

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: GDP YoY	3Q17	6.80%	6.90%
China: Retail sales YoY	Sep	10.10%	10.10%
China: fixed asset investments YTD YoY	Sep	7.70%	7.80%
China: industrial production YoY	Sep	6.70%	6.70%
Japan: exports / imports YoY	Sep	14.9%/14.7%	18.1%/15.2%

Source: Bloomberg

## II. Macro News

- **Xi lays out road map to make China leading global power by 2050.** President Xi Jinping warned of “severe” challenges while laying out a road map to turn China into a leading global power by 2050, as he kicked off a twice-a-decade party gathering expected to cement his influence into the next decade. [Bloomberg]
- **Xi renews call housing should be for living in, not speculation.** President Xi Jinping renewed his call to ensure housing market stability and pledged that authorities will help meet demand by adding more supply of homes. "Houses are built to be inhabited, not for speculation," Xi said in his address at the 19th Party Congress Wednesday. [Bloomberg]
- **China's Xi vows to deepen reforms that have rocked commodities.** China's President Xi Jinping said the world's biggest producer and consumer of almost all commodities will deepen supply-side reforms and stick to the capacity cuts that have shaken up global raw materials markets. [Bloomberg]

## III. Industry News

- **Chinese solar developers come up second best in the sunniest nations along the New Silk Road.** Chinese solar developers, known for their aggressiveness in bidding for domestic projects at surprisingly low prices to expand market share, seem to have hit a wall in nations covered by Beijing's Belt and Road economic development initiative. [SCMP]
- **China's non-financial sector outbound investment declines.** China's outbound direct investment from non-financial sectors dropped 41.9% YoY to \$78.03bn between January and September, the Ministry of Commerce announced on Tuesday. [China Daily]
- **China steel prices at 'reasonable level': Benxi Steel Chairman.** China steel prices at “reasonable level” as nation's supply side reform provides favorable turn to domestic steel industry, Benxi Steel Group Chairman Chen Jizhuang says in interview in Beijing. [Bloomberg]

## IV. Corporate News

- **China Telecom has looked at Brazilian varrier Oi, Chairman days.** China Telecommunications Corp. has looked at Brazilian phone company Oi SA among several potential investment targets, Chairman Yang Jie said. He said it has been actively looking for overseas expansion and have looked at many different projects, including Oi. [Bloomberg]
- **Foxconn, IDG are said to seek \$1.5bn for car tech fund.** Foxconn Technology Group and venture firm IDG Capital are seeking to raise a 10 billion yuan (\$1.5bn) fund to seed startups in automotive technologies from self-driving AI to battery development, according to a presentation for investors. [Bloomberg]

- **Mitsubishi Motors plans to add China capacity, U.S. dealers.** Mitsubishi Motors Corp., seeking to revive growth after a fuel-economy manipulation scandal led to a bailout by Nissan Motor Co. last year, plans to expand its dealer network in the U.S. and capacity in China as it unveiled a new business plan for the next three years. [Bloomberg]
- **Beijing Capital Development outlook revised to negative at Fitch.** Outlook revised from stable to reflect the home builder's aggressive land banking, which has resulted in a rapid increase of its leverage, Fitch says in a statement. [Bloomberg]
- **CNPC Changqing Oilfield year-to-date output exceeds 50mn tons.** Oil and gas equivalent output from company's flagship oilfield so far this year surpasses 50m tons, General Manager Zhang Jianhua says on sideline of the 19th Party Congress. [Bloomberg]
- **Geely hopes Polestar will electrify.** Volvo has joined the fray to tap the mainland's buoyant new-energy vehicle market by announcing its plans for the new Polestar brand. The company unveiled its Polestar 1 model in Shanghai on Tuesday night, a luxury four-seater hybrid coupe expected to hit the market in 2019. [SCMP]
- **ZTE forecasts increase in annual profit.** ZTE Corp predicted its net profit for this year would be between 4.3bn yuan and 4.8bn yuan on the back of increased sales of networking gear and smart devices. The company estimated net profit for the nine months ended Sept. jumped 36.6% to 3.9bn yuan, up from 2.8bn yuan in the same period last year. [SCMP]
- **IHG launches wellness brand to woo China's middle-class.** Hotel giant InterContinental Hotels Group has launched a new hotel brand in China that aims to help travellers "keep healthy" while they are on the road. The first four EVEN Hotels will open in Shanghai, Sanya, Jinan and Chongqing. [SCMP]
- **Warehouse giant GLP issues 1bn yuan worth of panda bonds on China's interbank market.** Global Logistic Properties Ltd, the Singapore-based logistics giant, said it has issued 1 billion yuan worth of bonds on China's interbank market with the proceeds to be used to repay existing debt and raise funds for its China business. [SCMP]
- **Owner of Hilton hotels, Hainan Air spends US\$7.6bn assembling online tour business.** HNA Group will invest RMB50bn to cobble together its range of leisure-related businesses from its 25% in the Hilton Hotels Group to China's 4th-largest airline fleet into a digital operation, which could put it in place to take on the dominant online travel agent Ctrip.com Int'l. [SCMP]
- **Qualcomm debuts smartphone design that will be blueprint for new 5G handsets.** Qualcomm, the world's largest wireless chip supplier, expects to help ramp up global 5G preparations with the release of its smartphone reference design for the next-generation mobile system. [SCMP]
- **Tesla modifies models for China.** 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 world's largest electric vehicle market. [SCMP]
- **China's Baidu plans to start production of self-driving bus next year.** Baidu Inc plans to start production of self-driving buses by the middle of next year. The company said it has agreed with Chinese bus maker King Long United Automotive Industry Co to develop and manufacture China's first fully autonomous bus model. [SCMP]
- **CSCEC sees new contracts surge 25% to \$240bn.** China State Construction Engineering Corp Ltd, China's largest construction company and biggest building work contractor, said it signed contracts worth 1.6 trillion (\$241bn) in the first three quarters of this year, up 25% from the same period last year. [China Daily]
- **HNA launches customised travel platform.** HNA Group launched its travel platform HiApp on Tue in accordance with the country's call for enterprise and industry upgrades. It unveiled its business mode, mobile travel services and HiApp, an online platform that aims to provide customised services to users whatever they need during travel. [China Daily]
- **Alibaba's delivery arm opens smart warehouses for shopping bonanza.** Chinese e-commerce giant Alibaba's delivery arm Cainiao Network on Tuesday unveiled a flagship automated warehouse in Huiyang district, Huizhou city in South China's Guangdong province. [China Daily]

## V. Overnight Market Recap

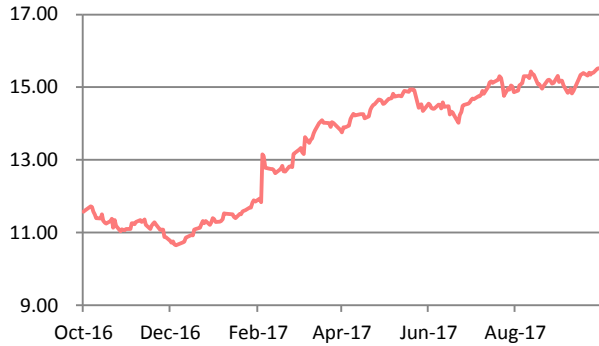
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,561	1.9	0.1	0.2	2.2	3.5	9.5	19.4	14.4
	Dow Jones	23,158	160.2	0.7	1.2	3.5	7.0	13.5	27.2	17.2
	Nasdaq Composite	6,624	0.6	0.0	0.3	2.5	3.7	13.0	26.3	23.1
	Russell 2000	1,505	7.6	0.5	(0.1)	4.5	4.4	10.1	23.1	10.9
	VIX Index	10.07	(0.2)	(2.3)	2.2	(1.1)	2.9	(32.6)	(30.1)	(28.3)
Europe Equity	Euro Stoxx 50	3,620	11.9	0.3	0.3	2.5	3.4	5.8	18.4	10.0
	DAX	13,043	48.0	0.4	0.6	3.8	4.7	8.5	22.5	13.6
	CAC	5,384	22.4	0.4	0.4	2.8	3.2	7.6	19.1	10.7
	FTSE 100	7,543	26.7	0.4	0.1	3.7	1.5	6.0	7.4	5.6
	HSI	28,712	14.3	0.0	1.1	2.4	7.6	20.5	23.2	30.5
APAC Equity	HSCEI	11,622	53.6	0.5	1.8	4.5	7.0	16.4	20.5	23.7
	HSI VIX	13.24	(0.3)	(1.9)	(6.9)	(10.7)	4.7	(14.9)	(27.3)	(21.6)
	CSI 300	3,944	31.1	0.8	1.1	2.9	5.7	14.5	18.9	19.2
	SH Composite	3,382	9.8	0.3	(0.2)	0.7	4.7	6.7	9.6	9.0
	SZ Composite	2,000	(8.0)	(0.4)	(1.3)	0.2	8.8	3.5	(2.6)	1.6
	Nikkei 225	21,363	26.9	0.1	2.3	5.2	6.7	15.9	25.7	11.8
	KOSPI	2,483	(1.5)	(0.1)	1.0	2.9	2.3	16.3	21.9	22.7
Commodities (USD)	Brent (Future)	58.15	0.3	0.5	2.1	4.8	19.1	5.9	12.5	2.3
	WTI (Future)	52.04	0.2	0.3	1.4	5.3	10.6	3.3	1.0	(3.0)
	Gold	1,281	(4.1)	(0.3)	(0.8)	(2.3)	3.2	0.0	0.9	11.6
	Copper (Future)	6,990	(37.0)	(0.5)	2.8	7.1	16.4	25.4	49.3	26.3
	Baltic Dry Index	1,552.00	29.0	1.9	8.3	9.7	63.7	21.4	78.0	61.5
FX	Dollar Index	93.36	(0.1)	(0.1)	0.4	1.8	(1.4)	(6.3)	(4.6)	(8.6)
	EUR	1.18	0.0	0.2	(0.6)	(1.6)	2.4	10.1	7.5	12.2
	JPY	112.94	0.7	0.7	0.4	(1.2)	(0.9)	(3.6)	(8.4)	3.5
	CNY	6.63	0.0	(0.1)	(0.6)	(0.8)	1.8	3.8	1.7	4.8
	CNH	6.62	0.0	0.2	0.7	(0.5)	2.1	4.0	1.8	5.4
CDS	ChinaGov CDS	sting Data...	(0.7)	(1.3)	(3.5)	5.2	(16.8)	(38.3)	(47.3)	(52.4)
	CDX Emerging Market	sting Data...	0.1	0.1	0.1	(0.2)	0.7	1.8	3.2	3.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.09	-	(0.0)	1.1	1.0	1.1	0.8	0.3	0.5
	2-Year Treasury Yield	1.56	0.0	1.1	1.5	1.4	1.4	1.2	0.8	1.2
	5-Year Treasury Yield	1.99	0.0	1.8	1.9	1.8	1.8	1.8	1.2	1.9
	10-Year Treasury Yield	2.35	0.0	2.0	2.3	2.2	2.3	2.2	1.7	2.4
	2-10 Spread	77.95	3.0	4.0	80.1	84.1	90.3	104.3	94.5	125.0
China rates	O/N China Repo Rate	sting Data...	(0.3)	(11.5)	2.6	2.2	3.3	2.7	2.3	2.2
	1-Week China Repo Rate	sting Data...	(0.1)	(1.9)	2.8	2.9	3.4	3.4	3.0	2.6
	O/N SHIBOR	sting Data...	(0.0)	(0.2)	2.7	2.8	2.8	2.6	2.2	2.2
	1-Week SHIBOR	sting Data...	(0.0)	(0.1)	2.9	2.9	2.9	2.8	2.4	2.5

Source: Bloomberg

## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



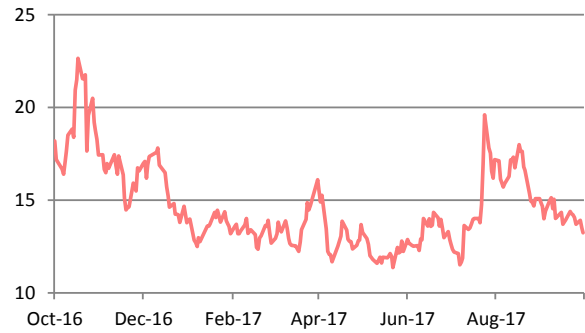
Source: Bloomberg

**China 5Y CDS Index\_USD**



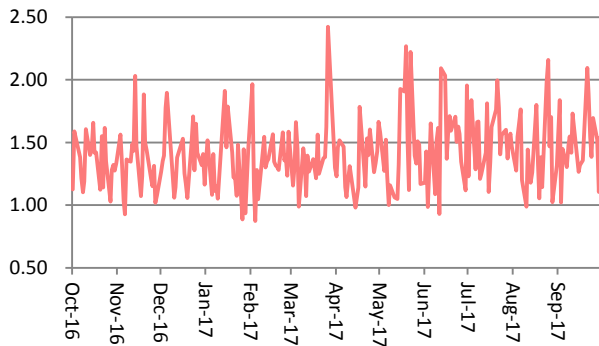
Source: Bloomberg

**Hang Seng Index VIX**



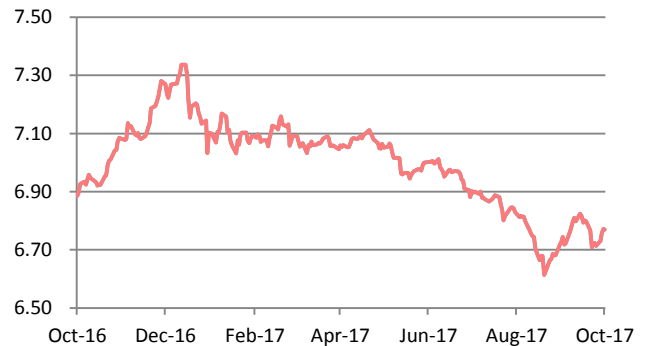
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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