

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: initial / continuing jobless claims	Oct	N/A	222k/1888k
Japan: PPI service YoY	Sep	0.80%	0.80%
S. Korea: GDP YoY	3Q17	3.00%	2.70%
Germany: GfK consumer confidence	Nov	10.8	10.8

Source: Bloomberg

## II. Macro News

- **China will make positive, constructive contribution to global economy: Australian trade minister.** China will make a positive and constructive contribution to the global economy and continue to be Australia's most important trading partner, said Steven Ciobo, Australian minister for trade, tourism and investment. [China Daily]
- **Saudi Arabia plans to build large industrial, commercial zones.** Saudi Arabia, at a local international business conference, announced multiple plans for economic development and reform. Saudi Arabia announced a plan worth USD500bn for industrial and commercial zones with an area of 26,500 sq. k.m, Reuters reported. [AASocks]
- **Japan govt may declare end of deflation before raising consumption tax.** The Japanese government may declare the economy has made an exit from deflation before raising the consumption tax in 2019. If GDP deflator index stays above 1% and consumer inflation speeds up to c.1-1.5%, then the govt may declare the end of deflation. [AASocks]

## III. Industry News

- **HKMA to cooperate with Shenzhen, Singapore on fintech development.** The HKMA has announced new agreements with Singapore and the city of Shenzhen to encourage further collaboration on fintech development. HKMA's chief executive, Norman Chan Tak-lam signed a MoU between the HKMA and the Monetary Authority of Singapore on Wednesday. [SCMP]
- **HKMA now has no plan to issue additional exchange fund bills.** The Hong Kong Monetary Authority has no current plan to issue additional exchange fund bills, HKMA Chief Executive Norman Chan says to reporters. Chan reiterates previous additional issuance was to meet demand from banks for liquidity management. [Bloomberg]
- **Shanghai stocks at 22-month high, HK rebounds from two-day loss after China's new leadership team is unveiled.** Mainland Chinese and Hong Kong stocks both closed with modest gains on Wednesday, after China revealed its new leadership line-up. Mainland China's Shanghai Composite Index ended 0.3% higher, up for a fourth straight day, marking its best finish since Dec 2015. [SCMP]

## IV. Corporate News

- **Cosco's \$6.3bn Orient offer may get Europe nod next.** Cosco Shipping Holdings Co. and Orient Overseas International Ltd., which won U.S. antitrust approval on Monday, next may get clearance from European regulators, according to Justin Tang, head of Asian research with United First Partners. [Bloomberg]
- **China Jinmao's Hong Kong office searched in corruption probe.** Chinese state-backed developer China Jinmao Holdings Group Ltd. said its Hong Kong office was searched in a corruption probe. Jinmao and its units are not the subject of the investigation, the company said in a filing to Hong Kong's stock exchange. [Bloomberg]

- **Top Chinese aluminum producer calls for curbs on speculation.** Aluminum Corp. of China, the country's largest state-owned producer, called for curbs on futures speculation after prices in Shanghai climbed to the highest in six years and trading jumped to a record. [Bloomberg]
- **Tencent establishes data center in Hong Kong, bring its Cloud services to local startups.** Tencent Holdings Ltd.'s [HK:0700] International Business Department said it has established a data center in Hong Kong and introduced Tencent Cloud services that will serve the region's startup enterprises. [Bloomberg]
- **Smithfield Foods to sell US pork online on China's JD.com.** Smithfield Foods, the Chinese-owned US pork giant, had signed a three-way agreement with JD.com and Henan Shuanghui Investment and Development to sell its pork products exclusively online on JD Fresh, JD.com's fresh food division, said its parent company WH Group on Wednesday. [SCMP]
- **HK travel start-up Klook raises US\$60mn in latest funding round to expand globally.** HK-based travel activity booking site Klook said on Wed that it has raised almost US\$60mn in the latest round of funding giving further impetus to its overseas expansion plans. [SCMP]
- **CNOOC to hit high end of annual output target, says finance chief.** Energy giant CNOOC is confident of reaching the high end of its annual output target while containing its project spending at the low end of its budget, its finance chief said after reporting a 15.5 per cent third quarter revenue growth. [SCMP]
- **JD.com follows Alibaba into China's property market with dedicated online channel.** JD.com launched a dedicated online channel for real estate businesses, pledging to use an "innovative" way to better connect property developers and potential buyers and tenants in China. [SCMP]
- **China's largest fertiliser maker Sinofert sells stake in key production asset to parent.** Shares in Sinofert, China's largest fertiliser maker and distributor, lost as much as 11.5% of their value on Wed morning after it announced it was selling its stake in a key production asset to its parent for RMB8bn to fund what it called a major restructure. [SCMP]
- **WeChat Pay takes on Alipay in train ticket mobile payments.** From November, passengers will be able to buy their train tickets using Tencent's WeChat Pay on the official booking website, 12306.cn and its mobile app, according to China Railway. The move breaks the 4-yr dominance of Alipay over mobile payments in China's multibillion-dollar train ticket booking market. [SCMP]
- **State media praise for M&A deals gives wings to Hainan Air owner's shares.** The HK-listed shares of HNA Holding Group soared 24% after state media praised the conglomerate's US\$1bn acquisition of Singapore's CWT as one of the top deals in China's Belt and Road Initiative. [SCMP]
- **Chinese telecom company buys Amsterdam-based telecom provider.** China's CITIC Telecom CPC has announced the formal completion of its acquisition of the Amsterdam-based telecommunications company Linx Telecommunication BV. Linx operates in 14 countries, many of which are within the area covered by the Belt and Road Initiative. [China Daily]
- **JD.com reportedly intends to enter Middle East market, seeks to cooperate with Saudi govt.** As Reuters cited Winston Cheng, President of International of JD.com, said the company is planning to enter the Middle East market and is very willing to establish a partnership with Saudi Arabia government. [AASocks]
- **Huawei eyes on low-end handset markets.** Huawei founder Ren Zhengfei said peers which target to produce low-end mobile phones cannot be looked down on as more than 90% people in the world are not that rich and Huawei will also focus on low-end cell phones as well, Securities Daily reported. [AASocks]
- **Chinapharma, parent in talks to set up Pharmaceut Industry Equity Investment Fund.** Chinapharma Pharmaceutical announced that CR Pharm, a wholly-owned subsidiary, is under discussion in forming the fund with a proposed size of RMB2.5bn, which will be principally engaged in equity investments in the PRC pharmaceutical enterprises. [AASocks]
- **China Nonferrous expects to pose net gain before taxation of \$720mn for selling litigation subsidiaries.** China Nonferrous announced that it plans to dispose of the entire equity interests in Yongbao Resources to an independent third party at a consideration of \$1.00 or equivalent to the unaudited net asset value of the disposed group as at 30 June 2017. [AASocks]

## V. Overnight Market Recap

		Close	Net Chg	Chg (%)	Performance (%)					
					1W	1M	3M	6M	1Y	YTD
US Equity	S&P 500	2,557	(12.0)	(0.5)	(0.2)	2.4	3.2	7.1	19.5	14.2
	Dow Jones	23,329	(112.3)	(0.5)	0.7	4.7	7.5	11.2	28.2	18.0
	Nasdaq Composite	6,564	(34.5)	(0.5)	(0.9)	2.9	2.2	8.9	25.0	21.9
	Russell 2000	1,493	(6.9)	(0.5)	(0.8)	2.5	3.5	5.2	24.0	10.0
	VIX Index	11.23	0.1	0.6	11.5	10.4	17.0	3.5	(21.1)	(20.0)
Europe Equity	Euro Stoxx 50	3,591	(19.2)	(0.5)	(0.8)	1.6	2.9	0.4	16.6	9.1
	DAX	12,953	(59.8)	(0.5)	(0.7)	2.8	5.3	3.9	21.0	12.8
	CAC	5,375	(19.9)	(0.4)	(0.2)	2.0	3.6	1.6	18.5	10.5
	FTSE 100	7,447	(79.3)	(1.1)	(1.3)	2.2	(0.1)	2.2	7.0	4.3
APAC Equity	HSI	28,303	147.9	0.5	(1.4)	2.9	5.1	15.2	21.3	28.6
	HSCEI	11,493	87.8	0.8	(1.1)	4.8	6.1	11.4	18.5	22.3
	HSI VIX	14.60	(0.4)	(2.8)	10.3	(3.6)	25.1	20.9	(14.5)	(13.6)
	CSI 300	3,977	17.6	0.4	0.8	4.1	7.3	15.4	18.5	20.1
	SH Composite	3,397	8.7	0.3	0.4	1.6	4.6	8.2	9.0	9.4
	SZ Composite	2,025	15.7	0.8	1.3	3.1	9.9	7.2	(2.1)	2.9
	Nikkei 225	21,708	(97.6)	(0.5)	1.6	6.8	8.3	12.5	24.8	13.6
KOSPI	2,493	2.0	0.1	0.4	5.0	2.4	12.9	23.8	23.0	
Commodities (USD)	Brent (Future)	58.44	0.1	0.2	0.5	(1.0)	16.4	12.2	15.1	2.9
	WTI (Future)	52.18	(0.3)	(0.6)	0.3	0.5	7.0	5.1	6.1	(2.9)
	Gold	1,278	1.0	0.1	(0.3)	(1.2)	1.5	0.8	0.9	11.4
	Copper (Future)	7,036	31.5	0.4	0.1	9.0	16.7	24.4	51.7	27.1
	Baltic Dry Index	1,588.00	2.0	0.1	1.4	5.7	62.0	37.6	95.3	65.2
FX	Dollar Index	93.71	(0.1)	(0.1)	0.4	1.1	(0.4)	(5.1)	(5.1)	(8.3)
	EUR	1.18	0.0	0.4	0.2	0.2	0.7	8.4	8.3	12.4
	JPY	113.74	(0.2)	(0.1)	0.7	(1.2)	(2.1)	(2.2)	(8.0)	2.9
	CNY	6.64	0.0	(0.0)	(0.2)	(0.3)	1.7	3.7	2.1	4.6
	CNH	6.64	(0.0)	(0.1)	0.3	(0.1)	1.6	3.9	2.2	5.1
CDS	ChinaGov CDS	49.33	(2.2)	(4.3)	(11.5)	(19.9)	(23.1)	(38.4)	(53.5)	(57.8)
	CDX Emerging Market	96.41	(0.1)	(0.1)	(0.1)	0.7	0.5	1.3	2.8	2.9

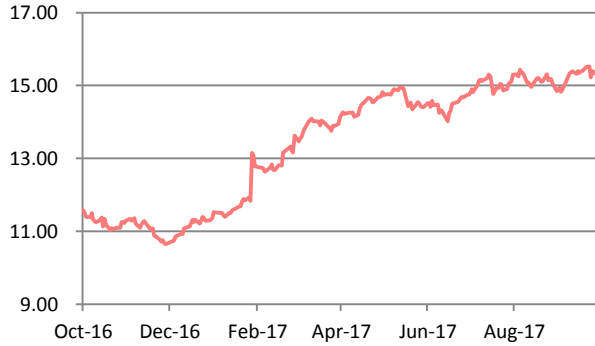
  

		Close	Net Chg	Chg (%)	Value					
					1W	1M	3M	6M	1Y	YTD
US rates	3-Month Treasury Yield	1.10	(0.0)	(1.2)	1.1	1.0	1.1	0.8	0.3	0.5
	2-Year Treasury Yield	1.60	0.0	0.9	1.5	1.4	1.4	1.3	0.9	1.2
	5-Year Treasury Yield	2.04	0.0	0.0	2.0	1.9	1.9	1.8	1.3	1.9
	10-Year Treasury Yield	2.43	0.0	0.5	2.3	2.2	2.3	2.3	1.8	2.4
	2-10 Spread	83.28	(0.1)	(0.1)	78.3	79.6	94.5	103.3	92.1	125.0
China rates	O/N China Repo Rate	2.67	0.2	6.8	2.6	3.0	3.1	3.1	2.3	2.2
	1-Week China Repo Rate	3.29	(0.2)	(4.4)	3.0	3.4	3.4	3.4	2.9	2.6
	O/N SHIBOR	2.66	0.0	1.1	2.6	2.8	2.8	2.8	2.2	2.2
	1-Week SHIBOR	2.86	0.0	0.9	2.8	2.9	2.9	2.8	2.4	2.5

Source: Bloomberg

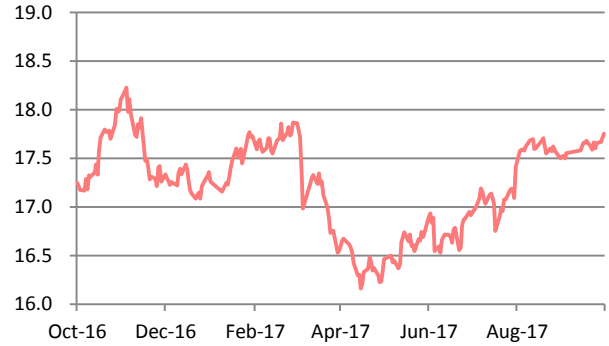
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



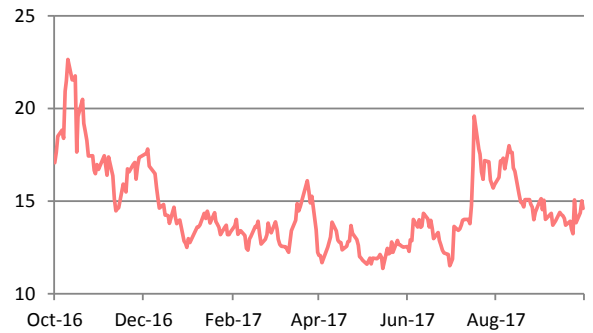
Source: Bloomberg

**China 5Y CDS Index\_USD**



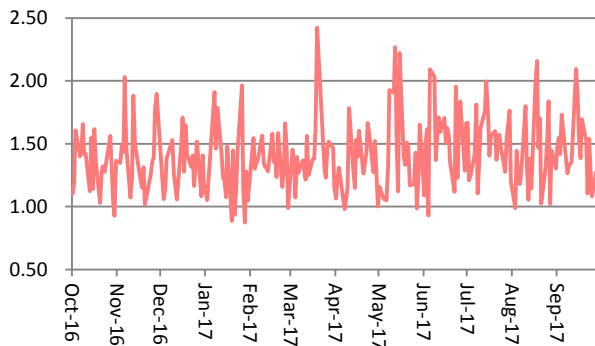
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

## Research

**LIU Taisheng, Steven**

TMT  
(852) 3465 5652  
stevenliu@csci.hk

**SO Lai Shan, Jennifer**

Consumer  
(852) 3465 5781  
jenniferso@csci.hk

**CHAN Ka Yeung, Duncan**

Commodity  
(852) 3465 5654  
duncanchan@csci.hk

**TIAN Yang**

Automotive  
(852) 3465 5775  
tianyong@csci.hk

**SUN Lingxiao, Roger**

Industrials  
(852) 3465 5785  
rogersun@csci.hk

**YAO Xue, Snowy**

(852) 3465 5675  
snowyyao@csci.hk

**SHEN Xiangfei, Thomas**

(852) 3465 8689  
thomasshen@csci.hk

**XU Qiwen**

(852) 3465 8690  
xuqiwen@csci.hk

## Institutional Sales & Trading

**XIANG Xinrong, Ron**

(852) 3465 5633  
ronxiang@csci.hk

**HO Wen Hao, Jack**

(852) 3465 5685  
jackho@csci.hk

**WANG Zhuo, Gary**

(852) 3465 8655  
wangzhuo@csci.hk

**LEE Ying Ju, Rose**

(852) 3465 5707  
roselee@csci.hk

**XIA Tian**

(852) 3465 5670  
xiatian@csci.hk

**XU Xiaowei, Vincent**

(852) 3465 5795  
vincentxu@csci.hk

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### China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495