

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
UK: average weekly earnings YoY	Aug	2.10%	2.10%
S. Korea: exports / imports YoY	Sep	N/A	10.7%/9.0%
UK: unemployment rate	Aug	4.30%	4.30%
Eurozone: construction output YoY	Aug	N/A	3.40%

Source: Bloomberg

II. Macro News

- **China's fiscal revenue, expenditure see steady growth.** China's fiscal revenue and expenditure both registered steady growth in the first three quarters of this year on the back of strong economic growth. Fiscal revenue rose 9.7% YoY to RMB13.41tn (\$2 trillion) in the first nine months, the Ministry of Finance said. [China Daily]
- **China's treasury holdings rose in Aug to highest in Year.** China's holdings of U.S. Treasuries rose in August to the highest in more than a year as China saw a strengthening of its currency. China's holdings of U.S. bonds, notes and bills advanced for the seventh straight month to \$1.2tn, up \$34.5bn from a month earlier. [Bloomberg]
- **U.S. softens China FX criticism, cuts Taiwan from watch list.** The U.S. Treasury said no major trading partner is manipulating its currency to gain an advantage in trade, while lauding China for acting to avoid a "disorderly" depreciation and then allowing the yuan to rise against the dollar this year. [Bloomberg]

III. Industry News

- **Steel demand to slow next year as China's economy decelerates.** Global demand growth for steel will slow next year on cooling industrial demand from China, according to the World Steel Association. Demand will rise 1.6% in 2018, down from 7% this year, according to the group, whose members account for 85% of global steel production. [Bloomberg]
- **Hong Kong IPOs head for worst year since 2012 as megadeals slip.** Hong Kong's market for initial public offerings is heading for its worst year since 2012 as a combined \$20 billion of megadeals are being pushed to next year. [Bloomberg]
- **Philippine stock exchange seeks to amend trading rules.** Philippine Stock Exchange is seeking comments on proposal to allow the local bourse to operate even on days when clearing activities are suspended, according to memo to investors and trading participants. [Bloomberg]

IV. Corporate News

- **Yunfeng Financial expects takes at least a year to complete MassMutual's Asian unit acquisition.** Alibaba chairman Jack Ma-backed Yunfeng Financial Group, which is leading the US\$1.7bn acquisition of Asian unit of Massachusetts Mutual Life Insurance, said it won't complete the deal until 3Q18 due to the complex approval process. [SCMP]
- **China offers to buy 5 per cent of Aramco directly, giving it flexibility in fundraising plan.** China is offering to buy up to 5 per cent of Saudi Aramco directly, sources said, a move that could give Saudi Arabia the flexibility to consider various options for its plan to float the world's biggest oil producer on the stock market. [SCMP]
- **CSRC approves Bank of Jinzhou to sell offshore preference shares.** Bank of Jinzhou had received approval from CSRC to issue up to 100m offshore preference shares, according to statement to Hong Kong stock exchange. Bank of Jinzhou may complete the issuance in multiple series. [Bloomberg]

- **ZhongAn expects net HK\$1.74bn from over-allotment share issue.** ZhongAn Online P&C Insurance to fully exercise over-allotment option with the issue of 29.9m shares at HK\$59.70 each, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China Minsheng Banking H.K. hires new syndicated finance head.** Sheau Huei Wang joins China Minsheng Banking's Hong Kong Branch as managing director and head of syndicated finance starting Tuesday. China Minsheng Banking H.K.'s syndicated finance head Foster Lee left the bank on Friday. [Bloomberg]
- **Huawei aims to challenge Apple and Samsung on technology as well as price.** Huawei has unveiled a new line of smartphones that match or even improve on key features offered by Apple or Samsung while undercutting their rivals on price. [Bloomberg]
- **China Development Bank is said to support Oi's recovery plan.** China Development Bank plans to sign a document signaling support for the restructuring plan of debt-laden Brazilian phone carrier Oi SA. The bank may sign the agreement with Oi as soon as Tuesday. [Bloomberg]
- **LVGEM China Unit proposes issue of additional USD senior notes.** Additional issue will be consolidated and form a single series with the \$225m 8.50% senior notes due 2020 issued Aug. 15, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Blackstone, ADIA among bidders for Link REIT malls.** At least 12 consortium, including Blackstone and Abu Dhabi Investment Authority, have submitted bids for Link REIT's offering of 17 shopping malls, Hong Kong Economic Times reports. [Bloomberg]
- **China Energy Reserve in talks to buy CK Asset's H.K. Tower.** A consortium led by China Energy Reserve and Chemicals Group's Hong Kong unit is in talks to buy CK Asset's 75% holding in The Center office tower for HK\$40.2 billion, SingTao Daily reports. [Bloomberg]
- **LVGEM outlook to negative from stable by Moody's.** LVGEM outlook reflects acquisition of the sizable office project in Hong Kong, which will weaken its liquidity position and increase its debt leverage, without the benefit of any near term revenues from the project, Moody's says. [Bloomberg]
- **BAIC Motor to submit for approval of A-share offering.** BAIC Motor Corporation Ltd board resolved to submit to the extraordinary general meeting for approval of resolutions relating to proposed offering of A shrs, the company disclosed in Hong Kong stock exchange filing. [Bloomberg]
- **ICBC leads \$455mn loan for Chinese Funds' U.S. acquisition.** ICBC New York is leading a 5Y pro-rata loan backing the \$1.6b acquisition of Global Alliance by Chinese investment firm Shanghai Lihong and private equity firm CDH Investments. [Bloomberg]
- **Bocom approved to sell up to 20bn yuan green financial bonds.** Bank of Communications received approval from PBOC and the China Banking Regulatory Commission to sell green financial bonds in the national inter-bank bond market, it says in Hong Kong stock exchange filing. [Bloomberg]
- **Country Garden enters loan agreements for \$935mn and HK\$2.5bn.** The company enters into facility agreement with various banks and financial institutions in relation to dual tranche transferable term loan facility denominated in HKD and USD, Country Garden says in filing to Hong Kong stock exchange. [Bloomberg]
- **Tencent founder Pony Ma cashes In USD270mn worth of his shares.** Pony Ma, the founder, chairman and chief executive of the Chinese internet giant Tencent Holdings Ltd., cashed in shares worth USD270mn (HKD2.1bn) last week, while the firm's stock traded near record highs. [Bloomberg]
- **COSCO delivers subsea support vessels for Maersk Supply Service.** COSCO Shipping Heavy Industry Co, which is building four of the world's leading subsea support vessels for Maersk Supply Service, delivered the first of those four, the Maersk Installer, in Dalian on Monday. [China Daily]

V. Overnight Market Recap

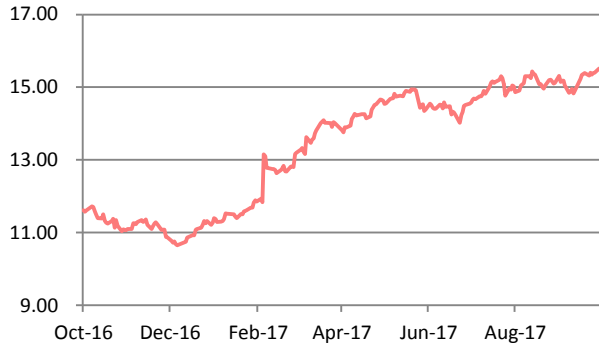
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,559	1.7	0.1	0.3	2.2	4.0	9.3	19.6	14.3
	Dow Jones	22,997	40.5	0.2	0.7	3.0	6.6	12.1	26.6	16.4
	Nasdaq Composite	6,624	(0.3)	(0.0)	0.6	2.6	4.4	13.2	26.3	23.0
	Russell 2000	1,497	(5.2)	(0.3)	(0.7)	3.9	4.9	10.0	23.0	10.3
	VIX Index	10.31	0.4	4.0	2.3	1.6	4.2	(28.5)	(32.5)	(26.6)
Europe Equity	Euro Stoxx 50	3,608	1.5	0.0	0.2	2.3	3.7	5.8	18.4	9.6
	DAX	12,995	(8.6)	(0.1)	0.4	3.5	4.5	8.3	22.2	13.2
	CAC	5,361	(1.5)	(0.0)	(0.0)	2.5	3.6	7.4	18.9	10.3
	FTSE 100	7,516	(10.8)	(0.1)	(0.3)	3.6	1.7	5.2	7.4	5.2
APAC Equity	HSI	28,697	4.7	0.0	0.7	1.9	8.2	20.0	22.7	30.4
	HSCEI	11,568	(34.6)	(0.3)	1.3	3.3	7.6	15.2	19.0	23.1
	HSI VIX	13.50	(0.4)	(3.0)	(5.5)	(10.5)	4.8	(16.1)	(27.0)	(20.1)
	CSI 300	3,913	(0.4)	(0.0)	0.6	1.8	6.7	13.0	17.8	18.2
	SH Composite	3,372	(6.4)	(0.2)	(0.3)	0.3	5.8	5.5	9.3	8.6
	SZ Composite	2,008	2.1	0.1	(1.1)	0.3	10.9	3.2	(2.4)	2.0
	Nikkei 225	21,336	80.6	0.4	2.5	7.2	6.7	15.8	25.8	11.6
Commodities (USD)	KOSPI	2,484	4.3	0.2	2.1	2.7	2.4	15.6	21.8	22.6
	Brent (Future)	57.88	0.1	0.1	2.2	4.1	19.5	4.6	12.3	1.9
	WTI (Future)	51.88	0.0	0.0	1.9	4.2	12.1	(0.7)	3.4	(3.2)
	Gold	1,285	(10.7)	(0.8)	(0.2)	(1.6)	3.5	(0.3)	1.9	12.1
	Copper (Future)	7,027	(107.5)	(1.5)	3.9	8.0	17.2	23.5	50.3	26.9
FX	Baltic Dry Index	1,523.00	38.0	2.6	7.4	8.9	63.4	17.7	71.1	58.5
	Dollar Index	93.49	0.2	0.2	0.2	1.5	(1.2)	(6.1)	(4.5)	(8.6)
	EUR	1.18	(0.0)	(0.3)	(0.4)	(1.5)	1.9	9.8	7.3	12.0
	JPY	112.20	0.0	0.0	(0.2)	(0.6)	(0.1)	(3.4)	(7.4)	4.2
	CNY	6.62	0.0	(0.5)	(0.7)	(0.7)	2.2	3.9	1.7	4.9
CDS	CNH	6.61	0.0	0.4	0.6	(0.4)	2.2	4.1	2.1	5.6
	ChinaGov CDS	56.46	(0.7)	(1.2)	(5.3)	4.2	(15.8)	(37.6)	(47.8)	(51.8)
	CDX Emerging Market	96.44	0.1	0.1	0.2	(0.5)	0.7	1.8	3.4	3.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.09	0.0	2.4	1.1	1.0	1.1	0.8	0.3	0.5
	2-Year Treasury Yield	1.55	0.0	0.5	1.5	1.4	1.4	1.2	0.8	1.2
	5-Year Treasury Yield	1.96	0.0	0.4	2.0	1.8	1.8	1.7	1.2	1.9
	10-Year Treasury Yield	2.30	(0.0)	(0.2)	2.3	2.2	2.3	2.2	1.7	2.4
	2-10 Spread	74.94	(1.2)	(1.6)	82.6	83.0	90.9	103.2	93.5	125.0
China rates	O/N China Repo Rate	2.60	0.0	1.6	2.6	2.9	2.8	2.8	2.3	2.2
	1-Week China Repo Rate	2.70	(0.2)	(6.2)	2.9	3.4	3.4	2.7	2.8	2.6
	O/N SHIBOR	2.60	0.0	0.2	2.7	2.8	2.7	2.6	2.2	2.2
	1-Week SHIBOR	2.85	0.0	0.0	2.9	2.8	2.8	2.8	2.4	2.5

Source: Bloomberg

VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



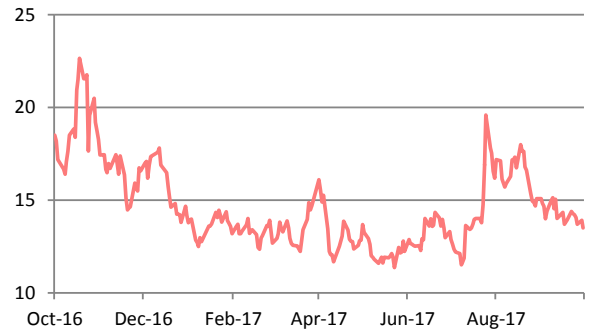
Source: Bloomberg

China 5Y CDS Index_USD



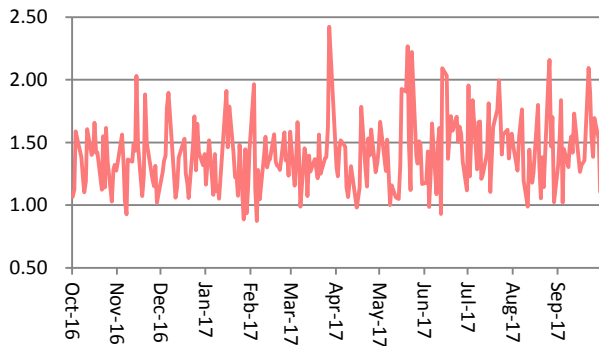
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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