



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: NAHB Housing Market Index	Dec	61.0	60.0
Australia: ANZ Roy Morgan Weekly Consumer Confidence Index	Dec-16	N/A	117.7
Philippines: Overseas Remittances YoY	Oct	3.30%	2.30%
Norway: Trade Balance NOK	Nov	N/A	34.9bn
New Zealand: ANZ Activity Outlook	Dec-16	N/A	7.60

Source: Bloomberg

II. Macro News

- **Australia Poised for First Budget Surplus Since Financial Crisis.** Australia is on track to return to the black for the first time since the global financial crisis, almost doubling the size of its projected surplus in fiscal 2020. The underlying cash deficit will more than halve from May's forecast to A\$5.2bn (\$3.7bn) in the 12 months through June 2019, before swelling to a A\$4.1bn surplus in the following year, Treasury said in Canberra Monday. [Bloomberg]
- **India Offers \$1.4 Billion to Maldives Amid Tussle With China.** India has offered the Maldives \$1.4 billion through a credit line and budgetary support as the tiny island nation's new government pivots from a pro-China foreign policy to one focused on its close neighbor India. [Bloomberg]
- **Italy to Trim Deficit Goal in Budget Deal Aimed at EU.** The Italian government will trim its deficit target for next year in its latest proposal that seeks to avoid European Union sanctions for violating the bloc's budget rules, the Ansa news agency reported. [Bloomberg]

III. Industry News

- **Japan to Expand Same-Day Wholesale Electricity Trading.** Japan's economy ministry plans to include solar and wind power in same-day trading because it can otherwise be difficult to measure their generation output, Nikkei reports, without attribution. [Bloomberg]
- **China Cities to Raise Pensions from Jan. 1.** Chinese cities including those in Guangxi autonomous region and Qinghai province will raise pension funds for urban and rural residents starting from January 1, Economic Information Daily reports, citing local government. [Bloomberg]
- **Deutsche Bank ready to help German companies' China ambitions.** Deutsche Bank said it is ready to support German companies' growing ambitions in China. It expects German firms to increase their investments as the US-China trade war prompts Beijing to deepen its ties with Europe, according to the banking giant's Asia-Pacific boss. [SCMP]

IV. Corporate News

- **China's Tesla challenger Nio 'not worried' by tariff cuts, sees customer service as providing edge over US competitors.** Nio, known as a Tesla challenger in mainland China, has stepped up a gear to consolidate its foothold in the mainland's electric vehicle market, launching its second model targeting a broader customer base. [SCMP]
- **Stan Chart spins off private-equity arm, sells investment portfolio to UK asset manager Intermediate Capital.** Standard Chartered said that it would spin off its private-equity business in a mgmt-led buyout and sell most of its private-equity investment portfolio to funds managed by a unit of British asset manager Intermediate Capital Group. [SCMP]

- **CNPC Discovers ‘Huge’ Gas Reserves in Sichuan Volcanic Rocks.** China National Petroleum Corp. says its unit has found new gas reserves after conducting drilling at the volcanic rock formation in Sichuan’s Jianyang city, according to statement on website. [Bloomberg]
- **Renault Is Said to Ask Nissan to Call Shareholder Meeting.** Renault SA is pushing Nissan Motor Co. to call a shareholder meeting as soon as possible to discuss the Japanese automaker’s indictment, governance and the French company’s appointees on Nissan’s board. [Bloomberg]
- **ABB, Hitachi Said to Near \$11 Billion Deal for Power Grids.** ABB Ltd. is nearing an agreement to sell about 80 percent of its power-grids unit to Hitachi Ltd. in a deal that would value the entire business at about \$11bn. ABB plans to sell the remaining 20 percent stake over time. [Bloomberg]
- **Qatar Buys Mexico Oil Stakes From Italy’s Eni After Leaving OPEC.** Qatar Petroleum is buying stakes in three offshore oil blocks in Mexico from Eni SpA, as the Arab country signs another global expansion deal after leaving OPEC. [Bloomberg]
- **Daimler to Build E-Car Battery Plant in Poland.** Daimler may announce its plan to build plant with capacity to produce 100,000 e-car batteries a year in Jawor, southwest Poland, Puls Biznesu reports. Daimler plans to invest initially 400m zloty in new facility, located close to its engine plant now in construction phase. [Bloomberg]
- **CSRC Gives Listing Approvals to Qingdao Port, 2 Others.** Chinese securities regulator gave written A-share offering approvals to Qingdao Port International, Golden Horse Technology and Vats Liquor Chain, according to a CSRC statement. But statement didn’t give details about scale of the IPOs. [Bloomberg]
- **Greentown China to Buy 900m Shares of Aeon Life for 2.72b Yuan.** Shares represent 11.6% of total shares in Aeon Life Insurance, according to filing to the Hong Kong stock exchange. Greentown China to purchase shares from a joint stock company incorporated in China. Deal will be funded with internal financial resources. [Bloomberg]
- **Boeing Sets New \$20 Billion Buyback Plan, Raises Dividend 20%.** Boeing Co. directors authorized a record \$20 billion share buyback program and boosted the company’s dividend 20 percent -- a sign the planemaker doesn’t intend to stop showering cash on investors any time soon. [Bloomberg]
- **JAC Volkswagen's new R&D center helps usher in new era of change.** The JAC Volkswagen JV started construction of its R&D center for new energy passenger vehicles last Monday - focusing on electrification, connectivity, autonomous driving and other future technologies - in a push to help shape the future development of e-mobility. [China Daily]
- **Geely says not subject to fines over Daimler stake disclosures.** German markets regulator BaFin has ended its investigation into the purchase of Daimler’s stake by Chinese carmaker Geely and decided not to impose fines against Geely over disclosure practices, the Chinese company said. [China Daily]
- **Ping An Shr Buyback Plan Approved by Shareholders.** Ping An had earlier announced that in the 3rd meeting of the 11th session of the board of directors, the board approved the resolution of the Plan regarding Share Buy-back and the Relevant Authorization, and submission of the plan to the general meeting. [AASocks]
- **CMOC Controlling Shareholder CFC Discharges A-shr Pledges.** CMOC announced that it has received a notification from its controlling shareholder Cathay Fortune Corporation, pursuant to which CFC has disposed of 65.3369 million unrestricted circulating A-shares to CITIC SEC. [AASocks]
- **Samsung Denies Quitting CN Mkt on Tianjin Plant Closure.** Samsung responded that the company does not mean to withdraw from China by closing the Tianjin plant as the decision of closure at end-December is an effort to boost efficiency in its production facilities. [AASocks]

V. Overnight Market Recap

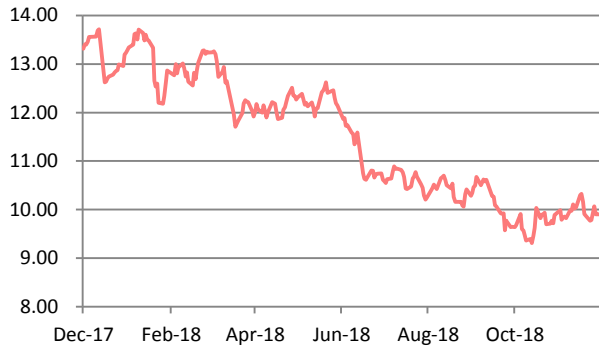
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,546	(54.0)	(2.1)	(3.5)	(7.0)	(12.3)	(8.2)	(5.4)	(4.8)
	Dow Jones	23,593	(507.5)	(2.1)	(3.4)	(7.2)	(10.1)	(5.6)	(4.8)	(4.6)
	Nasdaq Composite	6,754	(156.9)	(2.3)	(3.8)	(6.8)	(15.1)	(12.8)	(3.4)	(2.2)
	Russell 2000	1,378	(32.7)	(2.3)	(4.5)	(9.8)	(19.5)	(18.6)	(11.0)	(10.2)
	VIX Index	24.52	2.9	13.4	8.3	35.2	91.7	99.2	157.3	122.1
Europe Equity	Euro Stoxx 50	3,064	(29.0)	(0.9)	1.5	(3.7)	(8.8)	(11.6)	(15.1)	(12.6)
	DAX	10,772	(93.6)	(0.9)	1.4	(5.0)	(11.4)	(16.1)	(19.1)	(16.6)
	CAC	4,800	(53.8)	(1.1)	1.2	(4.5)	(10.5)	(11.9)	(11.5)	(9.7)
	FTSE 100	6,773	(71.9)	(1.1)	0.8	(3.4)	(7.2)	(11.2)	(10.1)	(11.9)
APAC Equity	HSI	26,088	(6.8)	(0.0)	1.2	(0.4)	(3.7)	(13.9)	(10.2)	(12.8)
	HSCEI	10,352	(7.6)	(0.1)	1.0	(2.2)	(1.9)	(12.8)	(9.3)	(11.6)
	HSI VIX	22.04	0.1	0.6	(8.7)	(9.0)	9.9	38.0	46.6	51.0
	CSI 300	3,161	(4.7)	(0.1)	0.0	(3.0)	(3.3)	(15.8)	(20.7)	(21.6)
	SH Composite	2,598	4.2	0.2	0.1	(3.0)	(3.8)	(14.0)	(20.5)	(21.4)
	SZ Composite	1,323	(4.1)	(0.3)	(1.5)	(6.2)	(5.8)	(21.8)	(30.0)	(30.3)
	Nikkei 225	21,507	132.1	0.6	1.4	(2.2)	(9.4)	(6.5)	(7.4)	(6.8)
Commodities (USD)	KOSPI	2,071	1.7	0.1	0.8	(1.2)	(10.4)	(13.0)	(16.7)	(16.2)
	Brent (Future)	59.61	(0.7)	(1.1)	(0.6)	(11.6)	(25.3)	(21.6)	(6.9)	(11.7)
	WTI (Future)	49.88	(1.3)	(2.6)	(2.2)	(12.4)	(29.2)	(24.9)	(13.5)	(18.2)
	Gold	1,246	6.8	0.6	0.1	1.8	4.0	(2.5)	(1.3)	(4.4)
	Copper (Future)	6,123	(8.5)	(0.1)	0.6	(1.3)	3.0	(12.8)	(11.1)	(15.5)
FX	Baltic Dry Index	1,401.00	36.0	2.6	1.2	35.9	3.3	(2.8)	(11.8)	2.6
	Dollar Index	97.10	(0.3)	(0.4)	(0.1)	0.7	2.6	2.5	3.7	5.4
	EUR	1.13	0.0	0.4	(0.1)	(0.9)	(2.7)	(2.4)	(3.7)	(5.5)
	JPY	112.83	(0.6)	(0.5)	(0.4)	(0.2)	(0.4)	(2.0)	(0.2)	(0.1)
	CNY	6.90	(0.0)	0.1	0.2	0.6	(0.6)	(6.6)	(4.1)	(5.7)
CDS	CNH	6.90	(0.0)	(0.0)	(0.2)	0.5	(0.5)	(6.4)	(4.2)	(5.5)
	ChinaGov CDS	63.73	(0.4)	(0.5)	(9.8)	(8.8)	14.9	13.8	21.3	27.2
	CDX Emerging Market	95.63	0.0	0.0	0.4	0.5	0.1	(0.2)	(3.4)	(3.5)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.38	(0.0)	(1.2)	2.4	2.3	2.2	1.9	1.3	1.4
	2-Year Treasury Yield	2.69	(0.0)	(1.5)	2.8	2.8	2.8	2.5	1.8	1.9
	5-Year Treasury Yield	2.69	(0.0)	(1.4)	2.7	2.9	2.9	2.8	2.2	2.2
	10-Year Treasury Yield	2.86	(0.0)	(1.1)	2.9	3.1	3.1	2.9	2.4	2.4
	2-10 Spread	16.12	0.7	4.5	11.3	25.9	25.2	35.0	56.2	51.8
China rates	O/N China Repo Rate	2.55	-	-	2.5	2.3	2.7	2.4	2.7	3.0
	1-Week China Repo Rate	2.65	-	-	2.6	2.7	2.7	3.0	3.5	3.1
	O/N SHIBOR	2.63	(0.0)	(1.1)	2.5	2.3	2.7	2.6	2.7	2.8
	1-Week SHIBOR	2.70	0.0	0.5	2.6	2.6	2.7	2.8	2.9	3.0

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



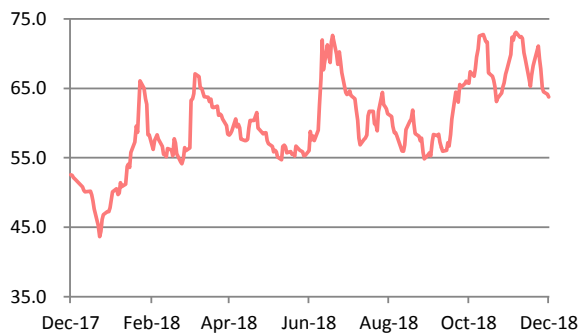
Source: Bloomberg

Shanghai Composite Index PE Ratio



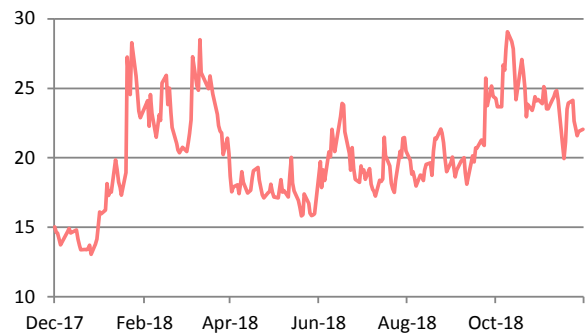
Source: Bloomberg

China 5Y CDS Index_USD



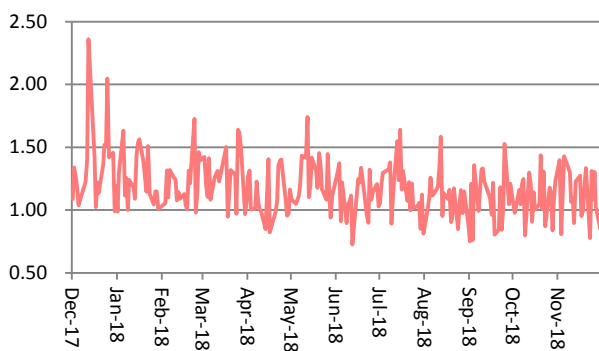
Source: Bloomberg

Hang Seng Index VIX



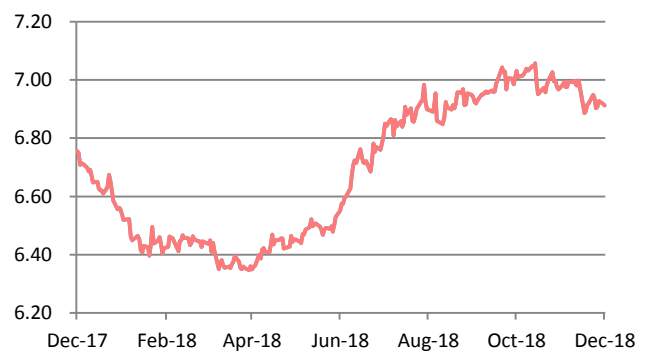
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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