

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: CPI / PPI YoY	Sep	1.6% / 6.3%	1.8% / 6.3%
S. Korea: bank lending to household	Sep	N/A	KR744.2tn
UK: Rightmove house prices YoY	Oct	N/A	1.10%
India: wholesale prices YoY	Sep	3.30%	3.24%
Indonesia: exports / imports YoY	Sep	16.76% / 19.24%	19.91% / 8.89%

Source: Bloomberg

II. Macro News

- **India inflation unexpectedly steadies.** India's inflation unexpectedly slowed in Sept, potentially reviving calls for an interest rate cut to spur flagging growth. Consumer prices rose 3.28% YoY in Sept, the Statistics Ministry said in statement. That was slower than the 3.53% median estimate in a Bloomberg survey of 40 economists. [Bloomberg]
- **Singapore growth accelerates in the third quarter on the back of export bounce.** Singapore's economy gained traction in the third quarter as a pickup in exports helped to drive up manufacturing. Singapore's 3Q GDP rose 4.60% year on year. [Bloomberg]
- **World's central bankers believe inflation will rise and tighter monetary policy in the works.** Federal Reserve Chair Janet Yellen said on Sunday that her "best guess" is consumer prices will soon accelerate after a period of surprising softness, a forecast echoed by European Central Bank President Mario Draghi and Bank of England Governor Mark Carney. [SCMP]

III. Industry News

- **Trade gains in double digits seen for this year.** Growth of China's imports and exports is expected to see double-digit gains this year, on rising demand as a result of improvement in domestic and global economies, General Administration of Customs said. China's foreign trade volume jumped 16.6% YoY to RMB20.29tn in first three quarters. [China Daily]
- **China's direct investment in South Korea plunges on restrictions.** China's direct investment into South Korea has dropped drastically as Beijing curbs overseas investment and restricts foreign-currency transfers to maintain its reserves, according to the South Korean government. [Bloomberg]
- **China makes better-than-expected progress in overcapacity cuts.** China has made better-than-expected progress in cutting overcapacity in the steel and coal sectors. Nationwide, 85% of the target for excess steel capacity had been met by end of May, through phasing out substandard steel bars and zombie companies. [Bloomberg]

IV. Corporate News

- **Hunting for acquisitions, China Dairy giants shake off scandal.** Inner Mongolia Yili Industrial Group Co. and China Mengniu Dairy Co. have soared to all-time highs as the companies hunt aggressively to build up their milk supply chains through foreign acquisition. [Bloomberg]
- **Alibaba expands its smart speakers beyond the home as it takes on Amazon Echo.** Alibaba will focus its voice-activated solutions on enabling the retail, hotel and air travel industries to better serve customers in "hands free" mode, according to Alibaba AI Labs, the developer of the Tmall Genie smart speaker. [SCMP]

- **AIIB ushers in Afghanistan as full member.** The China-led Asian Infrastructure Investment Bank has formally granted Afghanistan full membership, taking the lender's membership to 80. The Afghan finance ministry said on Sat it received a certificate of membership from the Beijing-based multilateral bank. [SCMP]
- **Minsheng Investment's building arm seals US\$1.29bn S.African affordable homes deal.** China Minsheng Drawin Technology has secured an RMB8.5bn (US\$1.29bn) contract to build affordable homes in South Africa, a significant initial step, the company says, in securing more international deals. [SCMP]
- **Qualcomm seeks China iPhone ban, expanding Apple legal fight.** Qualcomm Inc. filed lawsuits in China seeking to ban the sale and manufacture of iPhones in the country, the chipmaker's biggest shot at Apple Inc. so far in a sprawling and bitter legal fight. [Bloomberg]
- **Amazon is getting into sportswear.** Amazon.com Inc. is tapping some of the biggest athletic-apparel suppliers to make a foray into private-label sportswear. Makalot Industrial Co. a Taiwanese vendor that produces clothing for Gap Inc., Uniqlo and Kohl's Corp., is making apparel for the Amazon line. [Bloomberg]
- **Saudis weigh delaying international part of Aramco IPO.** Saudi Arabia is considering delaying the international portion of the giant initial public offering of its state oil company until at least 2019, according to people familiar with the situation, who said a domestic share sale in Riyadh could still happen next year. [Bloomberg]
- **HNA unit Hainan Airlines is increasing stakes in three carriers.** Hainan Airlines Holding Co. a unit of China's HNA Group Co., moved to increase its stakes in three domestic carriers for 5.6 billion yuan (\$850 million), continuing a buying spree as Beijing steps up scrutiny of the parent company's acquisitions. [Bloomberg]
- **Great Wall confirms talks with BMW for 'Mini' in China.** Great Wall Motor Co has confirmed that it is in talks with BMW to produce the latter's Mini brand cars in China, which analysts see as a prelude to the German carmaker's attempt to seize greater success in its largest market. [China Daily]
- **Tencent expands insurance footprint.** Tencent Holdings has expanded its range of insurance offerings after an insurance agency backed by it got the necessary approval. The internet giant of over 900mn users already has a presence in the life and property insurance sectors and an insurance agency. [China Daily]
- **Tsingtao revs up on Asahi stake sale.** Shares of Tsingtao Brewery Co Ltd rose nearly 5 percent on Friday after the beer maker confirmed that its second-largest shareholder Asahi Group of Japan was selling all or part of its stake in the Chinese company. [China Daily]
- **Biggest Australia dairy maker said to draw Yili, Saputo bids.** Chinese dairy producer Inner Mongolia Yili Industrial Group Co is among bidders that made formal offers for Australia's Murray Goulburn Co-operative Co, in a deal that may value the farmer-owned firm at about A\$1 billion (\$779 million) including debt.
- **Wheelock to sell Hong Kong building for record \$1.2bn.** Mainland Chinese company LVGEM (China) Real Estate Investment Co. will purchase a building from Wheelock & Co. for HK\$9bn (\$1.2bn), setting a record price per square foot for a commercial building in Hong Kong's Kwun Tong area. [Bloomberg]
- **HNA banned from transactions with insurance unit for six months.** China banned an HNA Group Co. insurance unit from conducting some financial transactions with its affiliates for six months after authorities found various regulatory violations. [Bloomberg]
- **Tencent-controlled insurance co. approved to start Ops.** China Insurance Regulatory Commission approved a company 57.8% owned by Tencent to start insurance brokerage business, Caixin reports, citing CIRC statement. Tencent's WeChat, QQ platforms will help co. to sell insurance products. [Bloomberg]
- **HDBank said to hire Goldman Sachs for stake sale, 2018 listing.** Vietnamese lender plans roadshows in Singapore and Hong Kong next week for stake offering to foreign investors. HDBank looks to have a strategic foreign partner after listing shares. [Bloomberg]

V. Overnight Market Recap

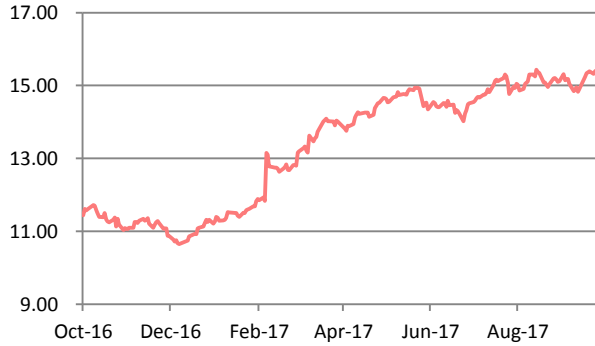
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,553	2.2	0.1	0.2	2.1	3.8	9.6	19.7	14.0
	Dow Jones	22,872	30.7	0.1	0.4	2.7	5.7	11.8	26.1	15.7
	Nasdaq Composite	6,606	14.3	0.2	0.2	2.4	4.6	13.8	26.7	22.7
	Russell 2000	1,503	(2.5)	(0.2)	(0.5)	5.0	5.2	11.7	23.9	10.7
	VIX Index	9.61	(0.3)	(3.0)	4.6	(5.5)	1.1	(39.8)	(40.4)	(31.6)
Europe Equity	Euro Stoxx 50	3,605	(1.0)	(0.0)	0.0	2.5	2.2	4.5	19.2	9.5
	DAX	12,992	9.0	0.1	0.3	3.8	2.9	7.3	22.8	13.2
	CAC	5,352	(9.1)	(0.2)	(0.2)	2.6	2.2	5.5	19.7	10.1
	FTSE 100	7,535	(20.8)	(0.3)	0.2	4.4	2.1	2.8	7.4	5.5
APAC Equity	HSI	28,476	17.4	0.1	0.1	2.4	7.9	17.4	22.6	29.4
	HSCEI	11,520	19.5	0.2	0.5	4.1	7.4	12.9	20.0	22.6
	HSI VIX	13.70	(0.4)	(2.6)	(1.7)	(9.2)	5.5	(6.8)	(25.2)	(18.9)
	CSI 300	3,921	8.0	0.2	2.2	2.3	5.9	12.5	18.6	18.5
	SH Composite	3,391	4.4	0.1	1.2	1.1	5.2	4.5	10.7	9.2
	SZ Composite	2,037	13.5	0.7	2.4	2.5	8.3	2.5	(0.5)	3.4
	Nikkei 225	21,155	200.5	1.0	2.6	6.3	5.2	15.4	25.5	10.7
KOSPI	2,474	(1.1)	(0.1)	4.2	3.7	2.4	15.9	22.3	22.1	
Commodities (USD)	Brent (Future)	57.17	0.9	1.6	2.8	3.6	18.1	2.3	9.9	0.6
	WTI (Future)	51.45	0.9	1.7	4.4	4.4	11.7	(3.3)	2.0	(4.2)
	Gold	1,304	10.1	0.8	2.1	(1.4)	7.1	1.2	3.6	13.6
	Copper (Future)	6,882	(5.0)	(0.1)	3.2	5.0	17.1	20.9	46.1	24.3
	Baltic Dry Index	1,458.00	25.0	1.7	3.8	5.3	62.0	12.5	63.5	51.7
FX	Dollar Index	93.09	0.0	0.0	(0.8)	0.6	(2.8)	(7.4)	(4.5)	(8.9)
	EUR	1.18	(0.0)	(0.1)	0.8	(0.5)	3.7	11.4	6.9	12.4
	JPY	111.82	(0.5)	(0.4)	(0.7)	(1.2)	1.3	(2.4)	(7.3)	4.6
	CNY	6.58	(0.0)	0.1	1.1	(0.6)	3.1	4.7	2.2	5.6
	CNH	6.57	(0.0)	(0.2)	(1.2)	(0.3)	3.3	4.8	2.5	6.2
CDS	ChinaGov CDS	56.72	(0.2)	(0.4)	(3.9)	1.2	(14.5)	(35.6)	(46.8)	(51.5)
	CDX Emerging Market	96.36	0.0	0.0	0.1	(0.5)	0.7	1.7	2.9	2.9

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.07	(0.0)	(0.4)	1.1	1.0	1.0	0.8	0.3	0.5
	2-Year Treasury Yield	1.49	(0.0)	(1.3)	1.5	1.4	1.4	1.2	0.8	1.2
	5-Year Treasury Yield	1.90	(0.0)	(2.0)	2.0	1.8	1.9	1.8	1.3	1.9
	10-Year Treasury Yield	2.27	(0.0)	(1.9)	2.4	2.2	2.3	2.2	1.8	2.4
	2-10 Spread	77.61	(2.5)	(3.1)	85.1	81.8	97.2	102.8	95.9	125.0
China rates	O/N China Repo Rate	2.55	(0.1)	(1.9)	3.0	2.8	2.6	2.4	2.2	2.2
	1-Week China Repo Rate	2.90	0.1	2.5	3.4	3.4	2.6	2.4	2.4	2.6
	O/N SHIBOR	2.61	(0.1)	(2.0)	2.9	2.7	2.6	2.4	2.2	2.2
	1-Week SHIBOR	2.85	(0.0)	(1.2)	3.0	2.8	2.8	2.7	2.4	2.5

Source: Bloomberg

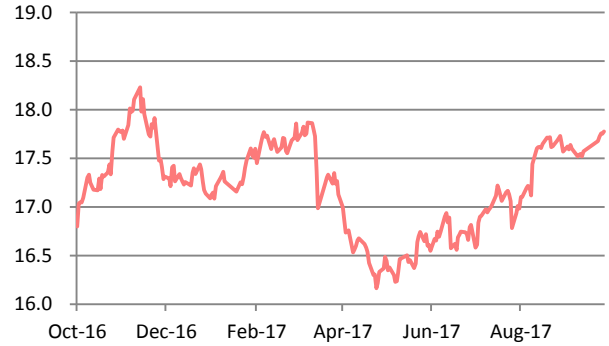
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



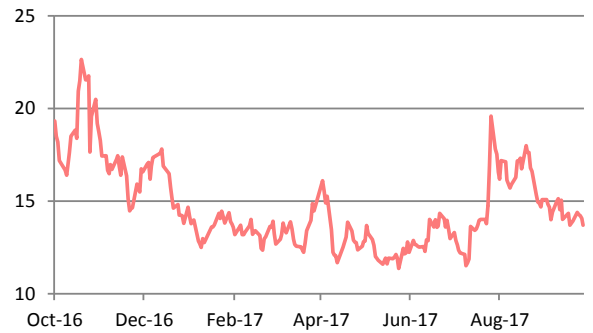
Source: Bloomberg

China 5Y CDS Index_USD



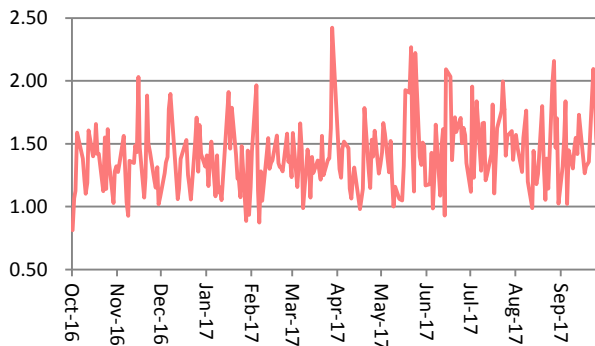
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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