

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Housing Starts MoM	Nov	0.40%	1.50%
Australia: Westpac Leading Index MoM	Nov	N/A	0.08%
China: FX Net Settlement - Clients CNY	Nov	N/A	-24.1bn
New Zealand: Westpac Consumer Confidence	4Q	N/A	103.5

Source: Bloomberg

II. Macro News

- **Japan Heeds Trump's Call With American-Made Defense Spending Spree.** Japan plans to spend around \$10 billion to become the largest customer outside the U.S. for Lockheed Martin Corp.'s F-35 jet fighters, as it responds to a rising China and pressure from President Trump to spend more on American military hardware. [WSJ]
- **China's U.S. Treasuries Holdings Tumble to Lowest Since May 2017.** China's holdings of U.S. Treasuries fell to the lowest in a year-and-a-half, as its foreign currency reserves declined and the yuan weakened near a key symbolic level. China's holdings of notes, bills and bonds dropped for a fifth straight month to \$1.14tn in Oct, from \$1.15tn in Sept, according to data from the Treasury Department. [Bloomberg]
- **Eurozone Harmonised CPI Growth Revised Down to 1.9% YoY in Nov, Lower than Forecast.** Eurostat announced that eurozone's harmonised CPI growth had been revised down to 1.9% from the initial value of 2% for the month of November, lower than market projection of staying at 2%. [AASocks]

III. Industry News

- **Fed Faces Communication Challenge on Rates.** Federal Reserve officials will debate this week how to signal less certainty over the path of interest rates without implying they are done raising them after their two-day policy meeting ends Wednesday. [WSJ]
- **China Plans to Unveil More 'Major' Tax Cuts.** Individual income tax reduction will be on top of Chinese government's task list next year, China Daily reports, citing an unidentified tax administration official. The upcoming policies will also include tax exemptions for small and medium-sized companies and high-tech enterprises. [Bloomberg]
- **China's cash-starved companies offer their prized assets at garage sales to dress up their books and avoid stock market expulsion.** Dozens of Chinese companies, pressed by a slowing economy and tighter bank loans, are putting their prized assets on sale to raise money to dress up their books as the year end approaches, in a desperate move to avoid expulsion from the stock exchanges. [SCMP]

IV. Corporate News

- **Deutsche Bank, Commerzbank Are Said to Test Frankfurt Swaps Move.** Deutsche Bank AG and 16 other lenders recently tested moving interest-rate swap positions from London to Frankfurt, according to people familiar with the matter, a signal that financial firms are pushing ahead with preparations for a no-deal Brexit. [Bloomberg]
- **Shell Is Said to Eye Deal for Endeavor Energy as Price Tag Drops.** Royal Dutch Shell Plc is in negotiations to buy Endeavor Energy Resources LP for about \$8 billion, according to people familiar with the matter, or roughly half as much as the Texas oil producer was expected to fetch when it put itself on the block this year. [Bloomberg]

- **China Beststudy Education Is Said to Raise \$46.5m in H.K. IPO.** China Beststudy Education Group raises \$46.5m after pricing its Hong Kong IPO below the midpoint of a marketed range. The company prices 151.4m shares at HK\$2.40 each. Shares were marketed at HK\$2.20 to HK\$2.90 apiece, according to terms for the deal obtained by Bloomberg. The company expects to begin trading Dec. 27. [Bloomberg]
- **JD.com inks MoUs with Thai government to boost cross-border trade.** Chairman of Central JD Commerce, Yol Phokasub, has signed three MOUs with three Thai govt agencies; which include, the Int'l Trade Promotion Department, the Ministry of Digital Economy Promotion Agency, and the University of the Thai Chamber of Commerce. [Bloomberg]
- **Nissan Delays Picking Ghosn Successor as Tensions Brew.** Nissan Motor Co.'s directors put the brakes on naming a successor for Carlos Ghosn as the pay scandal that landed the high-flying executive in a Tokyo jail widens to include the automaker itself. [Bloomberg]
- **China Signs Oil Deals With Majors as Xi Underscores Open Trade.** China signaled its openness for business with a raft of deals that'll give oil majors including Royal Dutch Shell Plc new opportunities to develop offshore fields in partnership with the nation's biggest maritime explorer. [Bloomberg]
- **Telecom giant Huawei to spend \$2b on cybersecurity over next 5 years.** Huawei Technologies Co Ltd said on Tuesday it would spend \$2 billion over the next five years on cybersecurity by recruiting more people and upgrading laboratories, as the Chinese technology major seeks to ease concerns about its telecom gear. [China Daily]
- **Alibaba aims for 2bn users by 2036.** Alibaba Group Holding Ltd aims to register 2bn individual users around the world by 2036. With its technology in core commerce, cloud computing, cross-border e-commerce and mobile payments, the group said it is committed to helping domestic and foreign consumers to buy products from all over the world, and to make mobile payments global. [China Daily]
- **Q3 Medical Devices Plans HK Debut, Raising Over US\$140M.** Headquartered in Dublin, Ireland, Q3 Medical Devices plans flotation on Hong Kong's Main Board to raise funds of more than EUR125mn (US\$142mn), Reuters' IFR reported. According to the official website, the strategic investors of Q3 Medical Devices are Pioneer Pharm. [AASocks]
- **ChinaSoft Int'l Buys 2M Shrs with HK\$7.88M under Share Award Scheme.** ChinaSoft International announced that during the period from 14-17 December 2018, the trustee purchased a total number of 2 million shares pursuant to the share award scheme, representing approximately 0.81% of the issued share capital. [AASocks]
- **Tesla's Plant in Shanghai Pumped with RMB50B Investment; Assembly Lines First to Build.** Tesla's plant in Shanghai, which has basically finished the land leveling, is set to commence construction soon, reported 21st Century Business Herald. It is expected that partial operation will begin in 2H19, if materialized, the production of Tesla's cars in China will be around one year ahead of schedule. [AASocks]
- **Google Invests Over US\$1B in New Advertising Zone.** Google announced on its blog that it is investing over US\$1.0 billion in various leased properties at Hudson Street and Washington Street, cited Reuters. The 1.7mn-sq.ft. campus, namely Google Hudson Square, is designated as the main location for Google's Global Business Organization, and the tech giant plans to move into Hudson Street by 2020 and into Washington Street by 2022. [AASocks]
- **Huawei Allowed to Join Indian 5G Trials.** Huawei is permitted to engage in India's 5G trials, along with other invitees such as Nokia, Ericsson and Samsung, reported The Times of India. Huawei and ZTE were initially not on the invitation list. However, Huawei has successfully won the approval under protest. [AASocks]
- **GOME Retail, Bank of Dalian Beijing Branch Strike Strategic Partnership.** GOME Retail announced the strategic partnership reached with the Beijing branch of Bank of Dalian. Both sides will innovate financial services and reach comprehensive cooperation by consolidating their resources. [AASocks]

V. Overnight Market Recap

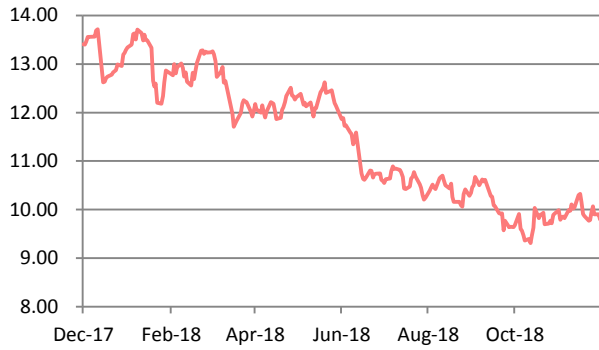
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,546	0.2	0.0	(3.4)	(5.4)	(12.4)	(7.8)	(5.0)	(4.8)
	Dow Jones	23,676	82.7	0.4	(2.9)	(5.4)	(10.3)	(4.1)	(4.4)	(4.2)
	Nasdaq Composite	6,784	30.2	0.4	(3.5)	(3.5)	(14.7)	(12.2)	(2.6)	(1.7)
	Russell 2000	1,377	(1.0)	(0.1)	(4.4)	(8.0)	(19.1)	(18.7)	(10.4)	(10.3)
	VIX Index	25.58	1.1	4.3	17.6	27.3	117.7	91.6	155.0	131.7
Europe Equity	Euro Stoxx 50	3,040	(23.5)	(0.8)	(0.5)	(3.8)	(9.7)	(11.5)	(15.1)	(13.2)
	DAX	10,741	(31.3)	(0.3)	(0.4)	(4.5)	(12.1)	(15.3)	(18.7)	(16.9)
	CAC	4,754	(45.8)	(1.0)	(1.1)	(4.6)	(11.9)	(11.8)	(11.7)	(10.5)
	FTSE 100	6,702	(71.7)	(1.1)	(1.5)	(4.3)	(8.6)	(11.9)	(11.2)	(12.8)
APAC Equity	HSI	25,814	(273.7)	(1.0)	0.2	(2.1)	(5.8)	(12.4)	(11.8)	(13.7)
	HSCEI	10,231	(121.3)	(1.2)	(0.1)	(3.8)	(4.8)	(11.0)	(11.4)	(12.6)
	HSI VIX	23.02	1.0	4.4	1.7	(3.6)	18.8	16.7	57.3	57.7
	CSI 300	3,128	(32.8)	(1.0)	(1.0)	(5.0)	(5.6)	(13.6)	(22.5)	(22.4)
	SH Composite	2,577	(21.3)	(0.8)	(0.7)	(4.7)	(5.6)	(11.4)	(21.8)	(22.1)
	SZ Composite	1,313	(10.8)	(0.8)	(2.3)	(7.4)	(7.8)	(17.7)	(31.1)	(30.9)
	Nikkei 225	21,115	(391.4)	(1.8)	(0.2)	(3.5)	(11.0)	(5.5)	(7.9)	(7.5)
Commodities (USD)	KOSPI	2,062	(9.0)	(0.4)	0.5	(1.5)	(10.4)	(11.6)	(16.5)	(16.2)
	Brent (Future)	56.26	(3.4)	(5.6)	(6.5)	(15.0)	(28.5)	(24.4)	(11.0)	(15.1)
	WTI (Future)	46.24	(3.6)	(7.3)	(10.5)	(18.2)	(34.7)	(28.6)	(19.2)	(23.2)
	Gold	1,249	3.6	0.3	0.5	2.1	3.8	(2.0)	(1.0)	(4.1)
	Copper (Future)	5,970	(153.0)	(2.5)	(3.2)	(3.8)	(1.9)	(14.3)	(13.5)	(17.6)
FX	Baltic Dry Index	1,406.00	5.0	0.4	3.1	37.4	2.4	(0.9)	(9.1)	2.9
	Dollar Index	97.10	0.0	-	(0.3)	0.7	2.5	2.0	3.7	5.2
	EUR	1.14	0.0	0.1	0.4	(0.6)	(2.5)	(1.8)	(3.9)	(5.2)
	JPY	112.52	(0.3)	(0.3)	(0.8)	0.1	(0.1)	(2.1)	0.4	0.2
	CNY	6.90	(0.0)	0.0	0.1	0.7	(0.5)	(6.6)	(4.0)	(5.6)
CDS	CNH	6.89	(0.0)	(0.1)	(0.2)	0.7	(0.5)	(6.0)	(4.1)	(5.4)
	ChinaGov CDS	63.44	(0.8)	(1.2)	(8.4)	(9.2)	13.8	13.3	20.7	26.7
	CDX Emerging Market	95.61	(0.0)	(0.0)	0.3	0.4	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	0.1	2.4	2.3	2.2	1.9	1.4	1.4
	2-Year Treasury Yield	2.64	(0.0)	(1.8)	2.8	2.8	2.8	2.6	1.9	1.9
	5-Year Treasury Yield	2.65	(0.0)	(1.8)	2.8	2.9	2.9	2.8	2.2	2.2
	10-Year Treasury Yield	2.82	(0.0)	(1.4)	2.9	3.1	3.1	2.9	2.5	2.4
	2-10 Spread	17.14	1.0	6.3	13.5	27.1	26.8	36.9	60.8	51.8
China rates	O/N China Repo Rate	2.55	(0.1)	(4.1)	2.4	2.6	2.6	2.8	2.5	3.0
	1-Week China Repo Rate	2.69	0.0	1.5	2.4	2.6	2.7	2.8	3.5	3.1
	O/N SHIBOR	2.67	0.0	1.7	2.4	2.6	2.6	2.6	2.7	2.8
	1-Week SHIBOR	2.69	(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



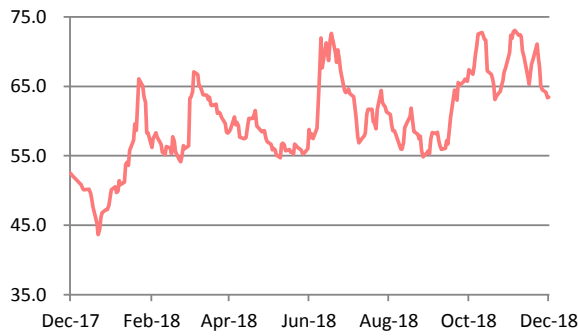
Source: Bloomberg

Shanghai Composite Index PE Ratio



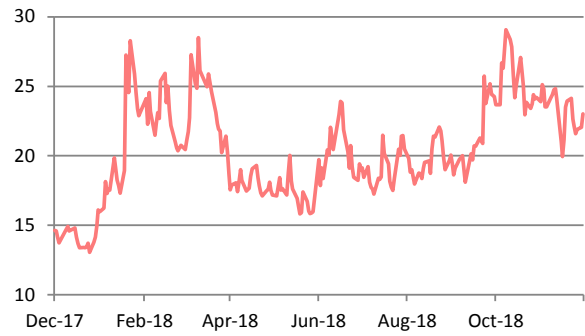
Source: Bloomberg

China 5Y CDS Index_USD



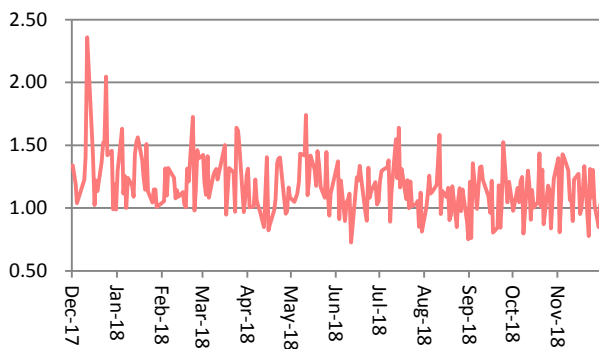
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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