



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: ADP Employment Change	Nov	200K	227K
Australia: GDP YoY	3Q18	N/A	3.40%
Argentina: Industrial Production YoY	Oct	N/A	-11.50%
Malaysia: Exports / Imports YoY	Oct	N/A	-0.3%/-2.7%
India: RBI Cash Reserve Ratio	5-Dec	4.0%	4.0%

Source: Bloomberg

## II. Macro News

- **Premier urges support for real economy.** Premier Li Keqiang has urged support of the real economy, focusing on the manufacturing and service sectors, as well as small and private businesses, by further reducing the taxes and fees they face. Li also said that macroeconomic policies should be maintained, with timely adjustment to serve market entities and guide stable market expectations. [China Daily]
- **Eurozone Final Manufacturing PMI Revised Up to 51.8, Hitting Over-2-yr Low.** Eurozone's manufacturing PMI treaded above 50 for 65 months in a row despite continuous slowdown in growth. IHS MARKIT reported that eurozone's final manufacturing PMI was revised up to 51.8 in Nov, new low since Aug 2016 and beating market estimate of 51.5. [AASocks]
- **UK Manufacturing PMI Rebounds to 53.1 in Nov, Hitting 2-mth High.** IHS MARKIT/CIPS reported that, after seasonal adjustment, UK's manufacturing PMI surged to 53.1 in November from previous value of 51.1 (27-month low), hitting two-month high and beating market estimate of 51.7. [AASocks]

## III. Industry News

- **Shanghai-London link to start on December 14 with HSBC and Huatai among first stocks to trade.** The Shanghai Stock Exchange will start a link programme with its London counterpart on December 14, with HSBC Holdings and Huatai Securities among the first batch of stocks to trade, as the world's largest emerging market opens up further to foreign investors, according to sources familiar with the plan. [SCMP]
- **RBA Keeps Rate Unchanged, In-line.** Reserve Bank of Australia has left the 1.5% interest rate unchanged, consistent with market consensus. According to the bank statement, Australia is expected to deliver 3.5% GDP growth for both 2018 and 2019. Resource exports will possibly decline in 2020, dragging down the domestic economic growth. [AASocks]
- **OPEC Negotiates Cuts After Saudi-Russia Deal.** Russia and Saudi Arabia agreed to extend their cooperation to balance the oil market into 2019, but left the details of any supply cuts to be resolved in the coming days as OPEC and its allies prepare for their meetings in Vienna. [Bloomberg]

## IV. Corporate News

- **Lululemon's founder to take over Amer Sports.** The founder of yoga apparel retailer Lululemon Athletica is close to joining the Chinese investor group pursuing a takeover of Amer Sports Oyj. Canadian billionaire Chip Wilson is in talks to take around a 20% stake as part of the consortium led by Anta Sports Products, people familiar with the matter said. [SCMP]
- **Sales at China's top developers plunge in November as property market stares at year of recession.** Two of China's top three leading property developers, China Evergrande and Country Garden, saw their November sales plunge even after cutting prices by nearly a third at some of their projects, as fears of a housing recession grows larger. [SCMP]

- **China's Tencent Music presses play on US\$1.2bn US IPO.** Tencent Music Entertainment launched its hotly-anticipated US IPO of up to US\$1.2bn. The music arm of tech giant Tencent Hldgs is looking to raise between US\$1.07bn and US\$1.23bn in a New York Stock Exchange IPO, according to a filing with the US Securities and Exchange Commission. [SCMP]
- **Qualcomm could still consider re-opening NXP bid despite ruling it out, says Taipei-based tech analyst.** American chip maker Qualcomm could reconsider acquiring rival Dutch semiconductor maker NXP after China said they were open to approving the previously blocked deal at a meeting between the US and China at the G20 summit in Argentina, even though the US company has denied the possibility for now, said a Taipei-based analyst. [SCMP]
- **Construction giant CCCC aims to expand its global presence.** China Communications Construction Co, the country's largest provider of transportation infrastructure projects by contract value, will adopt varied models in global markets from infrastructure projects to industrial parks and property development in order to maintain robust growth, said a senior executive. [China Daily]
- **Dongfeng Renault's dynamic new Kadjar model targets young buyers.** Dongfeng Renault launched its new Kadjar model last Tuesday in Wuhan, Hubei province - part of wider efforts to enrich the joint venture's product portfolio and enhance brand awareness, as well as an important step in its "Vision 2022". [China Daily]
- **Volvo CE eyes infrastructure for sales expansion.** Volvo Construction Equipment will step up efforts to expand presence in the China market, with the Swedish company eyeing a push into the country's new round of efforts to promote infrastructure investment. [China Daily]
- **Taobao Choice to streamline go-to-market process.** Taobao, Alibaba's customer-to-customer e-commerce site, is shaping up to become a hub for connecting designers, manufacturers and retailers through a dedicated platform that empowers each party with data-backed customer insights. [China Daily]
- **PICC P&C Makes Joint Bidding for Guangzhou Commercial Plot.** PICC P&C announced that it entered into a Joint Bidding Agreement with PICC Life and PICC Health pursuant to which, the company, PICC Life and PICC Health agreed to form a Consortium to jointly participate in the online bidding organised by Guangzhou Public Resources Trading Center for the state-owned land use right of Land Plot AT090948 in the initial zone of the Financial City in Tianhe District. [China Daily]
- **Legend Holding Completes Issuance of RMB1.5B Bonds.** Legend Holding announced that the public issue of the third tranche of bonds to qualified investors in the PRC was completed. The actual issue size of the third tranche of bonds is RMB1.5 billion with a final coupon rate of 4.7%. [AASocks]
- **China National Coal Gp Signs 5-Yr Coal Deal with 7 Power Co.** China National Coal Group recently executed a 5-yr medium-to-long term strategic cooperation agreement for coal supply and demand with seven power companies, for example Zhejiang Energy Gp, Guangdong Yudean Group, Jiangsu Guoxin Investment Group, cited by Xinhua News Agency. [AASocks]
- **Huis Ten Bosch Accepts Fosun Int'l Investment, Hopes for Deal at End-18 Soonest.** Huis Ten Bosch, operating a theme park in Nagasaki, Japan, announced that it has accepted Fosun Int'l 's capital injection and is striving for a deal by end-2018 to early 2019. [AASocks]
- **Hopewell Hldgs Substantial Shareholder Gordon Wu Wants Privatization.** Gordon Ying Sheung Wu, the substantial shareholder and chairman of Hopewell Hldgs, intends to take the company private, Ming Pao cited market sources. The co has halted trading since Monday morning, pending an announcement in relation to inside information. [AASocks]
- **3Q18 Global Smartphone Shipment Up 1.4%; Huawei Beats Apple in Mkt Shrs.** 3Q18 global sales of smartphones grew 1.4% to 389 million units. Samsung retained its leading role in terms of market shares, down to 18.9% from 22.3% in a year ago's period. Huawei came as the second with 13.4%, followed by Apple (11.8%) and Xiaomi (8.5%). [AASocks]
- **BMW Projects Profit to Fall EUR1B Next Yr on CN-US Trade War, Cost.** BMW projected that its profit next year will be dented by at least EUR1 billion in wake of China-US trade war, hiking commodity prices and rattled foreign exchange rates, Bloomberg reported. Its CFO said the strategic profit margin target of the group will be put at 8-10% on hold, while whether it could be achieved in 2019 is subject to numerous factors. [AASocks]

## V. Overnight Market Recap

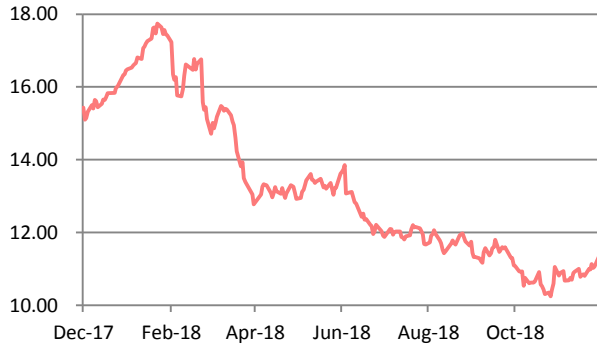
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,700	(90.3)	(3.2)	0.7	(0.8)	(6.8)	(1.7)	2.3	1.0
	Dow Jones	25,027	(799.4)	(3.1)	1.1	(1.0)	(3.6)	0.9	3.0	1.2
	Nasdaq Composite	7,158	(283.1)	(3.8)	1.1	(2.7)	(11.5)	(5.9)	5.7	3.7
	Russell 2000	1,481	(68.2)	(4.4)	(0.8)	(4.3)	(14.6)	(10.4)	(3.4)	(3.6)
	VIX Index	20.74	4.3	26.2	9.0	6.3	57.6	62.8	77.6	87.9
Europe Equity	Euro Stoxx 50	3,189	(25.7)	(0.8)	0.7	(0.9)	(3.8)	(7.7)	(10.7)	(9.0)
	DAX	11,335	(130.1)	(1.1)	0.2	(1.4)	(5.9)	(11.4)	(13.1)	(12.2)
	CAC	5,013	(41.3)	(0.8)	0.6	(1.7)	(4.7)	(8.2)	(6.8)	(5.6)
	FTSE 100	7,023	(39.7)	(0.6)	0.1	(1.1)	(4.9)	(8.6)	(4.2)	(8.7)
APAC Equity	HSI	27,260	78.4	0.3	3.5	5.1	0.1	(12.3)	(5.5)	(8.9)
	HSCEI	10,908	25.4	0.2	3.7	3.4	2.5	(11.0)	(5.0)	(6.8)
	HSI VIX	19.95	(1.1)	(5.1)	(18.2)	(26.3)	(2.7)	21.4	20.3	36.6
	CSI 300	3,268	6.8	0.2	4.2	0.1	(0.9)	(15.0)	(19.1)	(18.9)
	SH Composite	2,666	11.2	0.4	3.5	0.0	(1.4)	(14.4)	(19.3)	(19.4)
	SZ Composite	1,387	5.9	0.4	3.8	2.7	(3.8)	(22.0)	(25.7)	(26.9)
	Nikkei 225	22,036	(538.7)	(2.4)	0.4	0.6	(2.4)	(2.2)	(2.6)	(3.2)
KOSPI	2,114	(17.6)	(0.8)	0.7	1.8	(7.7)	(13.8)	(15.8)	(14.3)	
Commodities (USD)	Brent (Future)	62.08	0.4	0.6	3.1	(14.8)	(20.6)	(17.5)	(0.6)	(7.2)
	WTI (Future)	53.25	0.3	0.6	3.3	(16.5)	(23.3)	(19.5)	(8.5)	(12.7)
	Gold	1,239	7.9	0.6	1.9	0.6	3.5	(4.5)	(2.1)	(4.9)
	Copper (Future)	6,295	97.0	1.6	1.7	0.2	5.5	(8.7)	(7.9)	(13.1)
	Baltic Dry Index	1,203.00	(28.0)	(2.3)	(10.2)	(17.4)	(20.5)	0.8	(27.6)	(11.9)
FX	Dollar Index	97.04	(0.1)	(0.1)	(0.4)	0.4	1.6	3.1	4.1	5.3
	EUR	1.13	(0.0)	(0.1)	0.5	(0.6)	(2.5)	(3.2)	(4.1)	(5.5)
	JPY	112.77	(0.9)	(0.8)	(0.9)	0.4	(1.0)	(2.6)	(0.1)	-
	CNY	6.84	(0.0)	0.7	1.7	1.3	0.1	(6.3)	(3.2)	(4.8)
	CNH	6.85	(0.0)	(0.4)	(1.5)	0.9	(0.1)	(6.6)	(3.4)	(4.9)
CDS	ChinaGov CDS	65.29	(1.0)	(1.5)	(9.9)	(2.2)	5.5	17.6	17.0	30.3
	CDX Emerging Market	95.22	(0.3)	(0.3)	0.5	(0.7)	1.0	(1.7)	(1.4)	(3.9)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.41	0.1	3.2	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.79	(0.0)	(0.9)	2.8	2.9	2.6	2.5	1.8	1.9
	5-Year Treasury Yield	2.79	(0.0)	(1.1)	2.9	3.0	2.8	2.8	2.1	2.2
	10-Year Treasury Yield	2.91	(0.1)	(1.9)	3.1	3.2	2.9	3.0	2.4	2.4
	2-10 Spread	11.68	(3.0)	(20.3)	24.8	28.9	24.7	45.2	52.8	51.8
China rates	O/N China Repo Rate	2.00	-	-	2.3	2.4	2.2	2.5	2.5	3.0
	1-Week China Repo Rate	2.40	0.2	9.1	2.7	2.4	2.4	2.7	2.8	3.1
	O/N SHIBOR	2.45	(0.1)	(2.8)	2.5	2.4	2.2	2.6	2.6	2.8
	1-Week SHIBOR	2.62	0.0	0.1	2.7	2.6	2.6	2.8	2.8	3.0

Source: Bloomberg

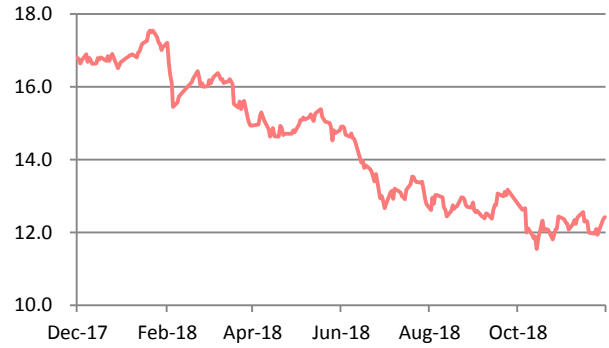
## VI. Key Indicators

**Hang Seng Index PE Ratio**



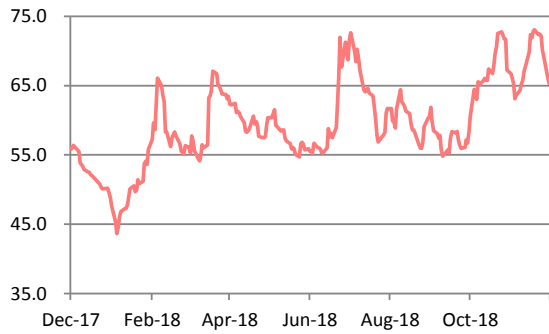
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



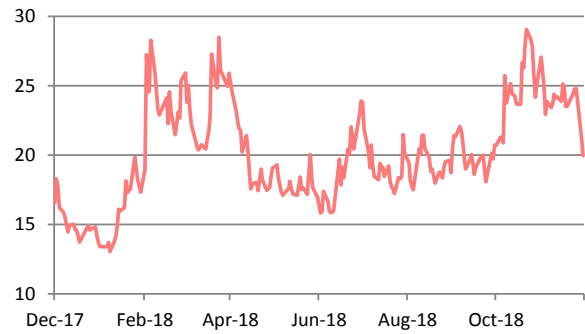
Source: Bloomberg

**China 5Y CDS Index\_USD**



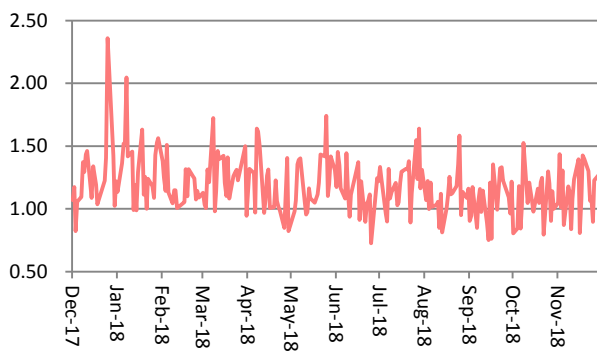
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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