

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Germany: Factory Orders WDA YoY	Aug	4.70%	5.00%
Japan: Labour Cash Earnings YoY	Aug	0.50%	- 0.30%
Malaysia: Exports / Imports YoY	Aug	20.0%/20.9%	30.9%/21.8%
UK: Halifax House Price YoY	Sep	3.60%	2.60%
UK: Labour Costs YoY	2Q17	N/A	2.10%

Source: Bloomberg

## II. Macro News

- **IMF says world economy growing although inequality putting pressure on society.** The world economy is gaining strength and extending the broadest recovery since the start of the decade even as issues such as inequality threaten to fray the fabric of society, International Monetary Fund Managing Director Christine Lagarde said. [SCMP]
- **China signals robust growth as factory gauge hits 5-year high.** China's official factory gauge rose to a 5-year high, signaling that efforts to clean up the financial sector and the environment aren't damping economic growth yet. The manufacturing purchasing manager's index rose to 52.4 in Sep, vs. a projected 51.6 in Bloomberg's survey and 51.7 in Aug. [Bloomberg]
- **Vietnam's economy expands at faster pace in third quarter.** Vietnam's economic growth accelerated in the third quarter. GDP rose 7.46% from a year earlier, versus a revised 6.28% in the previous three months, the General Statistics Office said. The economy expanded 6.41% in the nine months through September. [Bloomberg]

## III. Industry News

- **Russian oligarch's latest venture draws US\$500m from CEFC's sister co AnAn Group.** AnAn Group has agreed to take up a third of the US\$1.5bn IPO by Russian oligarch Oleg Deripaska's commodities and energy major EN+ Group. The deal by the parent of AnAn Int'l, and a sister co to CEFC China Energy, is another sign of closer economic partnership between China and Russia. [SCMP]
- **Chinese airlines poised for windfall as in-flight broadband fosters sky-high e-commerce.** China is poised to see its airline industry generate greater revenue as more carriers provide e-commerce services to passengers over their in-flight broadband systems. Carriers are expected to gain a significant share of the estimated US\$130bn global in-flight broadband ancillary revenue by 2035. [SCMP]
- **Faster growth in profits due to lower costs as prices rise.** China's major industrial companies posted faster profit growth in August as producer prices went up and production costs came down, the NBS said. Industrial companies reported profits totaling RMB671.97bn last month, up 24% YoY, a growth 7.5ppts faster than in July. [Shanghai Daily]

## IV. Corporate News

- **Global brands to sell remaining ABG-Frye stake for \$73mn.** Global Brands unit to sell remaining 49% stake in ABG-Frye to Authentic Brands Group unit, according to statement to Hong Kong stock exchange. Gain from the disposal is expected to be c.\$68mn, and the company is to use proceeds to reduce debt. [Bloomberg]

- **Great Wall invests in Australia lithium miner amid electric push.** Great Wall Motor Co. will invest in a lithium-mining company in Australia, the latest example of Chinese automakers seeking control of raw materials as they accelerate development of electric vehicles. [Bloomberg]
- **Bank of China to help Philippines explore panda bond issuance.** Bank of China will also help Philippines to explore issuance of dim sum bonds, Chairman Chen Siqing says at event in Shanghai, without giving more details. [Bloomberg]
- **PICC Group posts preliminary listing prospectus on CSRC website.** The company plans to sell up to 4.6b A-shares in Shanghai listing, according to preliminary prospectus submitted to China Securities Regulatory Commission on Sept. 26. The company plans to replenish capital with proceeds of Shanghai listing, according to the prospectus. [Bloomberg]
- **Bain files for antitrust approval on chips deal.** The Bain Capital-led consortium that bought Toshiba's chip unit for USD18bn has filed for antitrust approval in China. Toshiba hopes to use the proceeds to plug a balance sheet hole left by its now bankrupt US nuclear subsidiary, and save itself from a potential delisting. [SCMP]
- **From drones to self-driving vans, China's version of Amazon, JD.com, continues drive for faster, human-less deliveries.** JD.com is to partner with two local carmakers in researching what it claims will be China's first autonomous delivery vans, its latest effort to use unmanned vehicles to raise delivery efficiency across China's online shopping market. [SCMP]
- **LeEco unit Leshi hopes 'new' name will help deliver a fresh beginning.** After building a new management team and rewriting its strategy, Leshi internet Information & Technology is now proposing changing its name, in a final effort to distance itself from its founder Jia Yueting, the head of cash-strapped LeEco. [SCMP]
- **Wanda unit rating cut by S&P.** Dalian Wanda Group Co's biggest unit had its credit rating cut to junk by S&P Global Ratings, raising the risk of higher borrowing costs overseas just as the Chinese conglomerate grapples with greater regulatory scrutiny. [China Daily]
- **Siemens to merge rail operations with French rival Alstom.** Siemens AG and Alstom SA have agreed to merge their rail businesses in a deal that brings together former archrivals from Germany and France to create a European transportation giant aimed at countering competition from outside. [China Daily]
- **iQiyi said to seek at least \$8bn value in IPO.** Baidu Inc's iQiyi is targeting a US IPO as soon as in 2018 that could value China's most popular streaming video service at more than \$8bn. The company controlled by search giant Baidu is about to kick off negotiations with banks and deal arrangers and is shooting for a valuation of as much as \$10bn. [China Daily]
- **Hyundai opens big data center in S.West China.** Hyundai Motor has opened its first overseas big data center in Guiyan New Area, Guizhou province. The center will provide data support for self-driving cars, cooperate with China Unicom to develop internet-based, intelligent data exchange services that are tailored to Chinese customers' needs. [China Daily]
- **Anta sees big potential in children's, winter sports products.** Leading Chinese sportswear company Anta Sports Products Limited is expected to further expand its children's apparel and footwear brands, as well as prioritize its retail outlets at shopping centers and its online presence. [China Daily]
- **Real estate group Shimaos launches products for high-end customers.** China's real estate major Shimaos Group released a white paper Wednesday to launch its new product system targeted at high-end customers in the country. The system aims to endow more facilities for the community, the company said. [China Daily]
- **Airline inks co-op deal with Ping An.** China Eastern Air Holding Co and Ping An Insurance (Group) Co of China Ltd have signed a strategic cooperative agreement, under which the two sides will work together in fields including business trip and travel services, insurance, finance, property and mixed ownership reform, official sources said. [China Daily]
- **China's Huawei, ZTE to develop high-speed internet in Algeria.** Huawei signed an agreement with Algerian telecommunications operator Algeria Telecom to develop very high-speed Internet service, Algeria's state news agency said. The partnership agreement is aimed at deploying optical cabling terminates at homes and companies. [China Daily]
- **China's train maker to provide maintenance services to Kenya railway.** China's largest train maker CRRC Corporation confirmed Friday that its subsidiary CRRC Qishuyan Co Ltd has secured a business order for the maintenance of Kenya's Mombasa-Nairobi Standard Gauge Railway. [China Daily]

## V. Overnight Market Recap

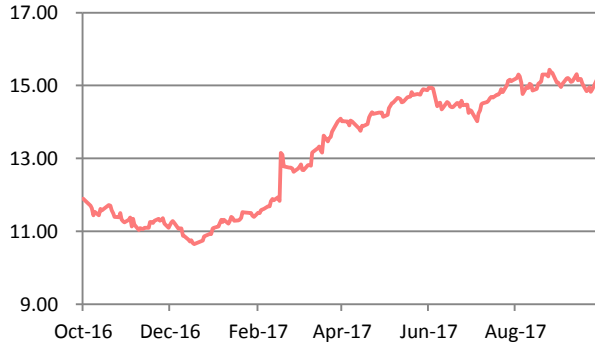
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,552	14.3	0.6	1.7	3.5	5.9	8.3	18.1	14.0
	Dow Jones	22,775	113.8	0.5	1.8	4.4	6.8	10.2	24.7	15.2
	Nasdaq Composite	6,585	50.7	0.8	2.0	3.0	8.1	12.0	24.1	22.3
	Russell 2000	1,512	4.3	0.3	1.6	7.8	7.9	10.8	21.3	11.4
	VIX Index	9.19	(0.4)	(4.6)	(3.8)	(21.0)	(26.7)	(25.8)	(28.4)	(34.5)
Europe Equity	Euro Stoxx 50	3,614	18.6	0.5	1.4	5.2	4.4	3.6	19.6	9.8
	DAX	12,968	(2.5)	(0.0)	2.5	6.2	4.7	6.0	22.7	13.0
	CAC	5,379	16.0	0.3	1.6	5.4	4.4	5.0	20.1	10.6
	FTSE 100	7,508	40.4	0.5	2.5	2.1	2.3	2.8	7.3	5.1
APAC Equity	HSI	28,379	206.0	0.7	3.1	2.3	11.2	16.3	19.3	29.0
	HSCEI	11,397	91.8	0.8	3.9	1.8	9.8	10.0	16.2	21.3
	HSI VIX	13.71	(0.6)	(4.4)	(9.4)	(22.3)	1.0	12.1	(21.3)	(18.8)
	CSI 300	3,837	14.0	0.4	(0.0)	0.2	4.6	11.0	17.9	15.9
	SH Composite	3,349	9.3	0.3	(0.1)	(0.5)	4.9	3.9	11.5	7.9
	SZ Composite	1,988	13.7	0.7	(0.0)	1.6	4.8	0.1	(0.4)	1.0
	Nikkei 225	20,629	1.9	0.0	1.3	6.6	3.2	10.9	22.1	7.9
KOSPI	2,394	21.3	0.9	0.2	1.6	0.1	10.8	17.2	18.2	
Commodities (USD)	Brent (Future)	57.00	1.2	2.2	(0.7)	6.8	19.3	4.9	9.9	0.3
	WTI (Future)	50.79	0.8	1.6	(1.5)	3.2	11.5	(1.8)	0.6	(5.5)
	Gold	1,268	(6.6)	(0.5)	(1.5)	(4.9)	3.6	1.4	1.2	10.6
	Copper (Future)	6,521	1.0	0.0	1.3	(5.7)	10.7	12.8	35.7	17.8
	Baltic Dry Index	1,320.00	12.0	0.9	(5.1)	8.6	55.8	7.9	51.9	37.4
FX	Dollar Index	93.96	0.5	0.5	0.9	1.9	(2.4)	(6.6)	(2.3)	(8.1)
	EUR	1.17	(0.0)	(0.4)	(0.6)	(1.7)	2.5	10.0	5.0	11.3
	JPY	112.82	0.1	0.1	0.4	(3.2)	0.3	(1.8)	(7.9)	3.7
	CNY	6.65	(0.0)	0.1	(0.9)	(0.8)	2.0	3.6	0.2	4.4
	CNH	6.65	0.0	0.1	-	(1.7)	2.2	3.6	0.8	4.9
CDS	ChinaGov CDS	59.15	0.0	0.1	(5.8)	(2.2)	(16.1)	(27.7)	(43.6)	(49.5)
	CDX Emerging Market	96.36	0.0	0.0	0.5	(0.3)	1.3	1.7	3.0	2.9

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.06	(0.0)	(0.1)	1.0	1.1	1.0	0.8	0.3	0.5
	2-Year Treasury Yield	1.49	0.0	1.1	1.5	1.3	1.4	1.3	0.8	1.2
	5-Year Treasury Yield	1.94	0.0	1.5	1.9	1.7	1.9	1.9	1.3	1.9
	10-Year Treasury Yield	2.35	0.0	1.1	2.3	2.1	2.4	2.4	1.7	2.4
	2-10 Spread	85.67	1.1	1.3	84.5	79.9	98.3	108.8	88.4	125.0
China rates	O/N China Repo Rate	3.00	#N/A N/A	#N/A N/A	2.8	2.6	2.8	2.5	2.6	2.2
	1-Week China Repo Rate	3.44	#N/A N/A	#N/A N/A	3.4	3.1	2.7	2.8	2.6	2.6
	O/N SHIBOR	2.94	0.1	4.8	2.8	2.6	2.5	2.5	2.3	2.2
	1-Week SHIBOR	2.97	0.0	0.1	3.0	2.8	2.8	2.7	2.5	2.5

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



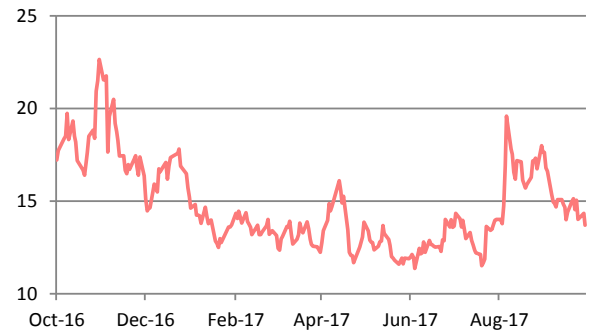
Source: Bloomberg

**China 5Y CDS Index\_USD**



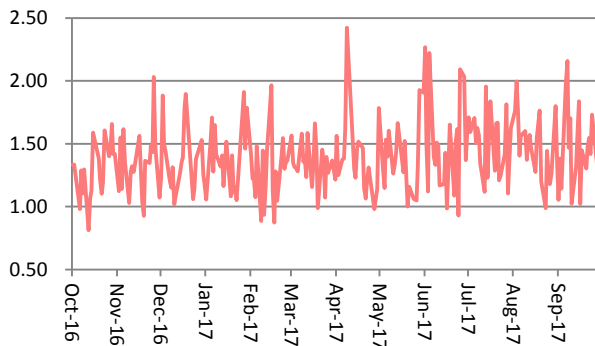
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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