

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
UK: BRC Sales Like-For-Like YoY	Nov	N/A	0.10%
Australia :RBA Cash Rate Target	4-Dec	1.50%	1.50%
Mexico: IMEF Manufacturing Index	Nov	N/A	49.7
S. Africa: GDP YoY	3Q18	0.50%	0.40%
Eurozone: PPI YoY	Oct	N/A	4.50%

Source: Bloomberg

## II. Macro News

- **Trump Says China Will 'Reduce and Remove' Car Import Tariffs.** President Donald Trump said in a late-night tweet that China has agreed to “reduce and remove” tariffs on imported American-made cars, a claim that wasn’t immediately confirmed by Beijing. [Bloomberg]
- **Japanese Companies' Softer Spending Points to Bigger GDP Drop.** Capital expenditure by Japanese companies continued to expand in the three months through September, though growth slowed more than expected as natural disasters and concerns over the trade outlook dialed down corporate optimism. Spending rose 4.5 percent from a year earlier, according to the finance ministry, compared with a median estimate for an 8.5 percent gain. [Bloomberg]
- **China Expands PBOC Credit Line to Argentina by \$8.6 Billion.** China has granted Argentina the expansion of a currency swap line to boost the nation’s foreign reserves, Chinese President Xi Jinping and his Argentina’s counterpart Mauricio Macri announced. [Bloomberg]

## III. Industry News

- **Putin Says Russia, Saudi Arabia Will Extend OPEC+ Oil Pact.** Russia and Saudi Arabia agreed to extend into 2019 their deal to manage the oil market, known as OPEC+, although Moscow and Riyadh have yet to confirm any fresh output cuts. Russian President Vladimir Putin announced the extension after a meeting on the sidelines of the Group of 20 with Saudi Arabian Crown Prince Mohammed bin Salman. [Bloomberg]
- **Beijing Approves Autonomous, Smart Car Testing Site.** A 200k-sqm site for research and test of Intelligent Connected Vehicle has been approved in Beijing’s northeastern Shunyi district, Beijing Daily reports, citing local govt. BAIC Group’s research institute, Didi Chuxing and Horizon Robotics will have presence in the site, according to a plan. [Bloomberg]
- **GM, VW, Tesla Race to China as New Rules to Punish EV Laggards.** The world’s biggest electric vehicle makers, incl. GM, VW AG, Nissan Motor and Tesla Inc., have good reason to be focused on China in 2019. Chinese govt. will start a regime on Jan. 1 that essentially forces automakers selling polluting cars to pay those marketing cleaner ones. [Bloomberg]

## IV. Corporate News

- **Jack Ma-backed Yunfeng broadens financial services with MassMutual’s insurance products.** Yunfeng Financial Group, backed by Alibaba Group Holding executive chairman Jack Ma Yun, will use fintech to sell insurance products of recently acquired MassMutual Asia, filling the gap in the HK-listed financial firm’s portfolio, the chief executive said. [SCMP]
- **China’s second largest dairy producer Mengniu Dairy says Indonesia expansion was fraught with hurdles.** Mengniu Dairy, China’s second-largest dairy product producer, said it faced challenges in securing the supply chain for production when opening a new milk-based drink plant in Indonesia in November. [SCMP]

- **Around \$14 million of LeEco's assets to be 'seized'.** Nearly 100 million yuan (\$14.43 million) of LeEco assets have been applied to be seized and frozen, the latest blow for the debt-laden Leshi Internet Information and Technology Corp. [China Daily]
- **Walmart upbeat after China success.** Robust third-quarter sales growth in China and some key markets is making US retail giant Walmart Inc. upbeat about full-year earnings prospects. Third-quarter revenues in China rose 4.3 percent year-on-year, driven by strong sales of fresh food, it said, without disclosing absolute figures. [China Daily]
- **Solar energy spinoff in spotlight.** Xinyi Energy, a spinoff of Xinyi Solar, a Chinese solar photovoltaic glass manufacturer, intends to list in Hong Kong. Xinyi Energy sells the electricity to mainland subsidiaries of the State Grid, China's state-owned electric utility monopoly, to generate revenue through acquiring, owning and managing a portfolio of solar projects. [The Standard]
- **CNPC Lifts Shaanxi-Beijing Gas Pipeline Capacity 38% to 21.3 Bcm.** China National Petroleum Corp. expands transmission capacity on the Shaanxi-Beijing natural gas pipeline network to 21.3 billion cubic meters after two new air compressors begin operation Nov. 30, co. says in statement. [Bloomberg]
- **CIFI-Backed Ever Sunshine's H.K. IPO to Raise Up to \$101m.** Ever Sunshine Lifestyle Services Group and existing investors offer 380m shares at HK\$1.60 to HK\$2.08 apiece in Hong Kong IPO, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **J&J to Build Blood-Cancer Push With Controversial China Biotech.** Johnson & Johnson is planning a new push into blood cancers that builds off a gene therapy it licensed from a Hong Kong-based company that has been awash in controversy. [Bloomberg]
- **Macquarie Said to Be in Final Talks for China Securities Venture.** Macquarie Group Ltd. is in advanced talks to create a majority-owned securities joint-venture firm in China, according to people familiar with the matter, the latest international bank seeking to establish itself in one of the world's biggest markets. [Bloomberg]
- **Longfor's First H.K. Project Investment Exceeds HK\$10 Billion.** The company is co-developing a project in Kai Tak, Kowloon, with KWG Group to supply 700 homes, SingTao Daily reports, citing David Yau, general manger of Hong Kong projects for Longfor. [Bloomberg]
- **Anta Group Is Said to Syndicate 4 Billion Euro Loan for Amer Bid.** China's Anta Sports Products Ltd. and buyout firm FountainVest Partners Co. are tapping Asian and European lenders for 4.215 billion euros (\$4.8 billion) of loans to back a potential acquisition of Finland's Amer Sports Oyj. [Bloomberg]
- **Evergrande Is Said to Raise HK\$12b Debt Secured by H.K. Building.** The Chinese property developer has raised HK\$12b in loan and notes to refinance a mortgage debt which backed its purchase of an office tower in Hong Kong's Wan Chai district in 2015. [Bloomberg]
- **John Slosar: Big Cyber Security Challenge, Cathay Pac Air Faces Massive Attacks Every Day.** In response to earlier client information leakage, Cathay Pacific Airways Chairman John Slosar expressed in a forum that the company is face of massive malicious cracking programs every day, which poses a tremendous threat to the company. [AASocks]
- **HSBC Peter Wong: Big Resources for Better Cyber Security; Talent Pool Needed for Development.** HSBC has continual fin-tech investments and tie-ups with Chinese, British and Australian partners, said HSBC Deputy Chairman and Chief Executive Peter Wong at a forum. [AASocks]
- **Leo Paper: No IPO Schedule Now.** Despite being a private enterprise, Leo Paper has complied with the HKEX requirements on listed companies, said CFO King Lai. Such compliance has risen corporate visibility and lowered financing costs by winning the trust of banks although the company suffered dearer corporate costs. Regarding listing, King Lai revealed that Leo Paper currently has no schedule for an IPO. [AASocks]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,790	30.2	1.1	4.4	2.5	(3.8)	2.0	5.6	4.4
	Dow Jones	25,826	288.0	1.1	4.8	2.2	(0.5)	4.8	6.6	4.5
	Nasdaq Composite	7,442	111.0	1.5	5.1	1.1	(8.2)	(1.5)	8.7	7.8
	Russell 2000	1,549	15.7	1.0	2.9	0.1	(11.0)	(6.0)	0.8	0.9
	VIX Index	16.44	(1.6)	(9.0)	(13.0)	(15.7)	27.8	22.1	43.8	48.9
Europe Equity	Euro Stoxx 50	3,215	41.9	1.3	1.3	0.0	(4.3)	(7.3)	(10.1)	(8.2)
	DAX	11,465	208.2	1.8	1.0	(0.5)	(6.1)	(10.2)	(12.2)	(11.2)
	CAC	5,054	50.1	1.0	1.2	(0.9)	(5.4)	(7.7)	(6.2)	(4.9)
	FTSE 100	7,062	82.2	1.2	0.4	(0.4)	(5.3)	(8.8)	(3.8)	(8.1)
APAC Equity	HSI	27,182	675.3	2.5	3.1	2.6	(2.8)	(12.3)	(6.7)	(9.1)
	HSCEI	10,882	260.4	2.5	3.4	1.8	(0.1)	(11.2)	(5.5)	(7.1)
	HSI VIX	21.03	(3.1)	(12.9)	(13.0)	(15.7)	12.3	24.1	27.8	44.0
	CSI 300	3,261	88.3	2.8	3.8	(0.9)	(3.1)	(14.4)	(18.9)	(19.1)
	SH Composite	2,655	66.6	2.6	3.1	(0.8)	(3.5)	(14.1)	(19.8)	(19.7)
	SZ Composite	1,382	43.8	3.3	3.8	2.3	(5.7)	(21.0)	(27.4)	(27.3)
	Nikkei 225	22,575	223.7	1.0	3.5	1.5	(0.5)	0.4	(0.6)	(0.8)
Commodities (USD)	KOSPI	2,132	35.1	1.7	2.4	1.7	(7.9)	(12.9)	(14.8)	(13.6)
	Brent (Future)	59.46	3.2	5.4	2.3	(15.1)	(20.8)	(19.4)	(2.9)	(7.5)
	WTI (Future)	52.95	2.0	4.0	2.6	(16.1)	(24.1)	(19.5)	(9.3)	(12.4)
	Gold	1,231	10.2	0.8	0.7	(0.0)	3.3	(4.7)	(3.5)	(5.5)
	Copper (Future)	6,198	(14.0)	(0.2)	(0.1)	3.4	3.7	(9.5)	(8.3)	(14.5)
FX	Baltic Dry Index	1,231.00	(50.0)	(3.9)	1.2	(15.5)	(20.9)	6.5	(24.3)	(9.9)
	Dollar Index	97.27	(0.3)	(0.3)	(0.1)	0.4	1.9	3.0	4.4	5.3
	EUR	1.14	0.0	0.3	0.2	(0.5)	(2.0)	(2.9)	(4.3)	(5.4)
	JPY	113.66	0.1	0.1	0.1	(0.4)	(1.9)	(3.3)	(1.0)	(0.8)
	CNY	6.88	(0.1)	1.1	0.8	0.6	(0.9)	(6.9)	(3.8)	(5.5)
CDS	CNH	6.88	(0.1)	(1.1)	(1.1)	0.5	(0.4)	(6.9)	(3.8)	(5.3)
	ChinaGov CDS	66.28	(3.0)	(4.3)	(8.4)	(0.7)	9.4	18.5	18.8	32.3
	CDX Emerging Market	95.50	0.2	0.3	0.7	(0.4)	1.7	(1.4)	(1.0)	(3.6)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.33	(0.0)	(0.4)	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.82	0.0	1.2	2.8	2.9	2.7	2.5	1.8	1.9
	5-Year Treasury Yield	2.82	0.0	0.2	2.9	3.0	2.8	2.8	2.1	2.2
	10-Year Treasury Yield	2.97	(0.0)	(0.6)	3.1	3.2	2.9	2.9	2.4	2.4
	2-10 Spread	14.66	(5.3)	(26.5)	22.2	30.5	24.1	43.2	56.2	51.8
China rates	O/N China Repo Rate	2.00	(0.6)	(24.0)	2.4	2.5	2.1	2.6	2.6	3.0
	1-Week China Repo Rate	2.20	(0.5)	(17.6)	2.7	2.7	2.2	2.7	3.0	3.1
	O/N SHIBOR	2.52	(0.1)	(4.8)	2.6	2.5	2.2	2.6	2.6	2.8
	1-Week SHIBOR	2.62	(0.1)	(1.9)	2.6	2.6	2.6	2.8	2.8	3.0

Source: Bloomberg

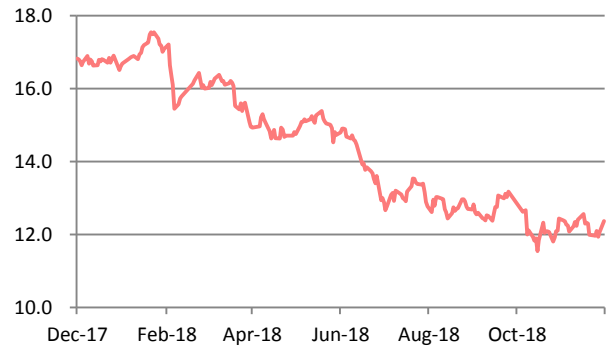
## VI. Key Indicators

**Hang Seng Index PE Ratio**



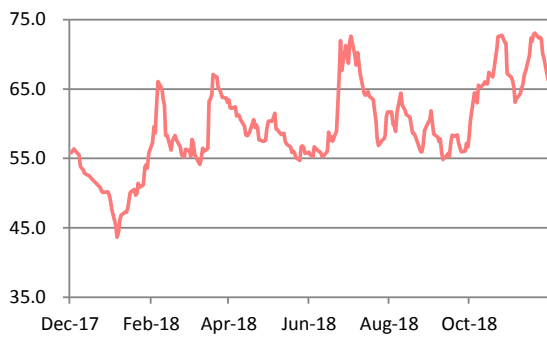
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



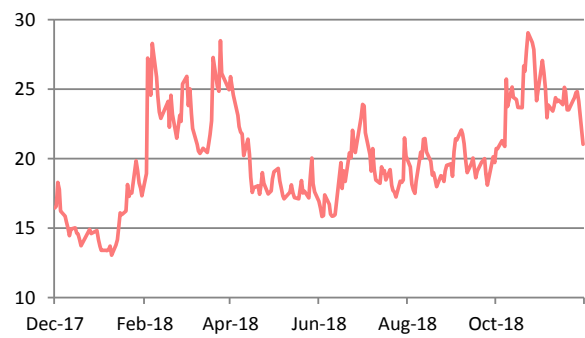
Source: Bloomberg

**China 5Y CDS Index\_USD**



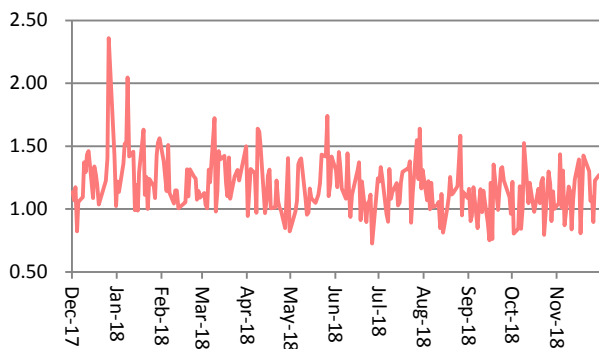
Source: Bloomberg

**Hang Seng Index VIX**



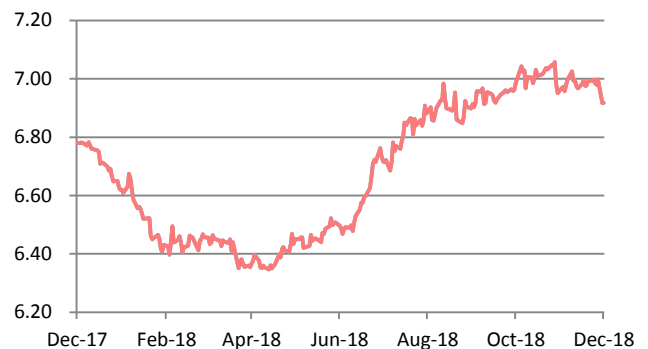
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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