



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Exports / Imports Price Index YoY	Nov	N/A	3.5% / 3.1%
Eurozone: ECB Main Finance Rate	13-Dec	N/A	0.00%
Eurozone: ECB Marginal Lending Facilitate	13-Dec	N/A	0.25%
Philippines: BSP Overnight Borrowing Rate	13-Dec	N/A	4.75%
Norway: Deposit Rates	13-Dec	N/A	0.75%

Source: Bloomberg

II. Macro News

- **China Moves to Address U.S. Economic Concerns.** Beijing sought to ease tensions with Washington as its top trade negotiator told U.S. officials that China was planning to reduce auto tariffs and boost purchases of soybeans and other crops, according to people in both capitals briefed on the discussions. [WSJ]
- **U.S. Producer Prices Edge Up in November.** A gauge of U.S. business prices rose slightly in November, but the pace of gains moderated from recent months. The producer-price index edged up a seasonally adjusted 0.1% in Nov from a month earlier, the Labor Dept said. That followed a heftier 0.6% increase in Oct and a 0.2% climb in Sept. [WSJ]
- **IMF endorses Hong Kong's wait-and-see housing policies as property prices have room to fall.** The International Monetary Fund has endorsed the Hong Kong govt's wait-and-see stance before taking any further actions to offset the risk of a fall in housing prices. [SCMP]

III. Industry News

- **China reportedly bought \$180m worth of US soybeans, and the first concrete sign of a truce between Trump and Xi.** China reportedly bought more than 500,000 tons of US soybeans, worth around \$180 million. Chinese state-owned firms made a huge order of soybeans on Wednesday, according to a new report, the first concrete sign that Beijing is following through on promises made as part of the trade war truce. [Bloomberg]
- **HK shelves ETF Connect scheme with China due to 'technical issues',** Hong Kong's delayed ETF Connect scheme would be shelved indefinitely because of "technical issues", and regulators from the city and China would turn their attention to launch cross listings of these index funds, according to newly-appointed SFC commission chairman. [SCMP]
- **EU Mulls Temporary Grant on UK Commodity, Settlement Services in Europe under Disorderly Brexit.** The European Commission plans to allow various British clearinghouses, such as London Stock Exchange, Intercontinental Exchange and London Metal Exchange, to provide services for the EU in a temporary manner even without an orderly Brexit deal, as Bloomberg quoted from its document draft. [AASocks]

IV. Corporate News

- **Chalco buys stake in Shanxi Huaxing.** Aluminum Corporation of China bought 50 stakes in Shanxi Huaxing from Baotou Transportation Investment for 2.67bn yuan. The acquisition of the equity interests in Shanxi Huaxing is conducive to the increase in the profits of the company and returns to shareholders, Aluminum Corporation of China said. [The Standard]
- **Apple to appeal iPhone sales ban.** Apple said that all of its phone models remained on sale in the mainland after a court in China ordered a sales ban of some older iPhone models in the country for violating two patents of chipmaker Qualcomm. It had also filed a request for reconsideration with the court. [The Standard]

- **Longyuan Power says in 'normal operation'.** China Longyuan Power said it was in normal operation, though its former executive director was detained. The co said that it was recently informed that Li Enyi was detained by the supervisory authority due to suspected serious duty crimes, adding that it's not aware of any other relevant info on the detention. [The Standard]
- **Dismantling of troubled Chinese insurer Anbang continues as it sells bank stake for US\$2.4bn.** Anbang Insurance Group is asking 16.8bn yuan (US\$2.4bn) for its controlling stake in a commercial bank as the dismantling of one of China's biggest private conglomerates continues. [SCMP]
- **Indonesia's e-commerce scene heats up as Tokopedia secures US\$1.1 billion from Alibaba, SoftBank.** Indonesian e-commerce company Tokopedia said on Wednesday that it had secured US\$1.1 billion in its latest funding round led by Chinese e-commerce giant Alibaba Group Holding and Japan's SoftBank Group Corp. [SCMP]
- **SoftBank Mulls Selling Nvidia Stake.** SoftBank is planning to sell its stake in Nvidia as soon as early 2019, with expected gains of US\$3 billion, Bloomberg citing sources familiar with the matter. The American chipmaker has slipped about 48% amid trade war, prompting SoftBank to offload its stake. [AASocks]
- **Daimler to Buy Battery Cells Worth Over EUR20B.** German automaker Daimler announced its plan to purchase over EUR20 billion (about US\$23 billion) worth of battery cells by 2030 for mass production of electric and hybrid vehicles. The Mercedes-Benz owner did not disclose details of the awarded suppliers in its statement. [AASocks]
- **Huakang Biomed Over-subscribed by Over 130x, One-lot Success Rate 15%.** Huakang Biomed was priced at \$0.5, close to the lower limit of the offer price range. 130.5 times of over-subscription was recorded in public offering. One-lot (8,000 shares) success rate was 15%. [AASocks]
- **Hengan Intl Says It Denies All Allegations in Bonitas Report.** The report by Bonitas Research comprises statements which "are misleading, biased, selective, inaccurate and incomplete as well as groundless and irresponsible speculations", Hengan International says in statement to Hong Kong stock exchange. [Bloomberg]
- **Fosun Tourism Says Hong Kong Retail Portion 0.30x Covered.** Initial institutional offering has been "moderately over-subscribed", according to statement to HK stock exchange. Fosun Tourism prices 214.2m IPO shares at HK\$15.6 apiece. The company says to raise net HK\$3.21b in Hong Kong IPO. Trading expected to begin Dec. 14. [Bloomberg]
- **WuXi AppTec Says Hong Kong Listing Retail Portion 1.92x Covered.** Institutional offering have been "moderately over-subscribed", according to statement to Hong Kong stock exchange. WuXi AppTec prices 116.5m H shares at HK\$68 apiece in its Hong Kong listing. The company plans to raise net HK\$7.55b in Hong Kong listing. [Bloomberg]
- **Qualcomm Gets Second Shot at Seeking Apple Import Ban in U.S.** Qualcomm Inc. persuaded a U.S. trade agency to consider banning imports of Apple Inc. iPhones that use Intel Corp. chips, though the agency appeared to be grappling with ways to forge a compromise that would protect America's dominance in the next generation of phone technology. [Bloomberg]
- **Factory opens for producing C919 jet parts.** A new factory that will supply the flight control systems for China's homegrown single-aisle C919 passenger jet has opened in Xi'an, Shaanxi province. The 10,000-square-meter facility is run by HonFei Flight Technology Co Ltd, a joint venture between AVIC Xi'an Flight Automatic Control Research Institute and the United States manufacturer of aircraft engines and avionics Honeywell Aerospace. [China Daily]
- **Vaccine maker Changsheng Biotech to be delisted.** Changsheng Biotech Co received a mandatory delisting notification from the Shenzhen Stock Exchange, according to the bourse's website. Company executives including Gao Junfang, the board chairwoman, and three senior managers are banned from China's securities markets for life. Three other senior managers are banned from the market for five years for market violations, according to CSRC. [China Daily]
- **China Mobile plans facility in San Jose.** China Mobile Communications Corp has submitted a proposal to build a large data center and connecting office in Silicon Valley. China Mobile Int'l Ltd, the company's HK-based subsidiary, filed an application for a special use permit with the city of San Jose, California, on Oct 3, which currently remains under initial review, according to Cassandra van der Zweep, a San Jose urban planner. [China Daily]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,651	14.3	0.5	(1.8)	(2.8)	(8.2)	(4.9)	(0.5)	(0.8)
	Dow Jones	24,527	157.0	0.6	(2.0)	(3.4)	(5.7)	(3.1)	0.1	(0.8)
	Nasdaq Composite	7,098	66.5	0.9	(0.8)	(1.4)	(10.8)	(7.9)	3.4	2.8
	Russell 2000	1,455	15.2	1.1	(1.7)	(4.2)	(15.2)	(13.5)	(4.0)	(5.2)
	VIX Index	21.46	(0.3)	(1.4)	3.5	23.6	63.3	73.9	116.3	94.4
Europe Equity	Euro Stoxx 50	3,108	52.7	1.7	(1.3)	(2.7)	(6.6)	(10.6)	(13.7)	(11.3)
	DAX	10,929	148.9	1.4	(2.4)	(3.5)	(9.2)	(14.9)	(17.1)	(15.4)
	CAC	4,909	103.3	2.1	(0.7)	(3.0)	(7.9)	(10.0)	(9.5)	(7.6)
	FTSE 100	6,880	73.3	1.1	(0.6)	(2.5)	(5.9)	(10.7)	(8.3)	(10.5)
APAC Equity	HSI	26,187	415.0	1.6	(2.4)	1.5	(3.1)	(14.8)	(10.4)	(12.5)
	HSCEI	10,417	172.2	1.7	(3.2)	(0.6)	(0.8)	(13.4)	(9.6)	(11.0)
	HSI VIX	22.14	(0.5)	(2.2)	4.7	(6.8)	11.3	39.7	47.3	51.6
	CSI 300	3,171	10.8	0.3	(2.5)	(2.1)	(2.0)	(16.3)	(21.7)	(21.3)
	SH Composite	2,602	8.1	0.3	(1.8)	(2.0)	(3.1)	(14.7)	(21.2)	(21.3)
	SZ Composite	1,346	2.1	0.2	(2.5)	(2.7)	(4.8)	(22.3)	(29.7)	(29.1)
	Nikkei 225	21,603	454.7	2.2	(1.4)	(1.0)	(5.3)	(5.9)	(5.1)	(5.1)
Commodities (USD)	KOSPI	2,083	29.6	1.4	(0.9)	0.5	(8.9)	(15.6)	(16.0)	(15.6)
	Brent (Future)	60.20	0.0	0.1	(2.2)	(14.1)	(24.5)	(20.6)	(4.9)	(9.9)
	WTI (Future)	51.15	(0.5)	(1.0)	(3.3)	(14.7)	(27.3)	(22.9)	(10.5)	(15.3)
	Gold	1,246	2.4	0.2	0.7	3.6	3.7	(4.1)	(0.8)	(4.4)
	Copper (Future)	6,168	79.0	1.3	(0.7)	1.8	5.3	(15.0)	(7.5)	(14.9)
FX	Baltic Dry Index	1,364.00	(21.0)	(1.5)	5.2	21.2	(3.3)	(1.9)	(21.7)	(0.1)
	Dollar Index	97.39	(0.4)	(0.4)	(0.1)	(0.5)	2.3	3.4	3.1	5.3
	EUR	1.14	0.0	0.5	0.2	0.7	(2.7)	(3.6)	(3.8)	(5.3)
	JPY	113.29	(0.1)	(0.1)	0.1	0.5	(1.2)	(2.6)	(0.7)	(0.5)
	CNY	6.88	(0.0)	0.3	(0.3)	1.2	(0.4)	(6.9)	(3.8)	(5.4)
CDS	CNH	6.87	(0.0)	(0.5)	0.2	1.1	(0.4)	(7.0)	(3.7)	(5.2)
	ChinaGov CDS	67.79	(1.4)	(2.0)	1.4	4.0	21.6	21.4	26.5	35.3
	CDX Emerging Market	95.48	0.2	0.2	0.2	(0.1)	0.1	(0.9)	(3.4)	(3.7)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.42	0.0	1.3	2.4	2.3	2.1	1.9	1.3	1.4
	2-Year Treasury Yield	2.77	0.0	0.3	2.8	2.9	2.8	2.6	1.8	1.9
	5-Year Treasury Yield	2.77	0.0	1.0	2.8	3.0	2.9	2.8	2.1	2.2
	10-Year Treasury Yield	2.91	0.0	1.1	2.9	3.1	3.0	2.9	2.3	2.4
	2-10 Spread	13.52	2.2	19.8	13.3	24.4	20.9	37.0	56.4	51.8
China rates	O/N China Repo Rate	2.41	(0.0)	(1.6)	2.4	2.1	2.5	2.6	2.8	3.0
	1-Week China Repo Rate	2.35	(0.2)	(8.9)	2.5	2.5	2.5	2.3	3.0	3.1
	O/N SHIBOR	2.42	(0.0)	(1.6)	2.4	2.5	2.5	2.6	2.8	2.8
	1-Week SHIBOR	2.63	0.0	0.1	2.6	2.6	2.7	2.8	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



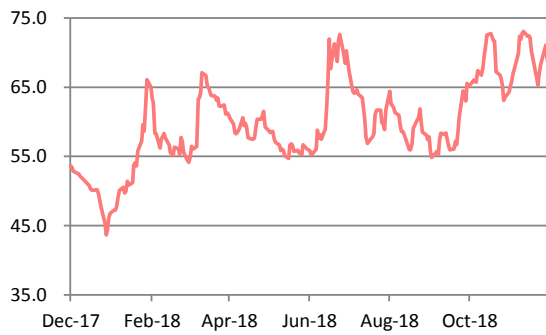
Source: Bloomberg

Shanghai Composite Index PE Ratio



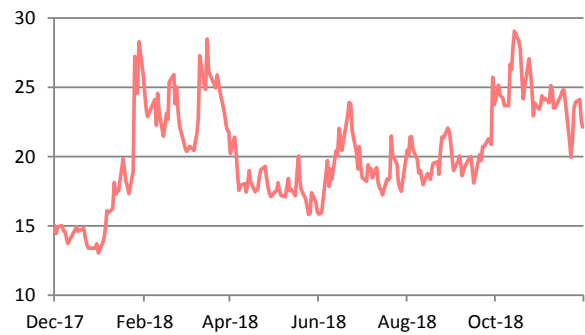
Source: Bloomberg

China 5Y CDS Index_USD



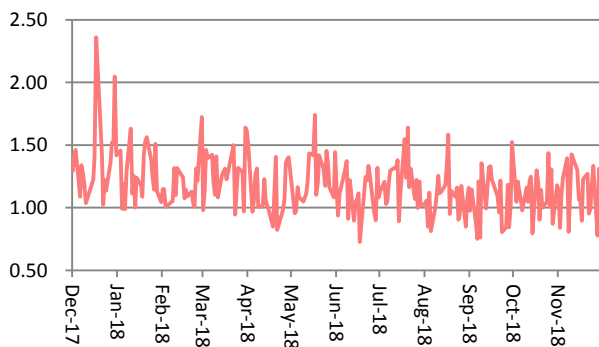
Source: Bloomberg

Hang Seng Index VIX



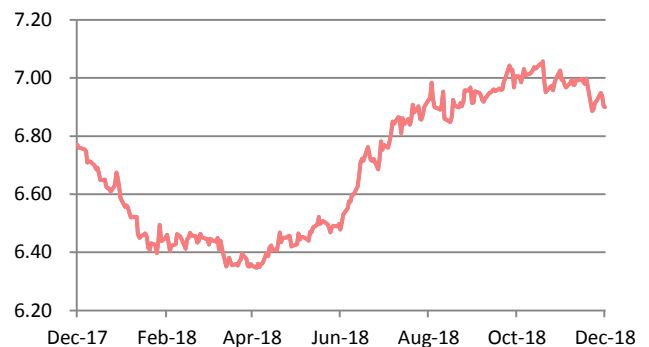
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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