



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Trade Balance	Oct	-USD54bn	-USD54bn
US: Factory Orders MoM	Oct	-2.00%	0.70%
Germany: Factory Orders YoY / MoM	Oct	N/A	-2.2%/0.3%
Australia: Trade Balance	Oct	N/A	AUD3017mn
Thailand: Consumer Confidence	Nov	N/A	81.3

Source: Bloomberg

## II. Macro News

- **China Says It'll Quickly Implement Trade Agreements With U.S.** China will start to quickly implement specific items where there's consensus with the U.S., and will push forward on trade negotiations with the U.S. within the 90-day "timetable and road map." [Bloomberg]
- **Australia's Economy Expands Less Than Expected; Currency Drops.** Australia's economy expanded less than expected in the three months through Sept amid sluggish consumption and as commercial construction declined. The currency slumped almost half a U.S. cent. GDP rose 0.3% from the 2Q vs economists' median estimate of 0.6%; economy grew 2.8% YoY versus 3.3% forecast, the statistics bureau said in Sydney Wednesday. [Bloomberg]
- **Economic growth projected at 6 percent in 2019.** Weighted down by domestic and external factors, China's economic growth is projected to achieve about 6 percent in the next year as policymakers try to strike a balance between deleveraging and ensuring proper growth, according to Moody's Investors Service. [China Daily]

## III. Industry News

- **France suspends hikes.** New concessions to "yellow vest" protesters, incl. the suspension for 6 months of planned tax increases raising the price of fuel, have been announced by French PM Edouard Philippe. He said increases in the cost of gas and electricity, also set to take effect from Jan 1, will be suspended for 3 mths during winter season. [The Standard]
- **China Nov Caixin Services PMI Rebounds to 5-mth High 53.8, Well Above Forecast.** In November, Caixin China General Services Business Activity Index (Services PMI) came in at 53.8, way above the expected 50.8, up 3 pts from October, reaching a five-month high. [AAStocks]
- **Shanghai-London Stock Connect Opening Ceremony On Hold, Likely Delayed to After X'mas.** The opening ceremony of Shanghai-London Stock Connect, originally to be held in London Stock Exchange on 14 December, was put on hold, likely to be postponed to after Christmas, Chinese media cited insiders as saying. [AAStocks]

## IV. Corporate News

- **Foxconn considers setting up factory in Vietnam in response to US-China trade war.** Foxconn, the world's biggest electronics contract manufacturer and a key Apple supplier, is considering setting up a factory in Vietnam to mitigate any impact of an ongoing trade war between the United States and China, Vietnamese state media reported. [SCMP]
- **Internet giants such as Alipay, Amazon pose existential threat to banks, says Bank for International Settlements chief.** Internet and "big data" giants like Amazon and China's Alipay pose an existential threat to traditional banks, the head of the Bank for International Settlements, Agustín Carstens, said. [SCMP]

- **Huawei signs deal to upgrade Portugal's largest phone network Altice to 5G standard by 2019.** Huawei Technologies has signed a contract to upgrade Portugal's No 1 phone network into the 5G standard, giving the Chinese company its 23rd global network client to extend its lead as the world's largest maker of telecommunications equipment. [SCMP]
- **Alibaba extends global electronic trade partnership to Belgium.** Alibaba Group Holding has extended its electronic world trade platform (eWTP) initiative to Belgium, the third country brought on board by the e-commerce giant after Malaysia and Rwanda. [SCMP]
- **British telecoms giant BT Group to strip Huawei from core networks, limit 5G access.** Britain's BT Group said on Wednesday it was removing Huawei Technologies' equipment from the core of its existing 3G and 4G mobile operations and would not use the Chinese company in central parts of the next-generation 5G network. [SCMP]
- **Internet giants such as Alipay, Amazon pose existential threat to banks, says Bank for International Settlements chief.** Internet and "big data" giants like Amazon and China's Alipay pose an existential threat to traditional banks, the head of the Bank for International Settlements, Agustín Carstens, said. [SCMP]
- **Nike targets increasingly active women's sports clothing mkt.** Nike has vowed to remove social barriers and promote women's sneaker culture, as the female sportswear market grows steadily. Vanessa Garcia-Brito, Nike's VP of purpose communications, said the company is determined to help China to define women's sneaker culture. [China Daily]
- **Huawei to Unveil 3-D Camera Phone.** Huawei is planning to unveil a new phone with a camera capable of taking 3D pictures. The new feature, dubbed "3D Camera" at Huawei, comes at a critical juncture for the smartphone industry, which is facing cooling global demand as consumers find fewer reasons to upgrade to new phones. [Bloomberg]
- **SoftBank to Stick to IPO Price Amid Global Stock Selloff.** There's no need to change the price of SoftBank Group Corp.'s 2.4 trillion yen (\$21 billion) initial public offering of its telecommunications unit, even though there's a global stock sell-off, people involved with the stock sale said. [Bloomberg]
- **BOCHK acquires Laos branch.** Bank of China (Hong Kong) is to acquire a branch in Laos from its parent Bank of China for approximately 561mn yuan (HK\$640mn). The proposed branch transfer in Vientiane, the capital of Laos, is part of a restructuring exercise of the group in the Asean region, BOCHK said. [The Standard]
- **Natural Food IH (01837.HK) to Priced at the Lower Limit of \$1.62.** Natural Food, to be listed on 12 December 2018, will be priced at \$1.62, the lower limit of the offer price range \$1.62-\$2.1, IFR cited parties with knowledge of the matter as saying. [AASocks]
- **Daimler Interested in Adding BAIC Motor JV Stake to 65% at Least.** German automaker Daimler AG has showed interest in raising stake in its joint venture with BAIC Motor to 65% at least from 49%, Bloomberg citing sources. Both companies are engaging in preliminary discussions at this stage. [AASocks]
- **Yancoal Aus Priced at Lower Limit \$23.48, Public Offer Under-subscribed.** Yancoal Aus announced that under-subscription was recorded in Hong Kong public offer. One-lot (100 shares) success rate is 100%. The stock is priced at \$23.48, the lower limit of the offer price range \$23.48-25.84. [AASocks]
- **JD, Huawei Consumer Biz Group Reach Strategic Cooperation.** JD.com Chief Technology Officer Zhang Chen announced that the company's original IoT business is comprehensively consolidated and upgraded to a new AIoT ecosystem. Meanwhile, JD entered into a strategic cooperation agreement with Huawei Consumer Business Group. Pursuant to which, JD will interconnect its intelligent hardware with Huawei CBG's end products. [AASocks]
- **BOC Mulls Transferring Vientiane Branch Stake to BOCHK.** Bank of China announced that the company and BOC HONG KONG entered into an agreement in relation to the potential transfer of entire equity interests in Bank of China Limited, Vientiane Branch to BOCHK. [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	(1.4)	(6.5)	(1.8)	2.7	1.0
	Dow Jones	25,027	(799.4)	(3.1)	1.1	(1.7)	(3.6)	0.9	3.5	1.2
	Nasdaq Composite	7,158	(283.1)	(3.8)	1.1	(2.3)	(10.5)	(6.3)	5.9	3.7
	Russell 2000	1,481	(68.2)	(4.4)	(0.8)	(4.3)	(14.3)	(11.0)	(2.4)	(3.6)
	VIX Index	20.74	4.3	26.2	9.0	3.9	49.1	67.3	83.1	87.9
Europe Equity	Euro Stoxx 50	3,150	(39.0)	(1.2)	(0.6)	(2.1)	(5.0)	(8.9)	(11.8)	(10.1)
	DAX	11,200	(135.1)	(1.2)	(0.9)	(2.6)	(7.0)	(12.4)	(14.2)	(13.3)
	CAC	4,944	(68.3)	(1.4)	(0.8)	(3.1)	(6.0)	(9.5)	(8.0)	(6.9)
	FTSE 100	6,922	(100.9)	(1.4)	(1.2)	(2.6)	(6.2)	(10.0)	(5.5)	(10.0)
APAC Equity	HSI	26,820	(440.8)	(1.6)	0.5	2.7	(0.6)	(14.2)	(5.0)	(10.4)
	HSCEI	10,757	(150.6)	(1.4)	1.1	1.2	1.7	(12.4)	(3.6)	(8.1)
	HSI VIX	21.14	1.2	6.0	(14.6)	(19.3)	(1.3)	33.5	15.5	44.8
	CSI 300	3,252	(15.7)	(0.5)	2.3	0.3	(0.3)	(15.3)	(19.0)	(19.3)
	SH Composite	2,650	(16.2)	(0.6)	1.8	(0.6)	(1.6)	(14.9)	(19.6)	(19.9)
	SZ Composite	1,381	(6.7)	(0.5)	1.9	2.2	(3.6)	(22.4)	(26.5)	(27.3)
	Nikkei 225	21,919	(116.7)	(0.5)	(1.2)	(1.0)	(2.5)	(3.1)	(1.2)	(3.7)
KOSPI	2,101	(13.0)	(0.6)	(0.3)	0.6	(8.1)	(14.4)	(15.1)	(14.8)	
Commodities (USD)	Brent (Future)	62.08	(0.6)	(0.9)	4.7	(15.9)	(20.4)	(18.4)	(2.1)	(8.0)
	WTI (Future)	52.89	(0.4)	(0.7)	5.2	(16.2)	(23.0)	(19.3)	(8.2)	(12.5)
	Gold	1,237	(1.3)	(0.1)	1.3	0.8	3.1	(4.6)	(2.1)	(5.0)
	Copper (Future)	6,209	(86.0)	(1.4)	1.4	(1.2)	6.8	(11.0)	(9.0)	(14.3)
	Baltic Dry Index	1,237.00	34.0	2.8	(7.0)	(13.4)	(16.2)	(1.0)	(25.8)	(9.4)
FX	Dollar Index	96.97	0.1	0.1	0.2	0.8	1.9	3.3	3.9	5.3
	EUR	1.13	0.0	0.0	(0.2)	(0.7)	(2.4)	(3.6)	(3.8)	(5.5)
	JPY	113.19	0.4	0.4	(0.4)	0.3	(2.1)	(2.6)	(0.8)	(0.4)
	CNY	6.86	0.0	(0.3)	1.4	1.0	(0.4)	(6.6)	(3.5)	(5.1)
	CNH	6.86	0.0	0.1	(1.2)	0.9	(0.2)	(7.0)	(3.5)	(5.1)
CDS	ChinaGov CDS	66.85	1.6	2.4	(7.4)	1.1	11.6	20.4	19.2	33.5
	CDX Emerging Market	95.25	0.0	0.0	0.1	(0.7)	0.6	(1.7)	(1.3)	(3.9)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.41	-	-	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.79	-	-	2.8	2.9	2.6	2.5	1.8	1.9
	5-Year Treasury Yield	2.79	-	-	2.8	3.1	2.7	2.8	2.1	2.2
	10-Year Treasury Yield	2.91	-	-	3.0	3.2	2.9	2.9	2.3	2.4
	2-10 Spread	11.68	-	-	21.9	29.6	23.6	42.9	52.8	51.8
China rates	O/N China Repo Rate	2.21	0.2	10.5	2.2	2.1	2.5	2.5	2.6	3.0
	1-Week China Repo Rate	2.10	(0.3)	(12.5)	2.6	2.4	2.7	2.7	2.9	3.1
	O/N SHIBOR	2.27	(0.2)	(7.3)	2.3	2.3	2.5	2.6	2.6	2.8
	1-Week SHIBOR	2.58	(0.0)	(1.5)	2.7	2.6	2.6	2.8	2.8	3.0

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



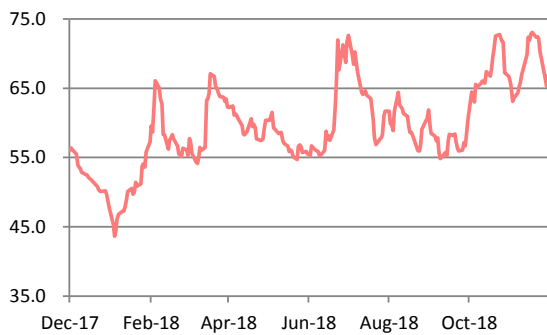
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



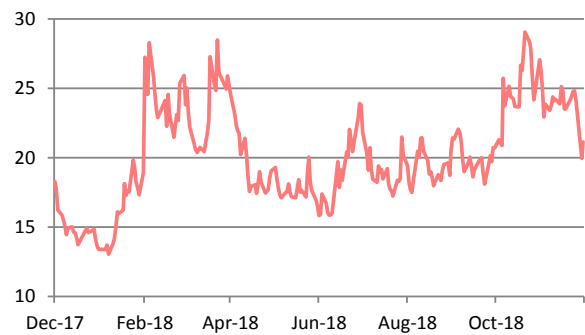
Source: Bloomberg

**China 5Y CDS Index\_USD**



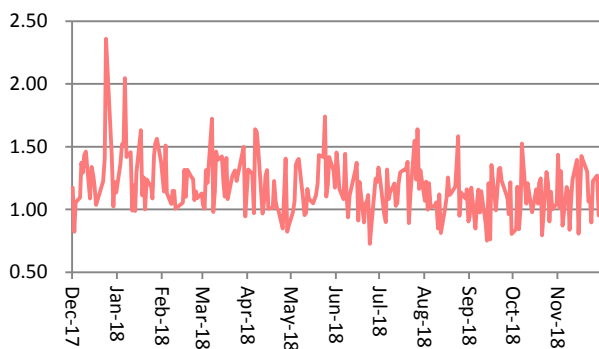
Source: Bloomberg

**Hang Seng Index VIX**



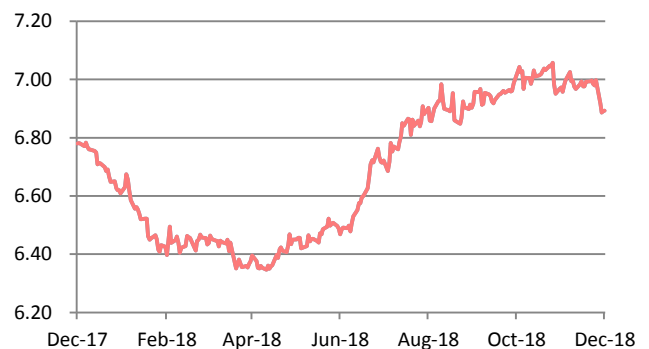
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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