unit has successfully secured sales for the bulk of its shares to individual investors. [Bloomberg]
- **Ping An Fund Is Said to Plan Largest China Government Bond ETF.** Ping An Fund Management Co. is seeking to raise 1 billion yuan (\$144 million) for its first exchange-traded Chinese bond fund, tapping increased demand for less risky products as the economy slows and financial instability rises. [Bloomberg]
- **Mislatel in Talks with Beijing's Bank of China for Funding.** Mislatel consortium, which was selected to be the Philippines third telecom player and groups China Telecom, Udenna Corp. and unit Chelsea, is in talks with Beijing-based Bank of China for possible funding, Philippine Star reports, citing the lender's Manila branch head Deng Jun. [Bloomberg]
- **HNA Is Said to Widen Sales Push, Marketing More Than 90 Assets.** HNA Group Co. is putting more of its aviation and property assets on the block, marketing more than \$40 billion of domestic and international holdings as the Chinese conglomerate races to reduce its debt load. [Bloomberg]
- **Singaporean Regulators Widen Noble Group Probe to Auditor EY.** Singapore has expanded its investigation into Noble Group Ltd.'s accounting to probe the company's longstanding auditor, Ernst & Young LLP, according to a statement. The move comes follows the announcement last week of a three-agency probe into potential "suspected false and misleading statements" at Noble. [Bloomberg]
- **Tesla will be hoping price cuts put China sales on the right track after 70pc plunge in October.** Tesla will be hoping that price cuts help it sell more cars in China after the US electric car maker's sales on the mainland fall by 70 per cent year on year last month, although it disputes the figures cited by the China Passenger Car Association. [SCMP]
- **BOC has stable outlook for GDP growth in 2019.** Bank of China Ltd forecast that GDP in China will grow by 6.5% in 2019, 0.1ppt lower than the estimated full-year GDP growth this year. "Faced with new economic challenges, Chinese authorities have taken a series of strong policy measures which will take effect gradually and will be favorable for steady economic growth next year," the bank said. [China Daily]
- **XCMG eyes even greater global role.** Xuzhou Construction Machinery Group is aiming to raise its global ranking in the construction machinery manufacturing sector from the current sixth to fifth in 2020, and become one of top three by 2025, said its chairman. [China Daily]
- **Changsha Govt, Tencent Hail Framework Cooperation.** Changsha Municipal Government concluded a framework cooperation agreement with Tencent between the two parties in AI, big data, cloud computing and city governance etc., facilitating the Internet industry development in Changsha, according to a Mainland media. [AASocks]
- **Daimler to Start Building EV in PRC Next Yr to Meet Anti-Pollution Quota.** Daimler's China Chief Hubertus Troska declared that the company will start making electric vehicles in Mainland China next year end as a way to meet Beijing's restrictions against automakers on pollutant emissions, cited Reuters. [AASocks]
- **CCB Invests RMB5.3B in Strategic Emerging Industry Development Fund.** CCB announced that four subsidiaries, namely CCB Life, CCB International, CCB Investment and CCB Trust, intend to contribute RMB5.3 billion to the Strategic Emerging Industry Development Fund. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,738	(6.0)	(0.2)	3.3	1.0	(5.6)	1.2	3.4	2.4
	Dow Jones	25,339	(27.6)	(0.1)	3.6	0.9	(2.4)	3.8	4.4	2.5
	Nasdaq Composite	7,273	(18.5)	(0.3)	4.3	(0.4)	(10.3)	(2.3)	5.8	5.4
	Russell 2000	1,525	(5.0)	(0.3)	2.5	0.9	(12.4)	(6.6)	(1.2)	(0.7)
	VIX Index	18.79	0.3	1.6	(9.7)	(11.5)	46.1	21.8	66.6	70.2
Europe Equity	Euro Stoxx 50	3,174	5.9	0.2	1.5	(0.7)	(6.4)	(6.8)	(11.1)	(9.4)
	DAX	11,298	(0.7)	(0.0)	1.4	(1.3)	(8.6)	(10.4)	(13.3)	(12.5)
	CAC	5,006	23.0	0.5	1.4	(1.7)	(7.4)	(7.3)	(6.8)	(5.8)
	FTSE 100	7,039	34.4	0.5	1.1	(1.3)	(5.3)	(8.3)	(3.9)	(8.4)
APAC Equity	HSI	26,451	(231.5)	(0.9)	1.7	5.9	(5.2)	(13.2)	(9.3)	(11.6)
	HSCEI	10,585	(49.8)	(0.5)	1.3	4.4	(2.7)	(11.6)	(7.8)	(9.6)
	HSI VIX	24.83	0.1	0.3	5.6	(4.0)	27.1	36.4	40.4	70.1
	CSI 300	3,138	(41.3)	(1.3)	(2.4)	(0.5)	(5.9)	(17.5)	(21.7)	(22.2)
	SH Composite	2,567	(34.3)	(1.3)	(2.9)	(1.4)	(5.8)	(17.1)	(22.6)	(22.4)
	SZ Composite	1,325	(29.9)	(2.2)	(4.4)	2.4	(8.7)	(25.0)	(30.3)	(30.2)
	Nikkei 225	22,263	85.6	0.4	3.5	1.6	(2.6)	0.3	(2.0)	(2.2)
Commodities (USD)	KOSPI	2,114	5.9	0.3	2.1	4.2	(9.0)	(12.7)	(14.6)	(14.3)
	Brent (Future)	59.51	0.8	1.3	(4.9)	(23.1)	(22.9)	(21.1)	(5.7)	(11.0)
	WTI (Future)	51.45	1.2	2.3	(5.8)	(21.4)	(26.5)	(23.5)	(10.6)	(15.1)
	Gold	1,224	3.0	0.2	(0.4)	0.8	1.9	(5.7)	(4.0)	(6.0)
	Copper (Future)	6,200	78.5	1.3	(0.6)	0.6	0.9	(9.9)	(8.9)	(14.4)
FX	Baltic Dry Index	1,330.00	(9.0)	(0.7)	30.6	(12.6)	(19.9)	25.8	(13.4)	(2.6)
	Dollar Index	96.78	(0.0)	(0.0)	0.1	0.2	2.3	2.1	3.9	5.1
	EUR	1.14	0.0	0.2	(0.1)	0.7	(1.8)	(2.6)	(4.3)	(5.1)
	JPY	113.48	(0.2)	(0.2)	0.5	(0.4)	(2.1)	(4.0)	(0.8)	(0.6)
	CNY	6.94	(0.0)	0.2	(0.2)	0.3	(1.7)	(7.6)	(4.7)	(6.3)
CDS	CNH	6.94	(0.0)	(0.1)	0.1	0.6	(1.3)	(7.6)	(4.7)	(6.1)
	ChinaGov CDS	70.14	(2.0)	(2.8)	(3.7)	(2.2)	18.8	24.0	21.6	40.0
	CDX Emerging Market	95.24	0.1	0.1	0.3	(0.0)	1.0	(1.6)	(1.1)	(3.9)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.35	(0.0)	(1.1)	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.81	-	-	2.8	2.9	2.6	2.5	1.8	1.9
	5-Year Treasury Yield	2.85	(0.0)	(0.6)	2.9	3.0	2.7	2.7	2.1	2.2
	10-Year Treasury Yield	3.03	(0.0)	(1.0)	3.0	3.1	2.9	2.9	2.4	2.4
	2-10 Spread	21.91	(2.9)	(11.8)	22.5	27.3	23.1	42.9	62.4	51.8
China rates	O/N China Repo Rate	2.23	(0.1)	(3.0)	2.3	2.4	2.2	2.8	2.8	3.0
	1-Week China Repo Rate	2.64	(0.0)	(0.4)	2.1	2.7	2.5	2.8	3.4	3.1
	O/N SHIBOR	2.26	(0.3)	(10.9)	2.4	2.4	2.3	2.8	2.8	2.8
	1-Week SHIBOR	2.65	-	-	2.6	2.7	2.6	2.9	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



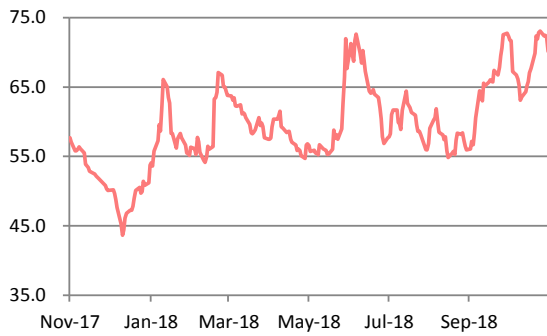
Source: Bloomberg

Shanghai Composite Index PE Ratio



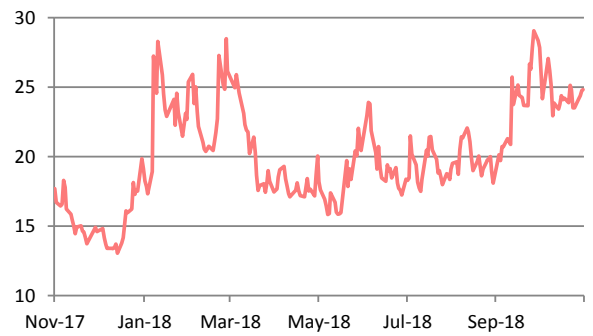
Source: Bloomberg

China 5Y CDS Index_USD



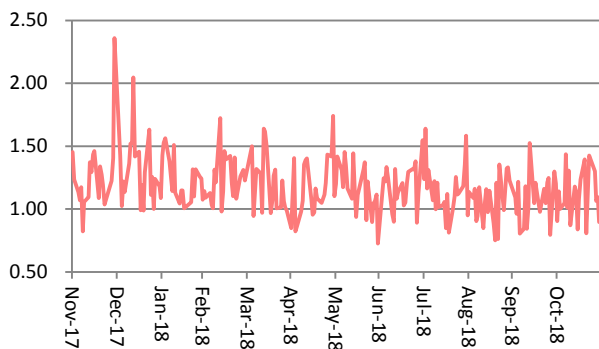
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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