

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Reserve	Nov	N/A	USD3053.1bn
US: Change in Nonfarm / Private Payrolls	Nov	205k/210k	250/246k
US: Average Hourly Earnings YoY	Nov	3.00%	3.10%
Japan: Household Spending / Labor Cash Earnings YoY	Oct	N/A	-1.6%/1.1%
Germany: Industrial Production YoY	Oct	N/A	0.80%

Source: Bloomberg

II. Macro News

- **China Says It's Implementing Deals Done With U.S. on Trade.** China and the U.S. have reached agreement in the sectors of agriculture, autos, and energy, and China will immediately start implementing that consensus, a government spokesman said. [Bloomberg]
- **India's Central Bank Dials Back Hawkish Tone as Inflation Eases.** India's central bank struck a less hawkish tone, signaling it was open to adjusting monetary policy if upside risks to inflation don't materialize. Just two months after stating that interest rate cuts were "off the table," Governor Urjit Patel said there's the possibility of "commensurate policy actions" if inflation continues to undershoot. [Bloomberg]
- **China to further ease foreign investment restrictions.** China has intensified efforts to implement policies designed to ease foreign investment restrictions and improve the business environment, Xinhua-run Economic Information Daily reported Thursday. [China Daily]

III. Industry News

- **S&P Dow Jones to Add Some China A-Shares to Global Indexes.** S&P Dow Jones Indices to add eligible China A-shares that are accessible via Shanghai-Hong Kong or Shenzhen-Hong Kong stock connect trading to its global benchmark indexes with an emerging market classification. [Bloomberg]
- **Unsold Cars in China Pile Up to Record as Trade War Bites.** Inventory levels are at a record high. An index tracking the volume of unsold cars reached its highest ever reading in November, based on data from the China Automobile Dealers Association. Car sales in China have fallen for five straight months and are on course for the first annual decline in at least two decades as a trade war with the U.S. hurts demand and spending power. [Bloomberg]
- **China May Set 6 Criteria for High-Tech Board Listing.** China may set six criteria for companies seeking to list on the upcoming Shanghai high-tech board, Securities Times reports. The high-tech board will be modeled after Nasdaq and Hong Kong stock exchange. [Bloomberg]

IV. Corporate News

- **Portugal's Caixa, Bank of China Sign Agreement on Panda Bonds.** Portuguese state-owned bank Caixa Geral de Depositos and Bank of China signed an agreement to encourage cooperation on the planned issuance of panda bonds by Portugal, according to a statement handed to reporters by the Portuguese government. [Bloomberg]
- **China Overseas Land & Investment Seeks About HK\$20b Loan.** China Overseas Land & Investment Ltd. is in talks with relationship banks for a 5Y loan of no less than HK\$20b. The company signed a HK\$18b 5Y loan in Dec. 2017; deal pays 138bps all-in via H+113 margin. [Bloomberg]

- **Buffett-Backed BYD Plans Battery Unit IPO Amid Electric-Car Boom.** BYD Co., the electric-car maker backed by Warren Buffett, plans to list its battery business by 2022 to raise funds to expand as the global auto industry transitions away from the traditional combustion engine. [Bloomberg]
- **CNPC Pipe Unit Ships 18.04 Bcm of Gas to Inland Users This Year.** China National Petroleum Corp.'s pipeline unit has sent 18.04 billion cubic meters of natural gas to inland users this year as of Dec. 3, +3.6 bcm y/y, co. says in statement Thursday. [Bloomberg]
- **Cofco International Seeks to Cut Costs With New Portugal Office.** Cofco International Ltd., the global trading arm of China's biggest food company, is joining other major commodity trading houses in cutting back-office costs. Cofco opened an office in the Porto region of Portugal on Wednesday, which it said will eventually employ as many as 400 people in finance, information technology, human resources and procurement jobs. [Bloomberg]
- **Mobvista Is Said to Raise \$163m in H.K. IPO Priced Near Bottom.** Mobvista Inc., a startup that provides a mobile advertising platform to smartphone app developers, has raised about HK\$1.275b (\$163m) after pricing its Hong Kong IPO near the bottom of a marketed range. [Bloomberg]
- **Jack Ma Adopts 'Moneyball' Approach to China Sports.** Think of it as "Moneyball" for e-commerce. Just as professional sports teams have used reams of data to maximize performance, Chinese billionaire Jack Ma is turning to analytics to get the most out of fans and change the way athletic events are managed and people shop for gear. [Bloomberg]
- **SMIC to Build Shanghai Chip Plant With Investment of Over \$10B.** Semiconductor Manufacturing International Corp. is building a 12-inch chip plant in Shanghai, according to a statement on Shanghai official WeChat account. It is expected to be the most technologically advanced chip factory in China. [Bloomberg]
- **Tesla Shanghai Plant to Start Partial Production in 2H, 2019.** Tesla will start building its "Gigafactory 3" plant in Shanghai and the factory is expected to start partial production in second half of next year, according to a statement on Shanghai official WeChat account. [Bloomberg]
- **Hopewell Chairman to Take Developer Private for \$2.7B.** The family of Hopewell Holdings Ltd. Chairman Gordon Wu aims to take the Hong Kong developer private for HK\$21.3 billion (\$2.7 billion). The bidding group is offering HK\$38.80 per share, 47 percent more than the last trading price, the firm told Hong Kong's stock exchange. [Bloomberg]
- **Fosun Tourism IPO Covered, Guides Pricing Toward Bottom.** Fosun Tourism Group, the Chinese owner of Club Med, is telling investors that the institutional order book is covered for its Hong Kong IPO. Investors' price sensitivity is toward the bottom end of the marketed range, according to a message communicated to potential investors. [Bloomberg]
- **China's OnePlus to launch first 5G smartphone in Europe with British carrier EE in 2019.** Chinese smartphone company OnePlus plans to release the first commercial 5G handset in Europe next year, supporting the roll-out of next-generation mobile services in the United Kingdom. [SCMP]
- **China Mobile joins UAE's Etisalat SmartHub for regional expansion.** China Mobile International Limited will join the SmartHub Data Center of Etisalat multinational telecom operator based in the United Arab Emirates (UAE) to improve CMI's expansion in the Middle East region, state-run WAM news agency reported. [China Daily]
- **BYD Company's Nov Sales Volume Reaches 50,982 Vehicles.** BYD Company announced that sales volume in November reached 50,982 vehicles, of which new energy vehicles accounted for 30,076 units while oil-fueled vehicles accounted for 20,906 units. Sales volume since the beginning of this year amounted to 451,000 vehicles. [AAStocks]
- **GAC GROUP Proposes RMB300M to State-owned M&A Fund.** GAC Group announced that it proposed to partake the contribution for the establishment of State-owned M&A Fund, targeting strategic substantial M&A projects in Guangzhou, companies with innovative technologies and rare resources, or assets and listed companies with underestimated market value. [AAStocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,696	(4.1)	(0.2)	(1.7)	(4.2)	(6.1)	(2.7)	2.2	0.8
	Dow Jones	24,948	(79.4)	(0.3)	(1.7)	(4.7)	(3.7)	(1.2)	3.0	0.9
	Nasdaq Composite	7,188	29.8	0.4	(1.4)	(5.1)	(9.0)	(5.9)	5.5	4.1
	Russell 2000	1,477	(3.3)	(0.2)	(3.5)	(6.6)	(13.8)	(11.4)	(2.8)	(3.8)
	VIX Index	21.19	0.5	2.2	12.8	29.5	42.4	74.7	108.6	91.9
Europe Equity	Euro Stoxx 50	3,046	(104.3)	(3.3)	(4.0)	(6.2)	(7.5)	(12.0)	(14.8)	(13.1)
	DAX	10,811	(389.3)	(3.5)	(4.3)	(6.6)	(9.6)	(15.6)	(17.1)	(16.3)
	CAC	4,780	(163.9)	(3.3)	(4.5)	(7.0)	(9.0)	(12.3)	(11.2)	(10.0)
	FTSE 100	6,704	(217.8)	(3.1)	(4.8)	(5.8)	(7.9)	(13.0)	(8.4)	(12.8)
APAC Equity	HSI	26,156	(663.3)	(2.5)	(1.1)	0.0	(3.0)	(17.0)	(7.6)	(12.6)
	HSCEI	10,481	(276.2)	(2.6)	(1.0)	(1.5)	(0.7)	(15.5)	(6.0)	(10.5)
	HSI VIX	23.49	2.4	11.1	(5.4)	(6.2)	10.1	47.7	32.0	60.9
	CSI 300	3,182	(70.3)	(2.2)	1.4	(1.2)	(2.9)	(16.9)	(19.9)	(21.1)
	SH Composite	2,605	(44.6)	(1.7)	1.5	(1.4)	(3.6)	(16.2)	(20.4)	(21.2)
	SZ Composite	1,351	(30.0)	(2.2)	1.9	0.8	(5.8)	(23.6)	(27.7)	(28.9)
	Nikkei 225	21,502	(417.7)	(1.9)	(3.4)	(2.2)	(3.1)	(5.3)	(4.0)	(5.1)
Commodities (USD)	KOSPI	2,069	(32.6)	(1.6)	(2.2)	(0.1)	(9.0)	(16.0)	(15.7)	(15.9)
	Brent (Future)	60.06	(1.5)	(2.4)	0.9	(16.7)	(21.5)	(20.3)	(1.9)	(10.2)
	WTI (Future)	51.49	(1.4)	(2.7)	0.1	(16.3)	(23.8)	(21.8)	(9.0)	(14.6)
	Gold	1,238	0.5	0.0	1.1	1.0	3.5	(4.5)	(0.7)	(5.0)
	Copper (Future)	6,070	(105.0)	(1.7)	(2.3)	(1.4)	2.4	(15.9)	(7.3)	(16.2)
FX	Baltic Dry Index	1,296.00	59.0	4.8	1.2	(0.6)	(13.0)	(7.1)	(22.8)	(5.1)
	Dollar Index	96.81	(0.3)	(0.3)	0.0	0.5	1.9	3.4	3.4	5.1
	EUR	1.14	0.0	0.3	(0.2)	(0.5)	(1.6)	(3.6)	(3.4)	(5.3)
	JPY	112.68	(0.5)	(0.5)	(0.7)	0.7	(1.5)	(2.7)	0.3	(0.0)
	CNY	6.88	0.0	(0.4)	0.9	0.5	(0.7)	(7.2)	(3.9)	(5.5)
CDS	CNH	6.88	0.0	0.3	(0.8)	0.5	(0.2)	(7.1)	(3.7)	(5.3)
	ChinaGov CDS	69.07	1.4	2.0	(2.7)	4.4	15.3	24.3	23.2	37.9
	CDX Emerging Market	95.16	(0.1)	(0.1)	(0.1)	(0.8)	0.5	(1.7)	(1.4)	(4.0)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.40	(0.0)	(0.2)	2.3	2.4	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.76	(0.0)	(1.2)	2.8	3.0	2.7	2.5	1.8	1.9
	5-Year Treasury Yield	2.75	(0.0)	(1.2)	2.8	3.1	2.8	2.8	2.1	2.2
	10-Year Treasury Yield	2.90	(0.0)	(0.6)	3.0	3.2	2.9	2.9	2.4	2.4
	2-10 Spread	13.34	1.7	14.2	19.9	27.5	23.2	44.4	55.7	51.8
China rates	O/N China Repo Rate	2.40	0.2	8.6	2.6	2.0	2.6	2.6	2.6	3.0
	1-Week China Repo Rate	2.50	0.4	19.0	2.7	2.6	2.5	2.7	2.8	3.1
	O/N SHIBOR	2.42	0.2	6.7	2.6	2.1	2.6	2.6	2.6	2.8
	1-Week SHIBOR	2.60	0.0	0.7	2.7	2.6	2.7	2.8	2.8	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



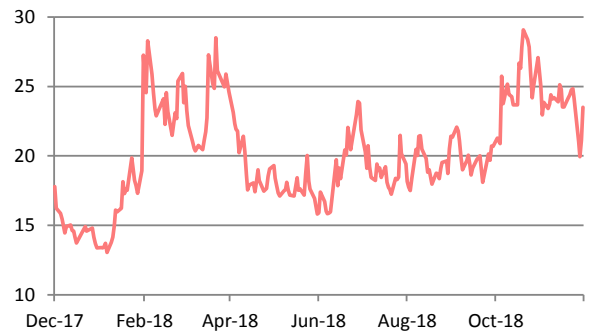
Source: Bloomberg

China 5Y CDS Index_USD



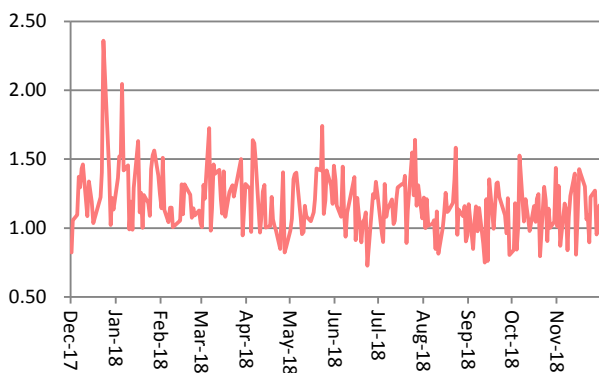
Source: Bloomberg

Hang Seng Index VIX



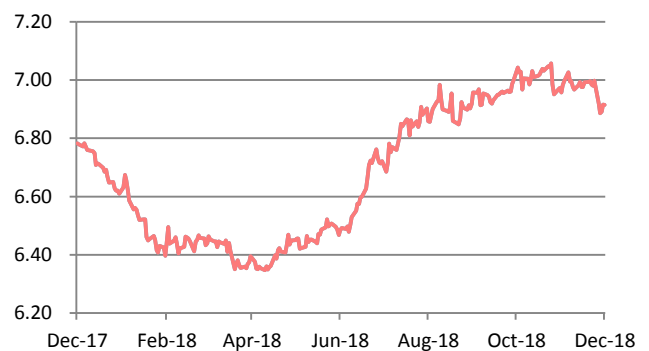
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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