



## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Existing Home Sales MoM	Nov	-0.40%	1.40%
Australia: RBA FX Transactions Market	Nov	N/A	A\$450m
Philippines: BoP Overall	Nov	N/A	-\$458m
Germany: PPI YoY	Nov	N/A	3.30%
New Zealand: GDP YoY	3Q	2.80%	2.80%

Source: Bloomberg

## II. Macro News

- **Fed Raises Rates, Turns More Cautious on Outlook for 2019 Hikes.** The Federal Reserve raised borrowing costs for the fourth time this year, looking through a stock-market selloff and defying pressure to hold off from President Donald Trump, while dialing back projections for interest rates and economic growth in 2019. [Bloomberg]
- **Japan Export Growth Stalls as Trade-War Risks Cloud Outlook.** Japan's export growth slowed again in Nov, with shipments eking out a tiny gain, as weakening demand in China and trade-war risks cloud outlook. The value of exports rose 0.1% YoY, broadly in line with a median forecast for 1.2% gain, according to the finance ministry. [Bloomberg]
- **U.S. Housing Starts Grew in November.** U.S. housing starts rose in November, reflecting a large climb in apartment building that masked weakness in single-family home construction. Housing starts increased 3.2% in November from the prior month to a seasonally adjusted annual rate of 1.256mn, the Commerce Dept. said. [WSJ]

## III. Industry News

- **Hong Kong's de facto central bank raises base interest rate by 25 points for fourth time this year in lockstep with US monetary policy.** The Hong Kong Monetary Authority has raised the city's base lending rate by 25 basis points for the fourth time this year, moving in lockstep with the US Federal Reserve's overnight increase of the same quantum, to maintain the local currency's peg to the US dollar. [SCMP]
- **Germany Targets China With Tighter Vetting of Foreign Investment.** Chancellor Angela Merkel's government is set to tighten control over foreign investment in Germany amid concern about possible Chinese influence over technology companies. [Bloomberg]
- **India Is Said to Plan Paying Five Iran Banks for Oil Imports.** India will deposit payments for crude oil imported from Iran into escrow accounts of five of their banks held with state-run UCO Bank Ltd. after the two nations agreed on a payment mechanism to overcome U.S. sanctions. [Bloomberg]

## IV. Corporate News

- **Citigroup faces US\$180 million loss on loan to Asian hedge fund.** Citigroup faces losses of as much as US\$180 million on loans made to an Asian hedge fund whose foreign exchange wagers have gone awry, prompting board level discussions and a business shake-up, according to a person briefed on the matter. [SCMP]
- **China's Zijin to Pay RTB Bor's Debt as It Takes Over Serb Miner.** Zijin Mining will pay ~\$200m owed by Serbian copper miner and smelter RTB Bor to banks, govt, state funds, over next 2 days, Energy Minister Aleksandar Antic tells reporters in Belgrade. [Bloomberg]

- **Qualcomm Says Apple Needs to Take China iPhone Ban Seriously.** Qualcomm Inc. General Counsel Don Rosenberg said Apple Inc. needs to take seriously a Chinese court's ban on the sale of some iPhone models. Qualcomm is seeking an extension of the ban to cover the latest models of the phone, he said in an interview on Bloomberg. [Bloomberg]
- **Zhejiang Cangnan Instrument to Raise Up to HK\$327M From H.K. IPO.** Zhejiang Cangnan is offering 17.3m shares at price between HK\$13.5 and HK\$18.9 apiece, according to filing to Hong Kong stock exchange. In July, Zhejiang Cangnan Instrument Says Terminates Hong Kong IPO. [Bloomberg]
- **Three Executives at HNA Group's Hong Kong Air Resigned.** Co-chairman, vice chairman and CFO of Hong Kong Airlines, controlled by HNA Group, have resigned, South China Morning Post reports, citing the air carrier's statement and two unidentified people. The departures come as HNA Group seeks to offload, or cut, its stake in Hong Kong Airlines and Hong Kong Express. [Bloomberg]
- **Renault Digs in on Plan to Name Board Member at Ally Nissan.** Renault SA is pushing ahead with its plan to name a new director to the board of Nissan Motor Co. and safeguard power within their car-making alliance, signaling mounting tension between the two companies almost a month after the jailing of leader Carlos Ghosn. [Bloomberg]
- **Shell's Prelude LNG Project to Miss 2018 Deadline, Partner Says.** Royal Dutch Shell Plc's Prelude floating liquefied natural gas terminal offshore northern Australia will start production next year, according to one of its partners in the project, missing its target for first shipment by the end of 2018. [Bloomberg]
- **General Electric Is Said to File Confidentially for Health IPO.** General Electric Co. has filed confidentially for an initial public offering of its health-care unit, according to people familiar with the matter, moving ahead with plans to spin off its second most profitable business line. [Bloomberg]
- **Huawei Slams Efforts to Block It From 5G Rollout.** Ken Hu, one of Huawei's four deputy chairmen, at the Chinese tech giant Huawei Technologies Co., fired back at efforts to block the company's sale of 5G products and said its equipment is safe, challenging foreign officials to back up claims that it poses a cybersecurity threat. He told reporters that no evidence has been produced to support the claim the company's products are a security risk. [WSJ]
- **Big Pharma Wins Drug Approval in China Ahead of West for First Time.** China has for the first time approved a treatment from a global drugmaker before any other country, illustrating its recent push to bring in cutting-edge medicines, as well as Western companies' growing interest in the market. The country's medicines regulator approved roxadustat, a new anemia drug from AstraZeneca PLC and Fibrogen Inc., well ahead of any other nation. [WSJ]
- **CNOOC sets out its plans for Pearl River.** China National Offshore Oil Corp. will join efforts with nine foreign oil giants to conduct exploration in the Pearl River Mouth Basin, Guangdong province. It has signed a strategic agreement with partners including British-Dutch oil and gas firm Royal Dutch Shell Plc, US Chevron Corp, US ConocoPhillips, French Total SA, Norwegian Equinor ASA, Canadian Husky Energy Inc and Australian Roc Oil Co. [China Daily]
- **Fosun unit bullish on tourism prospects.** Fosun Tourism Group will establish a presence in the top 10 tourist destinations in China, with a focus on cities adjacent to Beijing, Shanghai and the Guangdong-Hong Kong-Macao Greater Bay Area, the company's CEO Qian Jiannong said in an interview. [China Daily]
- **Sinotrans's Subsidiary Forms JV to Develop Business Opportunities in Haina.** Sinotrans entered into the shareholders agreement with five other subsidiaries of China Merchants in respect of the formation of the JV company. Pursuant to the shareholders agreement, the registered capital of JV company is RMB3.5bn, comprising RMB350mn which is to be contributed by Sinotrans (HK), representing 10% of the registered capital of the JV company. [AASocks]
- **CTM, Tencent Sign 'Digital Macau' Cooperation MOU.** Macau's CTM entered into a cooperation memorandum of understanding with Tencent whereby Tencent's cloud technology will be introduced into Macau to push the construction and development of "Digital Macau" forward. [AASocks]
- **PICC P&C Makes Joint Bidding for Guangzhou Plot with RMB670M.** PICC P&C unveiled a connected transaction where the company entered into a Joint Bidding Agreement with PICC Life and PICC Health to jointly participate in a land bidding. The transaction amount is the initial bidding price of the Land Plot, which is RMB1.156 billion. [AASocks]

## V. Overnight Market Recap

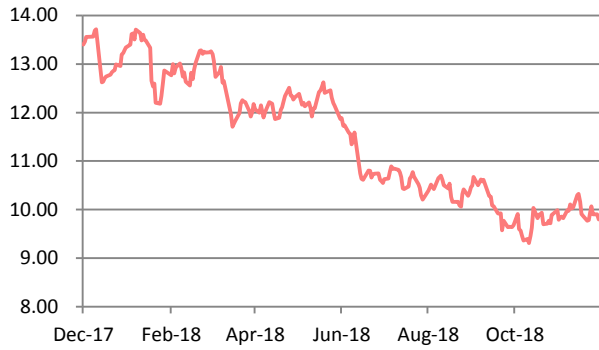
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,507	(39.2)	(1.5)	(5.4)	(5.1)	(14.5)	(9.4)	(6.4)	(6.2)
	Dow Jones	23,324	(352.0)	(1.5)	(4.9)	(4.7)	(12.5)	(5.4)	(5.7)	(5.6)
	Nasdaq Composite	6,637	(147.1)	(2.2)	(6.5)	(3.9)	(17.3)	(14.7)	(4.7)	(3.9)
	Russell 2000	1,349	(27.9)	(2.0)	(7.3)	(8.2)	(21.6)	(21.0)	(12.4)	(12.1)
	VIX Index	25.58	-	-	19.2	13.8	116.8	100.0	163.2	131.7
Europe Equity	Euro Stoxx 50	3,051	11.3	0.4	(1.8)	(2.1)	(10.3)	(11.3)	(14.1)	(12.9)
	DAX	10,766	25.3	0.2	(1.5)	(2.7)	(12.7)	(15.2)	(17.6)	(16.7)
	CAC	4,777	23.4	0.5	(2.7)	(3.0)	(12.4)	(11.1)	(10.7)	(10.1)
	FTSE 100	6,766	64.4	1.0	(1.7)	(2.6)	(8.2)	(11.3)	(10.1)	(12.0)
APAC Equity	HSI	25,865	51.1	0.2	(1.2)	0.1	(5.9)	(12.9)	(11.5)	(13.5)
	HSCEI	10,196	(34.9)	(0.3)	(2.1)	(2.6)	(5.5)	(11.4)	(11.4)	(12.9)
	HSI VIX	22.83	(0.2)	(0.8)	3.1	(9.2)	22.6	27.8	56.5	56.4
	CSI 300	3,091	(37.3)	(1.2)	(2.5)	(4.0)	(6.6)	(15.0)	(23.3)	(23.3)
	SH Composite	2,550	(27.1)	(1.1)	(2.0)	(3.6)	(6.6)	(12.6)	(22.4)	(22.9)
	SZ Composite	1,294	(18.1)	(1.4)	(3.8)	(6.1)	(8.8)	(19.7)	(31.6)	(31.8)
	Nikkei 225	20,988	(127.5)	(0.6)	(2.9)	(3.8)	(12.3)	(7.9)	(9.3)	(8.8)
KOSPI	2,079	16.7	0.8	(0.2)	(1.1)	(11.3)	(12.9)	(16.7)	(16.5)	
Commodities (USD)	Brent (Future)	57.24	1.0	1.7	(4.8)	(14.3)	(27.9)	(23.8)	(10.3)	(14.4)
	WTI (Future)	48.17	1.0	2.1	(7.7)	(11.4)	(33.2)	(28.5)	(18.5)	(21.7)
	Gold	1,243	(6.3)	(0.5)	(0.2)	1.8	3.1	(1.9)	(1.7)	(4.5)
	Copper (Future)	6,015	45.0	0.8	(2.0)	(3.9)	(1.7)	(12.1)	(13.4)	(17.0)
	Baltic Dry Index	1,395.00	(11.0)	(0.8)	3.1	39.1	(0.1)	1.6	(5.5)	2.1
FX	Dollar Index	97.04	(0.1)	(0.1)	(0.0)	0.9	2.6	2.1	3.8	5.3
	EUR	1.14	0.0	0.1	0.1	0.1	(3.3)	(1.6)	(4.1)	(5.2)
	JPY	112.48	(0.0)	(0.0)	(0.7)	0.3	0.0	(1.9)	0.8	0.2
	CNY	6.89	(0.0)	0.1	(0.2)	0.7	(0.6)	(5.9)	(4.2)	(5.6)
	CNH	6.91	0.0	0.2	0.5	0.6	(1.0)	(6.1)	(4.9)	(5.6)
CDS	ChinaGov CDS	65.26	(0.8)	(1.2)	(7.7)	(6.8)	17.8	10.7	24.1	30.0
	CDX Emerging Market	95.53	(0.1)	(0.1)	0.1	0.3	(0.2)	(0.3)	(3.1)	(3.6)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.39	0.0	0.4	2.4	2.4	2.2	1.9	1.4	1.4
	2-Year Treasury Yield	2.65	0.0	0.1	2.8	2.8	2.8	2.5	1.9	1.9
	5-Year Treasury Yield	2.62	(0.0)	(1.0)	2.8	2.9	3.0	2.8	2.2	2.2
	10-Year Treasury Yield	2.75	(0.1)	(2.2)	2.9	3.1	3.1	2.9	2.5	2.4
	2-10 Spread	10.69	(6.5)	(37.6)	14.7	25.7	25.5	35.6	63.6	51.8
China rates	O/N China Repo Rate	2.50	(0.2)	(6.0)	2.6	2.5	2.6	2.6	2.8	3.0
	1-Week China Repo Rate	2.67	(0.0)	(0.7)	2.7	2.9	2.7	2.8	2.7	3.1
	O/N SHIBOR	2.65	(0.0)	(0.6)	2.5	2.6	2.5	2.6	2.7	2.8
	1-Week SHIBOR	2.69	(0.0)	(0.1)	2.6	2.7	2.7	2.8	2.9	3.0

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



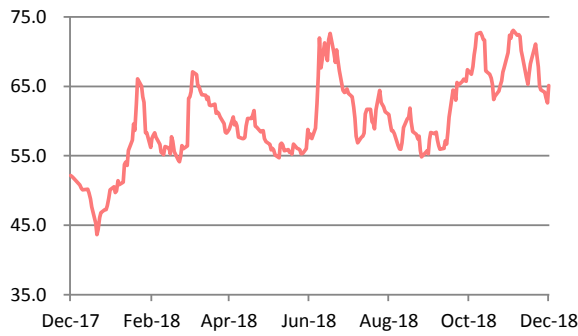
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



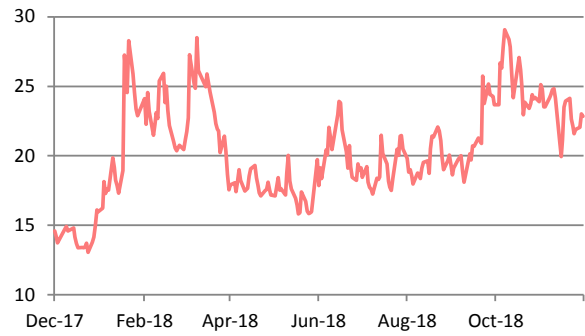
Source: Bloomberg

**China 5Y CDS Index\_USD**



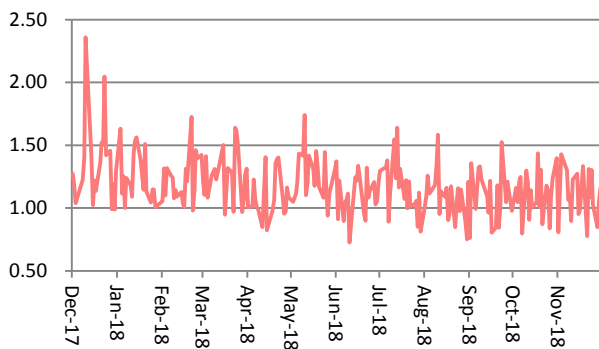
Source: Bloomberg

**Hang Seng Index VIX**



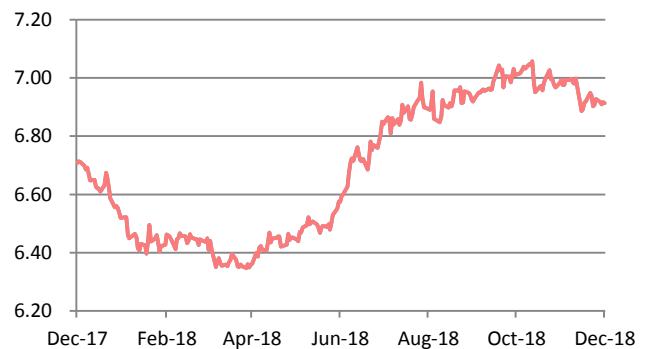
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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