

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: import price index YoY	Sep	N/A	2.10%
UK: CPI / Core YoY	Sep	3.0%/2.80%	2.90%/2.70%
UK: PPI output core NSA YoY	Sep	N/A	2.50%
New Zealand: CPI YoY	3Q17	1.80%	1.70%
Eurozone: CPI MoM	Sep	0.40%	0.30%

Source: Bloomberg

II. Macro News

- **China's consumer inflation up 1.6% in Sept.** China's consumer inflation retreated mildly in September weighed down by dropping food prices, while steady service prices allowed a continued rise in overall price levels. The CPI grew 1.6% YoY in Sept, slowing from August's 1.8% but still faster than July's 1.4%, National Bureau of Statistics said. [China Daily]
- **China's producer price up 6.9% in Sept.** China's PPI, which measures costs for goods at the factory gate, rose 6.9% YoY in Sept, data showed on Monday. The pace of PPI increase accelerated from 6.3% registered in August and surpassed market forecast of 6.4%. [China Daily]
- **Yellen says Fed watching impact on proposed tax cuts.** US Federal Reserve Chair Janet Yellen's speech Sunday to bank officials from China, Japan and the European Central Bank followed the central bank's decision at its meeting last month to leave its benchmark short-term rate unchanged in a range of 1% to 1.25%. [The Standard]

III. Industry News

- **HKEX reportedly mulls to request to cut or cancel stamp duty on stocks.** Since Chief Executive Carrie Lam's political platform supports development of financial services, the Stock Exchange considers to request the government to lower or even abolish stamp duty on stock transactions, Bloomberg quoted sources. [AASocks]
- **Chinese local finance offices sharpen their teeth after Xi orders crackdown on scammers.** Local Chinese governments are upgrading their previously toothless financial offices to powerful regulatory bureaus in response to President Xi Jinping's demand to clean up the country's rampant Ponzi schemes and online lending businesses. [SCMP]
- **Philippine bourse seeks Chinese investment as it expands offers.** Philippine Stock Exchange wants to attract Chinese investors and is in talks with Shenzhen bourse for possible investment in PSE that's targeting to expand its offerings, President Ramon Monzon says in Manila. [Bloomberg]

IV. Corporate News

- **Hong Kong Exchange is Hang Seng's best mover on tax cut talk.** Hong Kong Exchanges & Clearing Ltd. posted the Hang Seng Index's biggest advance on Monday on optimism that the bourse operator will pitch to end or cut the city's tax on equities trading. [Bloomberg]
- **Crystal International draws Fast Retailing to \$574mn IPO.** Crystal Int'l Group Ltd. attracted cornerstone investors including Fast Retailing Co. to its Hong Kong IPO, which is seeking to raise as much as \$574mn. It is offering 509.3mn shares at HK\$7.30 to HK\$8.80 apiece. Price range values co. at 12.82x to 15.46x estimated 2018 earnings. [Bloomberg]

- **China Shenhua Sept. coal sales fall 2.8% YoY to 35.2mn tons.** Sept. commercial coal production dropped 9.1% on year to 23.1m tons, company says in a statement to Shanghai stock exchange. Jan.-Sept. coal sales amounted to 328.3m tons, up 13.9% year on year. [Bloomberg]
- **China Foods sells units to COFCO in HK\$5.07bn deal.** China Foods sells entire stake in COFCO Wines & Spirits, COFCO Premier Brands, Global Lander and Superb Vision to parent COFCO, it says in Hong Kong stock exchange filing. [Bloomberg]
- **Wanda golf courses in Chinese resort shut down by authorities.** Two golf courses at a Dalian Wanda Group Co. resort in northeastern China were shut down by the municipal government there, in the latest setback for billionaire WangJianlin's conglomerate. [Bloomberg]
- **Jiangxi Copper expects Jan.-Sept. net to rise 50%-70% on year.** The company cites metal price increase as reason for the expected net rise, according to a statement to Shanghai stock exchange. The company reported 9-month net of 988.3m yuan year ago. [Bloomberg]
- **BAIC Motor, Baidu to work on self-driving, cloud services.** The company has signed a strategic cooperation framework agreement Monday to further define substance of cooperation and implementation approaches, BAIC Motor says in Hong Kong stock exchange filing. [Bloomberg]
- **H&M supplier Crystal sets terms for \$574mn Hong Kong IPO.** Crystal International Group Ltd., a garment supplier to Gap Inc. and Hennes & Mauritz AB, has set a tentative price range for a Hong Kong initial public offering that could raise as much as \$574mn. [Bloomberg]
- **Bitauto car-financing arm to file \$800mn IPO.** Bitauto Hldgs Ltd.'s car-financing unit has submitted a listing application to HKEX for an IPO that could raise as much as \$800mn. The co's Yixin Group arm, which provides online car loans and insurance, lodged a confidential filing under HK bourse rules governing spinoffs of overseas-listed cos. [Bloomberg]
- **China Literature starts gauging demand for Hong Kong IPO.** China Literature Ltd. is meeting investors in Hong Kong, Singapore, London and the U.S. from Oct. 16 to Oct. 24, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **Li's H.K. Tower sells for record \$5.15bn.** Li Ka-Shing's CK Asset Holdings Ltd. Sold its 75 percent holding in The Center to a Chinese-led group for HK\$40.2 billion (\$5.15 billion), a record for a Hong Kong office tower, the Hong Kong Economic Journal reported. [Bloomberg]
- **Tesla to retrofit China charging network to meet local standards.** Tesla Inc. is modifying new cars delivered to China and retrofitting the charging network in the country to comply with domestic norms, a move that could boost its sales in the largest electric vehicle market. [Bloomberg]
- **Audi hits new record for Chinese sales in Sept.** The Sino-German auto JV FAW-Volkswagen Automotive sold a record number of 58,062 Audi vehicles in September, the company said. It is a rise of 7.1% YoY. With this number, Audi has topped the list of luxury car sales in China for four months. [China Daily]
- **China Great Wall Asset Management shortlisting investors in IPO push.** China Great Wall Asset Management Corporation, one of the country's biggest distressed debt managers, said it is making a shortlist of strategic investors in preparation for an initial public offering. [China Daily]
- **Charles Li: Not heard of Saudi Aramco shelving listing plan.** Some media reports said Saudi Aramco will shelve its listing plan. Charles Li, CEO of HKEX, said he has not received such information, but he believed that what will happen will eventually happen. [AASocks]
- **CRRC reportedly to restructure goods wagon biz.** PRC media reported that CRRC is preparing to restructure its goods wagon business, aiming to compress the capacity of goods wagon by 50%, as the capacity is excessively in surplus. [AASocks]

V. Overnight Market Recap

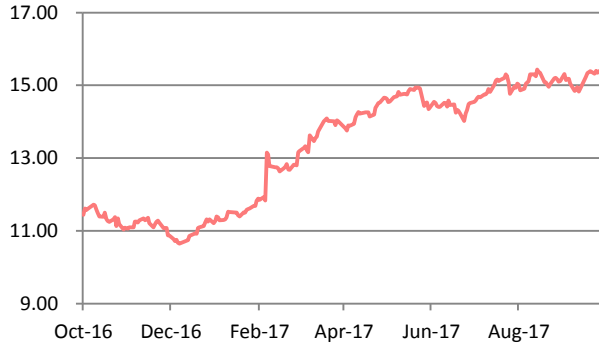
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,558	4.5	0.2	0.5	2.3	4.0	8.9	20.3	14.2
	Dow Jones	22,957	85.2	0.4	0.9	3.1	6.1	11.2	26.9	16.2
	Nasdaq Composite	6,624	18.2	0.3	0.7	2.7	4.9	13.1	27.4	23.1
	Russell 2000	1,503	0.0	0.0	(0.1)	5.0	5.0	10.4	24.2	10.7
	VIX Index	9.91	0.3	3.1	2.7	(2.6)	0.9	(32.4)	(38.9)	(29.4)
Europe Equity	Euro Stoxx 50	3,606	1.7	0.0	(0.1)	2.6	2.6	4.6	19.9	9.6
	DAX	13,004	11.8	0.1	0.2	3.9	3.3	7.4	23.8	13.3
	CAC	5,363	11.1	0.2	(0.1)	2.9	2.5	5.8	20.5	10.3
	FTSE 100	7,527	(8.5)	(0.1)	0.3	4.3	1.7	2.7	8.3	5.4
APAC Equity	HSI	28,693	216.4	0.8	1.3	3.2	8.4	18.3	24.5	30.4
	HSCEI	11,603	83.1	0.7	1.9	4.8	7.6	13.7	21.6	23.5
	HSI VIX	13.92	0.2	1.6	(3.3)	(7.8)	4.7	(5.3)	(28.0)	(17.6)
	CSI 300	3,913	(7.6)	(0.2)	0.8	2.1	6.8	12.5	19.4	18.2
	SH Composite	3,378	(12.1)	(0.4)	0.1	0.7	6.4	4.9	11.1	8.9
	SZ Composite	2,006	(30.9)	(1.5)	(0.4)	0.9	11.4	2.4	(1.1)	1.9
	Nikkei 225	21,256	100.4	0.5	2.7	6.8	5.6	15.8	25.8	11.2
KOSPI	2,480	6.4	0.3	3.6	3.9	2.3	15.6	22.3	22.4	
Commodities (USD)	Brent (Future)	57.82	0.7	1.1	3.6	4.0	18.2	3.5	11.3	1.8
	WTI (Future)	51.87	0.4	0.8	4.6	4.0	12.7	(1.5)	3.9	(3.4)
	Gold	1,296	(8.0)	(0.6)	0.9	(1.0)	4.9	0.8	3.1	12.8
	Copper (Future)	7,135	252.5	3.7	7.0	9.6	20.4	25.3	52.6	28.9
	Baltic Dry Index	1,485.00	27.0	1.9	5.2	7.2	65.0	14.6	66.5	54.5
FX	Dollar Index	93.31	0.2	0.2	(0.4)	1.6	(1.9)	(7.1)	(4.8)	(8.7)
	EUR	1.18	(0.0)	(0.2)	0.5	(1.4)	2.7	10.8	7.2	12.1
	JPY	112.19	0.4	0.3	(0.4)	(0.6)	0.4	(3.0)	(7.4)	4.2
	CNY	6.59	0.0	(0.2)	0.5	(0.2)	2.7	4.4	2.2	5.4
	CNH	6.58	0.0	0.2	(0.5)	(0.2)	2.7	4.4	2.5	5.9
CDS	ChinaGov CDS	57.14	0.4	0.7	(3.4)	5.5	(13.6)	(35.7)	(47.4)	(51.2)
	CDX Emerging Market	96.35	(0.0)	(0.0)	0.1	(0.6)	0.6	1.6	2.9	2.9

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.06	(0.0)	(0.5)	1.1	1.0	1.1	0.8	0.3	0.5
	2-Year Treasury Yield	1.54	0.0	3.0	1.5	1.4	1.3	1.2	0.8	1.2
	5-Year Treasury Yield	1.95	0.0	2.6	2.0	1.8	1.8	1.7	1.3	1.9
	10-Year Treasury Yield	2.30	0.0	1.3	2.4	2.2	2.3	2.2	1.8	2.4
	2-10 Spread	76.14	(1.5)	(1.9)	84.4	81.8	90.7	100.4	94.7	125.0
China rates	O/N China Repo Rate	2.56	0.0	0.4	2.6	2.8	2.8	2.7	2.2	2.2
	1-Week China Repo Rate	2.88	(0.0)	(0.7)	3.3	3.4	2.8	3.4	2.4	2.6
	O/N SHIBOR	2.59	(0.0)	(0.4)	2.7	2.7	2.7	2.5	2.2	2.2
	1-Week SHIBOR	2.85	(0.0)	(0.1)	2.9	2.8	2.8	2.7	2.4	2.5

Source: Bloomberg

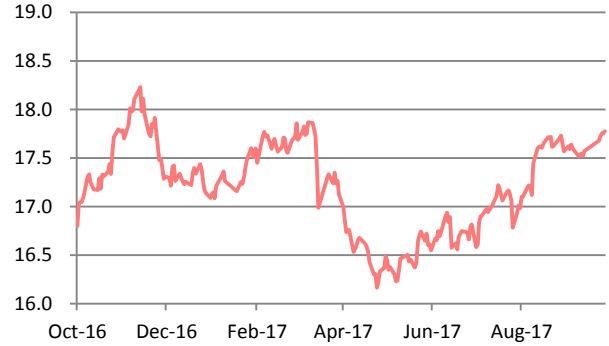
VI. Key Indicators

Hang Seng Index PE Ratio



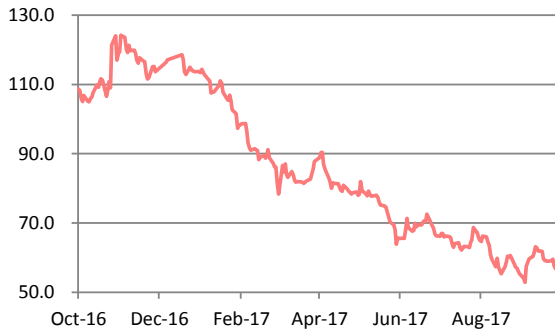
Source: Bloomberg

Shanghai Composite Index PE Ratio



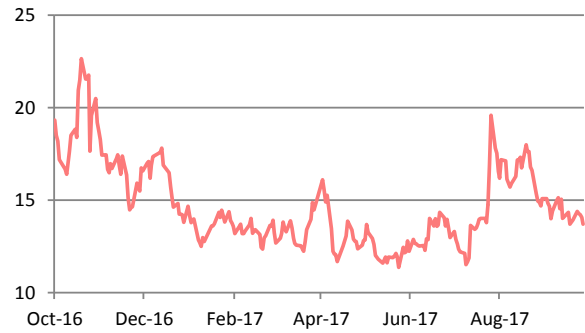
Source: Bloomberg

China 5Y CDS Index_USD



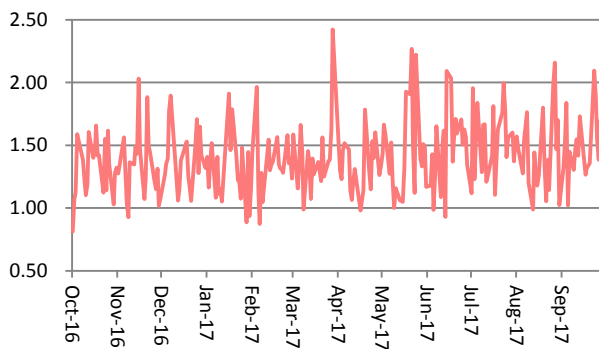
Source: Bloomberg

Hang Seng Index VIX



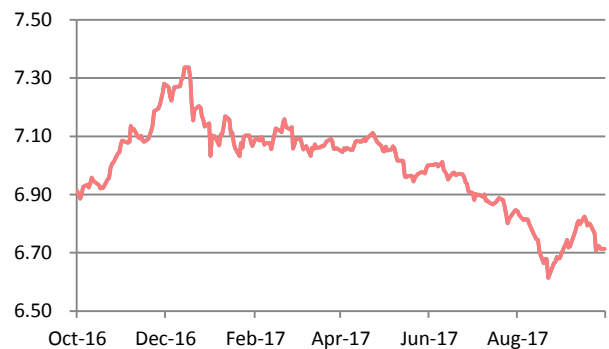
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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