



I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Initial Jobless Claims	Dec-15	N/A	206k
Japan: Machine Tool Orders YoY	Nov F	N/A	-16.80%
China: FX Net Settlement - Clients CNY	Nov	N/A	-24.1b
New Zealand: ANZ Consumer Confidence Index	Dec	N/A	118.60

Source: Bloomberg

II. Macro News

- **Fed Raises Rates, but Signals Slightly Milder Path of Future Increases.** The Federal Reserve nudged up short-term interest rates for the fourth time this year, defying pressure from President Trump, but suggested it could slow the pace of increases next year in the face of new headwinds. [WSJ]
- **UK's Output PPI Sees Decelerated YoY Growth of 3.1%, Slightly Beating.** UK's Office for National Statistics reported that output PPI saw a decelerated yearly growth to 3.1% in Nov, still beating market projection of a 3% advancement. The monthly output PPI growth also slowed to 0.2%, also beating market estimate of staying flat. [AASocks]
- **Australian Employment Rises 37,000 in November; Est. 20,000 Gain.** Australia's central bank is looking for a tightening labor market to drive wages higher and spur inflation; a slumping property market is starting to threaten that scenario. Unemployment rate came in at 5.1% versus estimate of 5%. [Bloomberg]

III. Industry News

- **Shanghai mulls fivefold expansion of free-trade zone in bid to attract foreign capital.** Shanghai is considering expanding its free-trade zone fivefold to as big as 600 sq. km, and include two areas where US electric carmaker Tesla and Malaysian hospital operator IHH Healthcare are already active, to increase its appeal to foreign investors. [SCMP]
- **NDRC guidelines set to boost auto industry competitiveness.** China has decided to curb the capacity of gasoline and diesel cars and raise the bar for electric vehicles, in a bid to build a more competitive automotive industry in the world's largest car market, according to the country's top economic planner. [China Daily]
- **Bank Indonesia Pauses Rate Hikes as Fed Turns Cautious.** Indonesia's central bank left its benchmark interest rate unchanged after six hikes since May and a more cautious Federal Reserve helped to stem a rout in the currency. The seven-day reverse repurchase rate was left at 6% on Thursday, in line with almost all of the 26 economists surveyed by Bloomberg. [Bloomberg]

IV. Corporate News

- **Trump Poised to Lift Sanctions on Rusal as Deripaska Cuts Stake.** The Trump administration is ready to remove sanctions on Russian billionaire Oleg Deripaska's aluminum company, United Co. Rusal, after reaching an agreement to significantly reduce his ownership stake. [Bloomberg]
- **Alibaba-Backed Ofo Considered Bankruptcy Application.** Bike sharing service Ofo faced immense cash flow problems and had considered applying for bankruptcy, Financial Times reported, citing letter from the company founder Da Wei to employees. [Bloomberg]

- **Junshi Bio Says Hong Kong Listing Retail Portion 4.79x Covered.** Initial institutional offering has been “significantly over-subscribed”, Shanghai Junshi Biosciences says in stock exchange filing. The company prices 158.9m IPO shares at HK\$19.38 apiece. Shares were offered at HK\$19.38-HK\$20.38 each. It plans to raise net HK\$2.94bn. Trading is expected to start Dec. 24. [Bloomberg]
- **Sinopec Sees China’s Crude Oil Demand Climbing 3.2% Y/Y in 2019.** Consumption will climb to 630m tons, with addition of 45m tons/year of new refining capacity to reach a total of 880m tons/year, according to China 2019 Energy and Chemical Development Report in Beijing Thursday. [Bloomberg]
- **Wanka Online Raises Net HK\$195M After Pricing H.K. IPO at Bottom.** Wanka Online offers 76.4m shares at HK\$3.56 apiece in Hong Kong initial public offering, co. says in a filing to stock exchange. Offering priced at bottom of indicative range HK\$3.56-HK\$4.62. Wanka Online Seeks up to \$45 Million in Hong Kong IPO. [Bloomberg]
- **Beijing Capital Land to Issue Up to 10B Yuan Bonds in China.** The company will seek shareholders’ approval to issue up to 10b yuan bonds in China, it says in a filing to stock exchange Wednesday. Proceeds to be used for repayment of corporate debts. Bonds will be issued in one or more tranches and maturity will be no more than 7 years. [Bloomberg]
- **Apple Pushes Out Software Update to Avoid China iPhone Ban.** Apple Inc. sought to avoid a ban on the sale of older iPhones in China by releasing a software update that some intellectual property lawyers said could enable the company to keep selling those products in the world’s largest smartphone market. [WSJ]
- **China's BYD eyes expansion backed by California's new rule.** China's automaker BYD is poised to expand in California with a new service hub underway in San Francisco Bay Area with the encouragement of the state's new clean transit regulation. [China Daily]
- **CRRC delivers two locally made railcars to Boston officials.** Rolling stock maker China Railroad Rolling Stock Corp achieved a major milestone in its global efforts after it handed over two locally produced railcars to Massachusetts Bay Transportation Authority (MBTA) officials in Boston on Tuesday. [China Daily]
- **AIIB approves applications of six more countries.** The Asian Infrastructure Investment Bank announced on Wednesday that its Board of Governors has approved the membership applications of six more countries, bringing AIIB's total approved members to 93. [China Daily]
- **Huawei's operations expand global reach.** Even though it faces security allegations in several developed markets, Chinese technology major Huawei said that its global operations remain stable, with businesses in Germany running normally and its involvement in 5G construction by French telecom operators remaining active. [China Daily]
- **Jaguar Land Rover to cut thousands of jobs.** Jaguar Land Rover is set to axe thousands of jobs in the New Year, according to media reports, as the British automaker continues to contend with sluggish sales in China. It will announce up to 5,000 job cuts in January, the Financial Times reported. [China Daily]
- **Chinese rail company completes subway cars earmarked for delivery to US state of Massachusetts.** The CRRC Corporation said that it has completed the production of a pair of subway cars to be delivered to the US state of Massachusetts. [China Daily]
- **China Unicom Nov 4G Net Addition Slows to 1.503M.** China Unicom announced that the net addition of mobile billing subscribers in November was 1.499 million subscribers. During the month, the net addition of 4G subscribers was 1.503 million subscribers, down from 2.042 million in October. [AASocks]
- **Tencent-investee Futu Securities Confidentially Applies for NYSE Debut.** Futu Securities Int’l (Hong Kong) Limited, an online brokerage invested by Tencent, has confidentially submitted an application in US for listing, with a planned fund raising amount of US\$500mn and targeted valuation of around US\$2.5bn, Reuters cited sources. [AASocks]

V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,467	(39.5)	(1.6)	(6.9)	(6.9)	(15.8)	(10.3)	(8.1)	(7.7)
	Dow Jones	22,860	(464.1)	(2.0)	(7.1)	(6.6)	(14.5)	(6.5)	(7.8)	(7.5)
	Nasdaq Composite	6,528	(108.4)	(1.6)	(7.7)	(6.4)	(18.3)	(15.4)	(6.3)	(5.4)
	Russell 2000	1,326	(23.2)	(1.7)	(7.4)	(10.9)	(22.6)	(21.5)	(14.3)	(13.6)
	VIX Index	28.38	2.8	10.9	37.4	36.4	143.0	93.9	195.0	157.1
Europe Equity	Euro Stoxx 50	3,000	(51.3)	(1.7)	(3.6)	(4.9)	(12.6)	(11.9)	(16.0)	(14.4)
	DAX	10,611	(155.1)	(1.4)	(2.9)	(5.6)	(14.6)	(15.2)	(19.1)	(17.9)
	CAC	4,692	(85.0)	(1.8)	(4.2)	(5.7)	(14.6)	(11.7)	(12.9)	(11.7)
	FTSE 100	6,712	(54.0)	(0.8)	(2.4)	(4.8)	(10.4)	(11.2)	(11.7)	(12.7)
APAC Equity	HSI	25,624	(241.9)	(0.9)	(3.4)	(1.3)	(8.3)	(12.5)	(12.7)	(14.4)
	HSCEI	10,091	(104.8)	(1.0)	(4.4)	(3.8)	(8.5)	(11.2)	(13.0)	(13.8)
	HSI VIX	22.99	0.2	0.7	6.5	(7.3)	20.3	20.2	62.1	57.5
	CSI 300	3,067	(23.7)	(0.8)	(4.7)	(4.9)	(10.1)	(14.6)	(24.6)	(23.9)
	SH Composite	2,536	(13.3)	(0.5)	(3.7)	(4.3)	(9.3)	(11.8)	(23.1)	(23.3)
	SZ Composite	1,297	2.6	0.2	(4.7)	(6.4)	(10.2)	(17.8)	(31.9)	(31.7)
	Nikkei 225	20,393	(595.3)	(2.8)	(6.5)	(6.0)	(15.3)	(11.0)	(11.6)	(11.2)
KOSPI	2,060	(18.7)	(0.9)	(1.7)	(0.9)	(12.0)	(11.9)	(15.3)	(16.6)	
Commodities (USD)	Brent (Future)	54.35	(2.9)	(5.1)	(11.6)	(13.1)	(30.9)	(27.3)	(15.8)	(18.7)
	WTI (Future)	45.88	(1.3)	(2.8)	(12.7)	(14.9)	(34.3)	(29.1)	(20.3)	(23.0)
	Gold	1,260	16.8	1.3	1.4	2.9	5.1	(0.5)	(0.4)	(3.2)
	Copper (Future)	6,000	(15.0)	(0.2)	(2.5)	(3.0)	(1.3)	(11.4)	(14.8)	(17.2)
	Baltic Dry Index	1,378.00	(17.0)	(1.2)	1.0	36.7	(2.5)	2.3	(3.6)	0.9
FX	Dollar Index	96.28	(0.8)	(0.8)	(0.8)	(0.3)	2.3	1.6	3.3	4.6
	EUR	1.14	0.0	0.6	0.8	0.6	(2.5)	(1.3)	(3.6)	(4.6)
	JPY	111.28	(1.2)	(1.1)	(2.1)	1.6	1.2	(1.1)	1.9	1.3
	CNY	6.89	(0.0)	0.1	(0.0)	0.9	(0.6)	(6.0)	(4.5)	(5.5)
	CNH	6.90	(0.0)	(0.1)	0.3	0.5	(0.6)	(5.7)	(4.7)	(5.5)
CDS	ChinaGov CDS	sting Data...	2.7	4.3	0.4	(8.2)	15.8	15.3	27.3	32.6
	CDX Emerging Market	sting Data...	(0.2)	(0.2)	(0.3)	0.6	(0.5)	(0.8)	(3.7)	(3.8)

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	2.38	(0.0)	(0.6)	2.4	2.4	2.2	1.9	1.3	1.4
	2-Year Treasury Yield	2.67	0.0	0.9	2.7	2.8	2.8	2.5	1.9	1.9
	5-Year Treasury Yield	2.67	0.0	1.9	2.7	2.9	2.9	2.8	2.2	2.2
	10-Year Treasury Yield	2.81	0.1	1.9	2.9	3.1	3.1	2.9	2.5	2.4
	2-10 Spread	13.57	2.9	26.9	15.4	24.7	25.9	35.0	60.1	51.8
China rates	O/N China Repo Rate	sting Data...	0.0	2.0	2.6	2.6	2.5	2.0	2.6	3.0
	1-Week China Repo Rate	sting Data...	(0.2)	(6.4)	2.7	2.5	2.6	2.9	2.8	3.1
	O/N SHIBOR	sting Data...	(0.1)	(3.3)	2.7	2.6	2.5	2.6	2.7	2.8
	1-Week SHIBOR	sting Data...	(0.0)	(0.5)	2.7	2.7	2.7	2.8	2.9	3.0

Source: Bloomberg

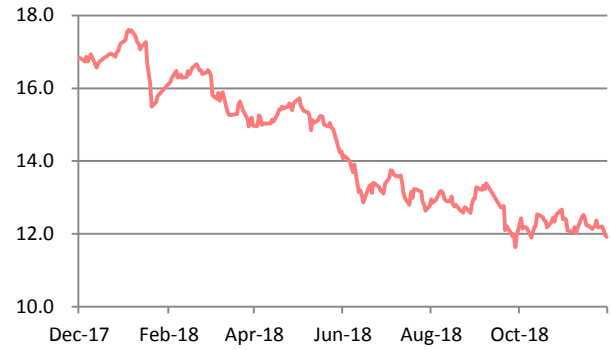
VI. Key Indicators

Hang Seng Index PE Ratio



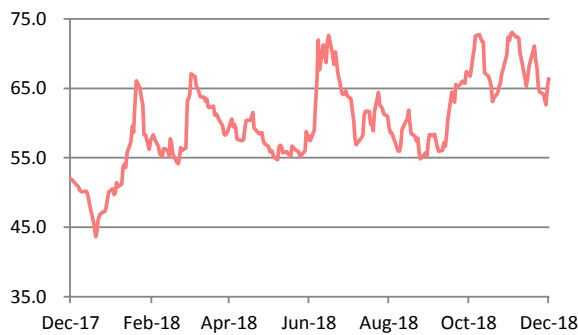
Source: Bloomberg

Shanghai Composite Index PE Ratio



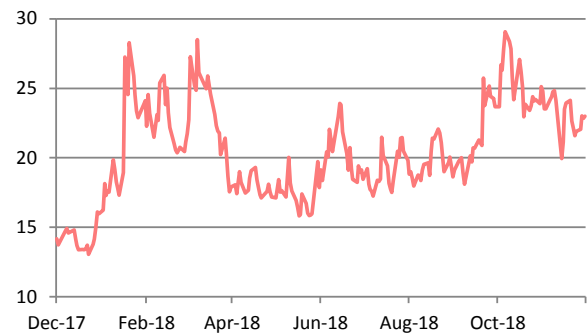
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China 5Y CDS Index_USD



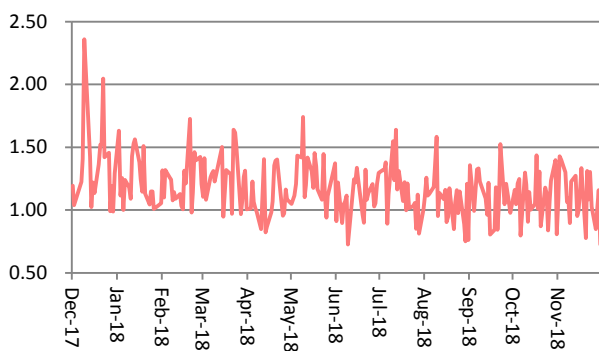
Source: Bloomberg

Hang Seng Index VIX



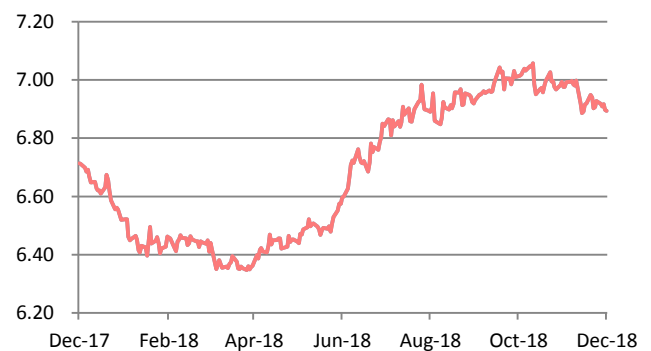
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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