

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: existing home sales	Sep	5.3mn	5.35mn
Taiwan: export orders YoY	Sep	9.70%	7.50%
China: fixed asset investments YTD YoY	Sep	2.90%	2.60%
China: industrial production YoY	Sep	N/A	5490

Source: Bloomberg

II. Macro News

- **World Bank lifts Central Europe view on China-like export growth.** World Bank revised up its 2017 GDP growth forecast for central Europe region by 0.5 ppt to 3.7% and 2018 view by 0.3 point to 3.4%, biggest increases among the international lender's Europe and central Asia region, according to its October economic update. [Bloomberg]
- **China's economy expands by 6.8% in Q3.** China's economy expanded by 6.8% in the third quarter of this year, according to NBS on Thursday. GDP growth in the first three quarters was 6.9% and it was 6.9% in both the first and second quarter. Growth has remained within the range of 6.7% to 6.9% for nine consecutive quarters. [Bloomberg]
- **PBOC: Debt levels not worrisome.** China's debt ratio is controllable and a fast deterioration is unlikely, as measures have been taken to prevent potential risks, despite a relatively high level of corporate debt, the central bank governor said at the 19th National Congress of the Communist Party of China on Thursday in Beijing. [China Daily]

III. Industry News

- **Top China bank regulator Guo endorses reform of finance industry.** China's top banking regulator reiterated the country's commitment to reforming its finance industry, including easing ownership and business restrictions for foreign banks. [Bloomberg]
- **China is said to meet investors in H.K. on Oct. 25 for USD bond.** China's Finance Ministry plans to hold meetings with investors in Hong Kong on Oct. 25 in relation to its dollar bond issue, according to people familiar with the offering. [Bloomberg]
- **China banks bought net 21.8bn yuan of FX for clients in Sept.** Chinese banks bought 974.3b yuan of foreign currency from non-banking clients in September, the State Administration of Foreign Exchange says in statement. Banks sold 952.5bn yuan of foreign currency to non-banking clients that month. [Bloomberg]

IV. Corporate News

- **China Life buys part of Allianz Taiwan's life insurance portfolio.** Allianz Taiwan Life Insurance said it agreed to sell part of its "traditional" life insurance portfolio to China Life in Taipei. The German insurance said it included 78,000 life policies with a guaranteed interest rate of 4% or higher and policy reserves valued at 1.2bn euros. [SCMP]
- **Jiangxi Copper hitches its expansion plans to One Belt, One Road.** Jiangxi Copper Corp. and its listed unit are in talks to buy mines and smelters, mainly in Central Asia and Africa, as China's second-biggest producer of the metal hitches its expansion plans to the nation's One Belt, One Road initiative. [Bloomberg]
- **Tencent subsidiary China Literature prepares for HK IPO with estimated value of USD7bn.** China Literature, China's largest online literature platform and an affiliate of internet giant Tencent Holdings Ltd., could see its value reach an estimated USD6.8bn after its IPO in Hong Kong this month, the Wall Street Journal reported. [Bloomberg]

- **TSMC foresees double-digit sales growth as iPhone X hits shelves.** Taiwan Semiconductor Manufacturing Co. forecast 11 to 12 percent growth in revenue in the holiday quarter, when Apple Inc.'s much-anticipated iPhone X goes on sale. [Bloomberg]
- **Chow Tai Fook 3-month H.K., Macau same-store sales rise 13% YoY.** Chow Tai Fook's same-store sales in China increased 9% on year for the three months ended Sept. 30, company says in a filing to stock exchange. Retail sales value gained 12% y/y in Hong Kong and Macau and gained 15% YoY in China. [Bloomberg]
- **Shaanxi Coal & Chemical sees 20bn yuan operating profit by 2020.** Shaanxi Coal and Chemical Industry Group will have a revenue of 400b yuan by 2020, Chairman Yang Zhaoqian says in Beijing. The company is to accelerate outbound push under One Belt, One Road initiative. [Bloomberg]
- **Shenhua Group to accelerate 'material' merger with Guodian.** Shenhua Group has cut 93m tons of outdated coal capacity even before China's supply side reform, general manager Ling Wen says in group discussion at the 19th Party Congress. [Bloomberg]
- **Digital Domain to raise HK\$420mn from share placement.** Digital Domain to issue up to 1.87 billion shares at HK\$0.225 each, according to statement to Hong Kong stock exchange. Placement shares represent about 7.68% of enlarged issued share capital. [Bloomberg]
- **Pressure on Noble Group as Vitol aays oil deal 'complicated'.** Vitol Group's negotiations to buy Noble Group Ltd.'s oil trading unit are "very complicated" and may not end in a deal, the chief executive officer of Vitol said, adding to pressure on his Hong Kong-based rival. [Bloomberg]
- **Mason to buy Raiffeisen Privatbank Liechtenstein for CHF58.6mn.** Hong Kong-listed Mason Group entered agreement to buy Raiffeisen Privatbank Liechtenstein from Walser Privatbank Aktiengesellschaft and Raiffeisenbank Kleinwalsertal Beteiligungsmanagement, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Sasac says China United's reform plan to proceed further.** China United Network's mixed-ownership reform will proceed, Economic Information Daily reports, citing Xiao Yaqing, chairman of the State-owned Assets Supervision and Administration Commission, as saying during a discussion of the 19th Party Congress. [Bloomberg]
- **Alcoa sees aluminum market balancing as China cuts start to bite.** Alcoa Corp. sees Chinese cuts in aluminum production returning the global market to "relative balance" as the Asian nation's supply-side reforms begin to bite. [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]
- **Jingrui in pact with investors to develop Yuhang district land.** Jingrui's Natural Apex to pay 172.1m yuan in agreement that includes Natural Apex getting a 25% stake in Tropica Development, Jingrui Holdings says in statement issued by the Hong Kong stock exchange. [Bloomberg]
- **CEFC China quashes speculation Aramco IPO could be next target.** CEFC China Energy Co., the company buying a \$9 billion stake in Russia's biggest oil company, quashed speculation that it also wants a piece of Saudi Arabia's energy giant. [Bloomberg]
- **Chinese Estates held 6.23% of Evergrande as of end-Sept.** Chinese Estates has spent around HK\$12bn buying 819.5mn Evergrande shares in open market since April, according to statement to HKEX. Chinese Estates' Executive Director Chan Hoi-wan personally held 100mn Evergrande shares, or ~0.76% of total issued capital, as of end-Sept. [Bloomberg]

V. Overnight Market Recap

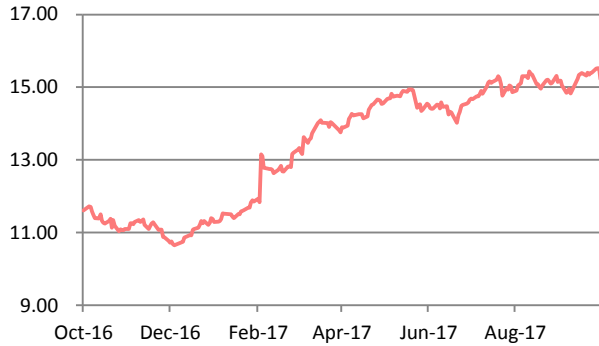
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,562	0.8	0.0	0.4	2.1	3.6	8.8	19.6	14.4
	Dow Jones	23,163	5.4	0.0	1.4	3.3	7.2	12.6	27.5	17.2
	Nasdaq Composite	6,605	(19.2)	(0.3)	0.2	2.3	3.4	11.6	26.0	22.7
	Russell 2000	1,502	(3.1)	(0.2)	(0.2)	3.9	4.1	8.5	23.1	10.7
	VIX Index	10.05	(0.0)	(0.2)	1.4	2.8	4.9	(29.0)	(26.9)	(28.4)
Europe Equity	Euro Stoxx 50	3,602	(17.6)	(0.5)	(0.1)	2.2	2.9	4.7	17.1	9.5
	DAX	12,990	(52.9)	(0.4)	0.1	3.3	4.4	8.0	21.4	13.1
	CAC	5,368	(15.5)	(0.3)	0.1	2.4	3.3	5.7	18.2	10.4
	FTSE 100	7,523	(19.8)	(0.3)	(0.4)	3.5	0.5	5.7	7.1	5.3
	HSI	28,159	(552.7)	(1.9)	(1.1)	0.1	5.3	17.1	20.5	28.0
APAC Equity	HSCEI	11,357	(264.5)	(2.3)	(1.2)	1.6	4.7	12.9	17.3	20.9
	HSI VIX	15.06	1.8	13.7	7.1	2.7	21.8	1.1	(12.4)	(10.8)
	CSI 300	3,931	(12.9)	(0.3)	0.5	2.3	4.9	13.6	18.5	18.8
	SH Composite	3,370	(11.6)	(0.5)	(0.5)	0.3	3.9	6.2	9.3	8.5
	SZ Composite	1,984	(16.4)	(0.5)	(2.0)	(0.3)	7.3	2.8	(3.7)	1.1
	Nikkei 225	21,449	85.5	0.4	2.4	5.6	6.5	16.4	24.4	12.2
	KOSPI	2,473	(9.9)	(0.4)	(0.1)	2.5	1.3	15.1	21.2	22.0
Commodities (USD)	Brent (Future)	57.23	(0.9)	(1.6)	1.7	3.8	15.2	8.1	8.7	0.7
	WTI (Future)	51.29	(0.8)	(1.4)	1.4	2.0	9.9	2.3	1.9	(4.3)
	Gold	1,290	9.1	0.7	(0.3)	(0.9)	3.6	0.6	1.9	12.4
	Copper (Future)	6,967	(23.0)	(0.3)	1.2	6.5	16.8	25.4	49.2	25.9
	Baltic Dry Index	1,566.00	14.0	0.9	7.4	8.1	62.4	26.0	84.5	63.0
FX	Dollar Index	93.27	(0.1)	(0.1)	0.2	0.7	(1.2)	(6.6)	(5.2)	(8.8)
	EUR	1.19	0.0	0.6	0.2	(0.4)	1.8	10.5	8.4	12.6
	JPY	112.54	(0.4)	(0.4)	0.2	(0.4)	(0.7)	(3.0)	(7.8)	3.8
	CNY	6.61	(0.0)	0.2	(0.4)	(0.5)	2.1	4.1	1.9	5.0
	CNH	6.61	(0.0)	(0.2)	0.4	(0.3)	2.2	4.2	2.1	5.6
CDS	ChinaGov CDS	54.57	(1.2)	(2.1)	(4.2)	(5.3)	(17.3)	(37.3)	(48.1)	(53.4)
	CDX Emerging Market	96.63	0.1	0.1	0.3	0.9	0.8	1.9	3.2	3.2

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.09	(0.0)	(0.2)	1.1	1.0	1.2	0.8	0.3	0.5
	2-Year Treasury Yield	1.53	(0.0)	(2.1)	1.5	1.4	1.3	1.2	0.8	1.2
	5-Year Treasury Yield	1.95	(0.0)	(2.0)	1.9	1.9	1.8	1.8	1.3	1.9
	10-Year Treasury Yield	2.32	(0.0)	(1.2)	2.3	2.3	2.2	2.2	1.8	2.4
	2-10 Spread	78.33	0.4	0.5	77.6	82.5	89.3	106.0	93.3	125.0
China rates	O/N China Repo Rate	2.58	0.3	12.2	2.6	3.0	2.8	2.7	2.3	2.2
	1-Week China Repo Rate	3.00	0.4	13.2	2.9	3.3	3.4	3.3	3.2	2.6
	O/N SHIBOR	2.59	(0.0)	(0.2)	2.6	2.8	2.7	2.6	2.2	2.2
	1-Week SHIBOR	2.84	(0.0)	(0.2)	2.9	2.9	2.8	2.8	2.4	2.5

Source: Bloomberg

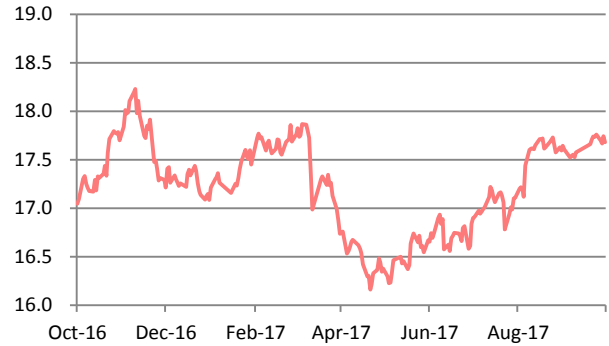
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



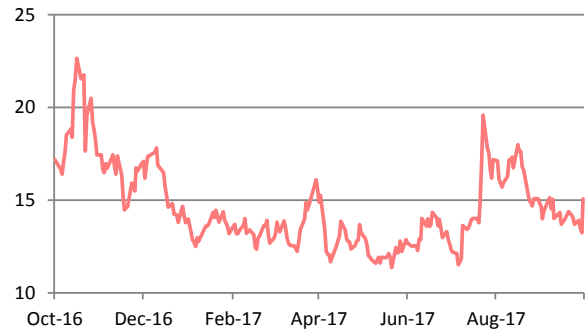
Source: Bloomberg

China 5Y CDS Index_USD



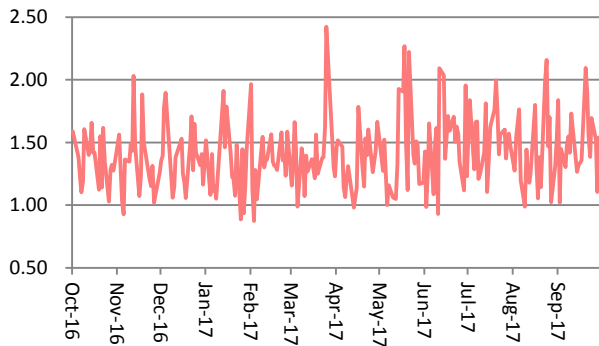
Source: Bloomberg

Hang Seng Index VIX



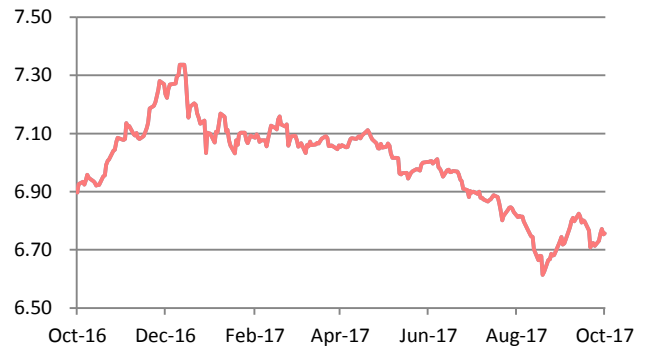
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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