

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
Taiwan: industrial production YoY	Sep	4.25%	3.25%
S. Korea: exports / imports YoY	Oct	N/A	31.1%/23.9%
UK: CBI business optimism	Oct	N/A	5.00
Eurozone: Govt debt / GDP ratio	2016	N/A	89.2%

Source: Bloomberg

## II. Macro News

- **Slower property, construction sectors drag on China's growth.** China posted relatively solid economic growth in the third quarter, driven by a stronger services industry, although there were signs of weakness in real estate and construction as property cooling measures start to bite, data showed on Friday. [SCMP]
- **Foreign firms benefiting from 'going global' push.** Seventeen years after China launched its "going global" strategy to encourage domestic firms to invest more abroad, a new trend has emerged where the Western targets start to benefit from the rapid innovation and scale of the Chinese market and become more appealing to global investors. [SCMP]
- **China end-Sept outstanding property loans rise 23% YoY.** China's outstanding yuan loans to real estate sector was 31.1t yuan as of end-Sept., according to a statement on central bank's website. Outstanding property development loans increased 23% y/y to 6.7t yuan at end-Sept. [Bloomberg]

## III. Industry News

- **China shares ready for smart beta ETF debut.** Mainland shares are to have their first "smart beta" exchange-traded funds (ETFs) to pave the way for US index provider Morgan Stanley Capital International to include yuan-denominated stocks into its Emerging Markets Index for the first time in history. [SCMP]
- **Supply chain finance tipped to become US\$2.27tn market for Chinese internet firms by 2020.** China's supply chain finance sector is now being tipped to be worth a whopping 15 trillion yuan (US\$2.27tn) by 2020, and the mainland's booming internet-based businesses are lining up to grab their own share of it. [SCMP]
- **Shanghai plan to lift trade barriers sends city shares soaring.** Traders are snapping up stocks with Shanghai in their name after the city's Communist Party chief confirmed plans to set up a free trade port that would aim to ease restrictions for incoming cargo. [Bloomberg]

## IV. Corporate News

- **Anta Sports bets on China's two-child policy with acquisition of clothing brand King Kow.** "With the introduction of the two-child policy by Chinese gov't, the growth of children's wear market is widely expected to accelerate," said Ding Shizhong, Anta chairman and chief executive, referring to Beijing's recent easing of one-child policy amended. [SCMP]
- **Haier eyes internet of things to transform GE Appliances.** Haier is seeking to speed up the turnaround at its recently acquired GE Appliances, deploying a strategy that will leverage the development of a data platform and the connectivity of appliances based on the internet of things, the company chairman Zhang Ruimin said. [SCMP]
- **Yahoo owner Oath seeks increased digital advertising prospects in Hong Kong.** Oath, the subsidiary of Verizon Communications that owns Yahoo and AOL, expects to give a boost to the digital advertising market in Hong Kong as it brings more than 50 media and technology brands to its local online platform. [SCMP]

- **GE shuts R&D centre in Shanghai.** General Electric, as part of cost-cutting efforts, is closing its R&D operations in Shanghai and transition it to an engineering centre. It said it will strengthen localisation efforts and increase investments in advanced manufacturing and robotics in China, which is “an important and critical market for GE”. [SCMP]
- **China Southern to buy 38 Boeing planes for \$5.65bn at list price.** China Southern Airlines signed contract with Boeing to buy eight B777-300ER aircraft and 30 Boeing B737-8 aircraft, according to a statement to Shanghai stock exchange. [Bloomberg]
- **Squeezed cathay pilots weigh up mainland options.** Mainland carriers are seeking to poach Cathay Pacific Airways pilots, capitalising on a cost-cutting drive by HK’s flagship airline to slash pay and benefits. Some 200 Cathay Pacific pilots were considering their options with the likes of China Southern Airlines and Hainan Airlines. [Bloomberg]
- **Sa Sa International 2Q sales rise 1.1% on year to HK\$1.92bn.** Same-store sales for Hong Kong and Macau for 2Q ended Sept. 30 fell 1.8% on year, according to statement to Hong Kong stock exchange dated Oct. 22. July-Sept. revenue for Hong Kong and Macau increased 2.2% on year to HK\$1.57bn. [Bloomberg]
- **HNA Group is said to seek \$820mn loan for HK site.** A unit of HNA Group Co. is seeking a loan of c.HK\$6.4bn (\$820mn) for purchase of its first land parcel in former Kai Tak airport area in HK. The 4-yr secured facility will comprise two tranches, with one of c.HK\$3.5bn to refinance its bridge loan and other of c.HK\$2.9bn to fund construction. [Bloomberg]
- **China Life expects 9-month net income to rise about 95% YoY.** China Life Expects 9-Month Net Income to Rise About 95% YoY, citing increase in investment return as main reason for the expected net gain, according to a statement to Shanghai stock exchange. [Bloomberg]
- **SBS Philippines eyes opportunity in Hong Kong property market.** SBS Philippines says its wholly owned unit SBS Holdings and Enterprises signed investment agreement to subscribe to new shares representing 4.25% equity interest in Joune Holding Limited , a Hong Kong investment holding company. [Bloomberg]
- **China Merchants Fund bullish on local shares on index weighting.** Bai Haifeng, head of the international business department of China Merchants Fund Management Co., said he’s bullish on local stocks because global indexes are likely to boost their weightings in the future to reflect the shares’ growing importance. [Bloomberg]
- **Sinochem taps banks for HK listing of oil assets.** China’s Sinochem Group has tapped three banks, including Morgan Stanley, to work on the possible Hong Kong listing of its key oil assets as it seeks to raise capital and revive the company. [Bloomberg]
- **KWG Property to redeem \$100mn of 8.25% 2019 notes on Nov. 18.** The company is to redeem \$100m of its \$400m 8.25% notes due 2019 at 104.125%, according to statement to Hong Kong stock exchange. After completion of partial redemption, outstanding principal amount of notes will be \$300mn. [Bloomberg]
- **ICBC sets HK\$300b target for HK asset manager.** Industrial and Commercial Bank of China aims to expand the scale of assets managed by its Hong Kong unit to HK\$300bn in three years, tapping the strong demand of overseas asset allocation from the mainland. [Bloomberg]
- **Cathay Pacific Sept passenger number falls 1.2% YoY to 2.64mn.** Passenger load factor fell 2.3 ppts to 81%. “Headwinds in the form of revenue decline persisted in several of our key long-haul markets, although our routes to Japan proved particularly popular, with a significant increase in demand recorded”, Cathay Pacific said. [Bloomberg]
- **ANTA Sports 3Q ANTA branded products' retail sales up by mid-teens YoY.** ANTA SPORTS announced that the retail sales (in terms of the retail value) of ANTA branded products for the third quarter of 2017 increased by mid-teens when compared to the same period of 2016. [AASocks]
- **CM Bank to issue offshore preference shares to raise RMB6.578bn net proceeds.** China Merchants Bank announced that it has entered into the subscription agreement, pursuant to which, the group agreed to issue the US\$1bn 4.40% non-cumulative perpetual offshore preference shares. [AASocks]

## V. Overnight Market Recap

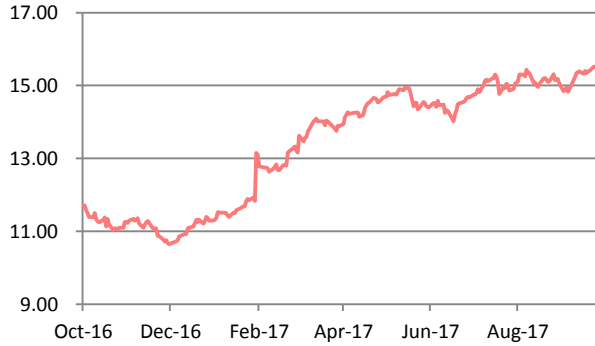
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,575	13.1	0.5	0.9	2.9	4.2	9.6	20.3	15.0
	Dow Jones	23,329	165.6	0.7	2.0	4.4	8.1	13.5	28.6	18.0
	Nasdaq Composite	6,629	24.0	0.4	0.4	3.1	3.8	12.2	26.1	23.1
	Russell 2000	1,509	7.2	0.5	0.4	4.0	5.1	9.4	23.9	11.2
	VIX Index	9.97	(0.1)	(0.8)	3.7	4.0	6.5	(31.9)	(25.3)	(29.0)
Europe Equity	Euro Stoxx 50	3,605	3.0	0.1	0.0	1.8	4.4	4.8	17.1	9.6
	DAX	12,991	1.2	0.0	(0.0)	3.2	6.1	7.8	21.3	13.2
	CAC	5,372	4.1	0.1	0.4	1.7	5.0	6.2	18.4	10.5
	FTSE 100	7,523	0.2	0.0	(0.2)	2.9	0.9	5.7	7.2	5.3
APAC Equity	HSI	28,487	328.2	1.2	0.0	2.2	6.7	18.5	21.9	29.5
	HSCEI	11,558	200.9	1.8	0.3	4.0	7.1	15.0	19.3	23.0
	HSI VIX	13.83	(1.2)	(8.2)	0.9	(4.0)	13.4	(9.4)	(19.5)	(18.1)
	CSI 300	3,927	(4.4)	(0.1)	0.1	2.3	5.3	13.3	18.0	18.6
	SH Composite	3,379	8.5	0.3	(0.4)	0.8	4.3	6.5	9.3	8.9
	SZ Composite	2,000	16.0	0.8	(1.8)	0.6	8.3	4.1	(2.6)	1.6
	Nikkei 225	21,458	9.1	0.0	1.4	5.7	6.8	15.2	24.9	12.3
Commodities (USD)	KOSPI	2,490	16.5	0.7	0.6	4.2	1.6	15.0	22.5	22.9
	Brent (Future)	57.75	0.5	0.9	1.0	2.6	17.1	9.0	12.4	1.6
	WTI (Future)	51.84	0.2	0.4	0.0	2.8	10.8	3.1	2.8	(3.5)
	Gold	1,280	(9.7)	(0.7)	(1.8)	(1.6)	2.9	(0.1)	1.2	11.6
	Copper (Future)	6,952	(15.0)	(0.2)	1.0	6.5	16.7	23.6	49.4	25.6
FX	Baltic Dry Index	1,578.00	(4.0)	(0.3)	6.3	5.1	61.5	32.1	87.4	64.2
	Dollar Index	93.70	0.4	0.5	0.7	1.3	(0.6)	(6.1)	(4.7)	(8.3)
	EUR	1.18	(0.0)	(0.6)	(0.3)	(0.9)	1.3	10.0	7.8	12.0
	JPY	113.52	1.0	0.9	1.5	(1.1)	(1.4)	(3.7)	(8.4)	3.0
	CNY	6.62	0.0	(0.1)	(0.6)	(0.7)	2.1	4.0	1.9	4.9
CDS	CNH	6.62	0.0	0.3	0.8	(0.6)	2.0	3.9	1.9	5.3
	ChinaGov CDS	54.08	(0.5)	(0.9)	(4.7)	(9.3)	(18.1)	(34.7)	(48.6)	(53.8)
	CDX Emerging Market	96.61	0.0	0.0	0.3	0.9	0.9	1.5	2.9	3.1

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.10	0.0	1.6	1.1	1.0	1.2	0.8	0.3	0.5
	2-Year Treasury Yield	1.58	0.0	3.0	1.5	1.4	1.3	1.2	0.8	1.2
	5-Year Treasury Yield	2.02	0.1	3.4	1.9	1.9	1.8	1.8	1.2	1.9
	10-Year Treasury Yield	2.38	0.1	2.9	2.3	2.2	2.2	2.2	1.7	2.4
	2-10 Spread	80.41	2.1	2.6	77.6	81.5	89.3	106.0	90.7	125.0
China rates	O/N China Repo Rate	2.55	(0.0)	(1.2)	2.6	2.6	2.8	2.7	2.6	2.2
	1-Week China Repo Rate	2.83	(0.2)	(5.7)	2.9	3.3	3.4	3.3	2.2	2.6
	O/N SHIBOR	2.58	(0.0)	(0.5)	2.6	2.8	2.7	2.6	2.2	2.2
	1-Week SHIBOR	2.84	(0.0)	(0.1)	2.9	2.9	2.8	2.8	2.4	2.5

Source: Bloomberg

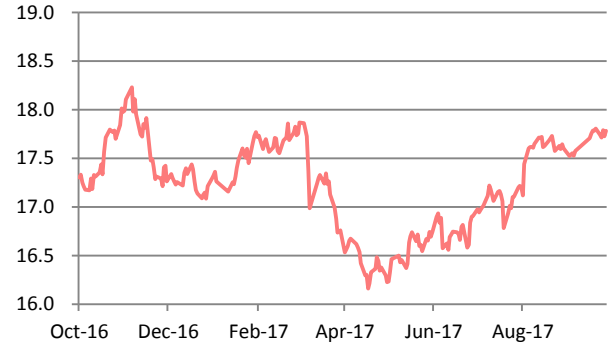
## VI. Key Indicators

**Hang Seng Index PE Ratio**



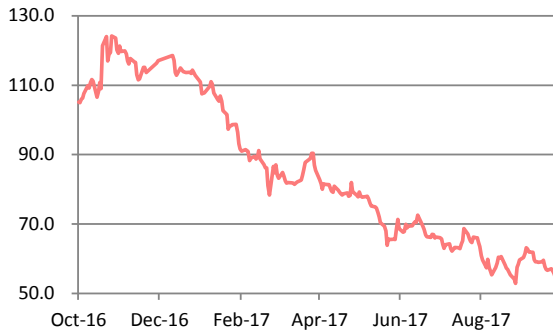
Source: Bloomberg

**Shanghai Composite Index PE Ratio**



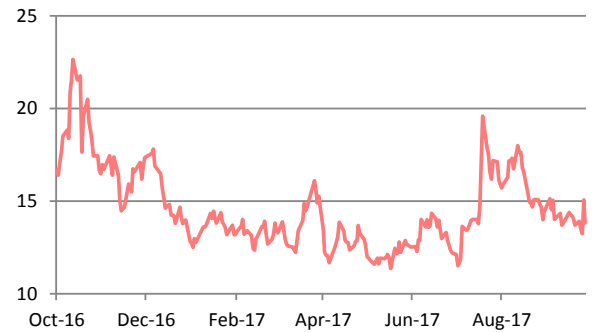
Source: Bloomberg

**China 5Y CDS Index\_USD**



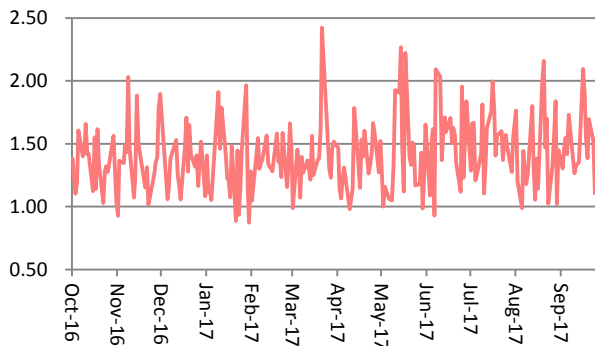
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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