

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: personal income / spending MoM	Sep	0.4%/0.8%	0.2%/0.1%
US: PCE core YoY	Sep	1.30%	1.30%
Germany: CPI YoY	Oct	N/A	1.80%
Eurozone: economic confidence	Oct	N/A	113.0
Eurozone: business climate indicator	Oct	N/A	1.34

Source: Bloomberg

II. Macro News

- **US economy expands 3 per cent in third quarter to buck effect of severe hurricanes.** The US economy expanded at a 3% annualised rate between July and September, advancing President Trump's goal of faster economic growth and potentially providing a tailwind to Republican efforts to overhaul the tax code. [SCMP]
- **US imposes anti-dumping duties on Chinese aluminium foil in latest dispute over trade.** The US imposed duties on imports of aluminium foil from China, ratcheting up trade tensions between the world's largest economies before President Donald Trump's visit to Beijing next month. [SCMP]
- **Panama-China free trade agreement seen ready by 2019.** Panama and China to formally launch free trade negotiations in January, Trade and Industry Minister Augusto Arosemena said in an interview in Panama City. Chinese companies showing growing interest in Panama infrastructure projects and financial sector. [Bloomberg]

III. Industry News

- **Saudi crown prince supports extending Opec production cuts to balance supply and demand.** Saudi Arabia's crown prince Mohammed bin Salman said on Saturday his country supports extending an agreement by major oil producers to limit output beyond next March because the deal is necessary to balance supply with demand. [SCMP]
- **Next phase of 5G trials starts in 2018.** China will start the third phase of 5G technical tests next year, as it aims to get pre-commercial 5G products ready when standards on the next-generation communication technology are expected to come out in June 2018. [Bloomberg]
- **H.K. mulls investor protection for dual-class shares.** Hong Kong Exchanges & Clearing and Securities and Futures Commission are looking into setting minimum market value threshold for such companies, Oriental Daily reports. Already listed companies may be barred from using dual share classes for listing of restructured or spun-off units. [Bloomberg]

IV. Corporate News

- **BYD sees profits fall by a quarter but forecasts better times ahead.** Chinese electric car manufacturer BYD saw profit fall by almost a quarter in the nine months to Sept but expects sales in the current quarter to grow rapidly. Net profit dropped 23.8% to RMB2.79bn in the period, while operating income edged up 1.6% to RMB79.93bn. [SCMP]
- **China Shenhua profit doubles in first three quarters.** China Shenhua Energy said its net profits had more than doubled in the first three quarters, mainly due to rising coal prices and sales. Net profit attributable to shareholders surged 106% YoY to RMB35.65bn, according to an unaudited quarterly report filed with the Shanghai Stock Exchange. [China Daily]

- **Bank of Communications profit up 3.5%.** Bank of Communications announced Saturday that its net profit rose 3.5% in the first three quarters of the year to RMB54.42bn. The bank said its main business indicators had realized steady growth as it worked to serve the real economy, continued reform and innovation, and improved risk management. [China Daily]
- **China Railway 1-3Q net profit up 19.37% YoY to RMB11.036bn.** China Railway announced the result for the first three quarters ended 30 September 2017 in accordance with the Accounting Standards for Business Enterprises of the PRC. During the period, net profit rose 19.37% yearly to RMB11.036 billion; EPS amounted to 45.2 fen. [AASocks]
- **CRRC 1Q-3Q net profit down 9.4% to RMB6.809bn.** CRRC announced the result for the first three quarters ended 30 September 2017. During the period, the net profit fell 9.4% yearly to RMB6.809bn. EPS equaled RMB0.24. During the period, the turnover fell 4.35% yearly to RMB140.666bn. [AASocks]
- **China Unicom 1-3Q net profit soars 155% YoY to RMB4.054bn.** China Unicom announced the result for the first three quarters ended 30 September 2017. During the period, net profit soared 155% yearly to RMB4.054 billion; EBITDA rose 5.9% yearly to RMB65.383. [AASocks]
- **Huadian Power swings into loss RMB237mn for 1-3Q17.** Huadian Power announced that for the first three quarters ended 30 Sept 2017, the company swung into a loss of RMB237mn, versus a profit of RMB3.718bn a year ago. Excluding non-current losses, the company's net profit for the first three quarters plunged 94.5% YoY to RMB189mn. [AASocks]
- **Fujitsu, Lenovo Group may conclude PC biz merger agreement in 1 month.** Fujitsu and LENOVO GROUP are at the final stage of negotiation of PC business merger, foreign media reported. Hidehiro Tsukano, the Chief Financial Officer at Fujitsu, expected a merger agreement may be concluded in a month. [AASocks]
- **China Telecom Sep 4G net adds speed up to 5.76mn.** China Telecom announced that in September 2017, the number of its mobile subscribers amounted to 241 million, of which 167.52 million are 4G terminal users. Net additions for the month was 5.07mn subscribers, of which, 5.76 mn are 4G terminal subscribers, accelerating from 4.71mn in August. [AASocks]
- **Great Wall 3Q missed as advertising eroded margins.** Great Wall's earnings missed market expectations after advertising costs and product discounts pared margins to a record low. Great Wall Motor 3Q net income falls 80% y/y to 459.7mn yuan. [Bloomberg]
- **China's CCCC buys Aecon for \$930mn in Canada Push.** Aecon Group Inc. agreed to be acquired by a unit of China Communications Construction Co. for C\$1.19 billion (\$930 million) in cash, giving the Canadian company more heft to bid on global infrastructure projects. [Bloomberg]
- **Chalco plans to increase capital by combined up to 16bn yuan.** Aluminum Corporation of China plans to introduce third-party investors to five units, according to a statement to Shanghai stock exchange. [Bloomberg]
- **China Merchants Bank to issue \$1bn perpetual, offshore pref shrs.** The 4.4% non-cumulative preference shares are to be listed on the Hong Kong Stock Exchange on Oct. 26, according to a filing. Proceeds will be used to replenish co.'s additional tier 1 capital. [Bloomberg]
- **Hongqiao says auditor didn't find issues as alleged in reports.** Baker Tilly HK Risk Assurance "did not find any uncontrollable, structural or systemic irregularities, nor any irregular activities, intentional violations or fraudulent activities" on the part of China Hongqiao, according to statement to HKEX dated Oct. 25. [Bloomberg]
- **Wika Gedung sets IPO price range at 290-456 Rupiah/share.** PT Wijaya Karya Bangunan Gedung, known as Wika Gedung, plans roadshows in Singapore, Kuala Lumpur and Hong Kong, Primonanto Budi Atmojo, an official at Mandiri Sekuritas' directorate of investment banking, says by phone. [Bloomberg]
- **China Life units to buy properties for up to RMB2.08bn.** China Life Tianjin Branch and Tianjin Branch of China Life Property and Casualty Insurance plan to jointly buy properties in Tianjin city with up to 2.08b yuan investment, China Life says in Hong Kong stock exchange filing. [Bloomberg]

V. Overnight Market Recap

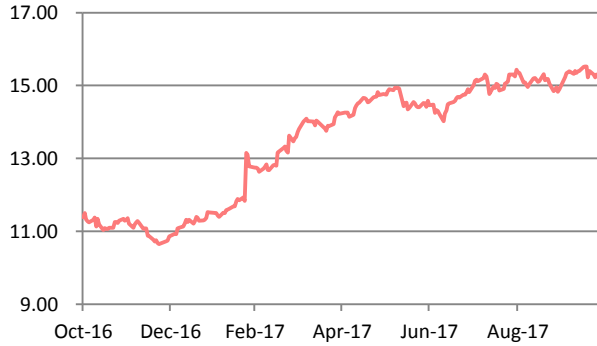
				Performance (%)						
	Close	Net Chg	Chg (%)	1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,581	20.7	0.8	0.2	2.4	4.4	8.3	21.4	15.3
	Dow Jones	23,434	33.3	0.1	0.5	4.6	7.3	11.9	29.0	18.6
	Nasdaq Composite	6,701	144.5	2.2	1.1	3.2	5.1	10.8	29.1	24.5
	Russell 2000	1,508	10.9	0.7	(0.1)	1.2	5.5	7.7	27.0	11.1
	VIX Index	9.80	(1.5)	(13.3)	(1.7)	3.0	(4.8)	(9.4)	(39.5)	(30.2)
Europe Equity	Euro Stoxx 50	3,652	15.0	0.4	1.3	1.6	5.3	2.6	18.6	11.0
	DAX	13,218	84.3	0.6	1.7	3.0	8.7	6.3	23.6	15.1
	CAC	5,494	38.7	0.7	2.3	3.1	7.1	4.3	20.8	13.0
	FTSE 100	7,505	18.5	0.2	(0.2)	1.8	1.9	4.2	7.3	5.1
APAC Equity	HSI	28,439	236.5	0.8	(0.2)	3.2	5.4	15.5	23.9	29.3
	HSCEI	11,644	197.4	1.7	0.7	6.7	8.3	13.9	22.4	23.9
	HSI VIX	15.07	0.2	1.6	9.0	7.6	10.6	29.0	(18.6)	(10.8)
	CSI 300	4,022	28.4	0.7	2.4	4.8	8.1	16.9	20.4	21.5
	SH Composite	3,417	9.2	0.3	1.1	2.0	5.0	8.3	10.1	10.1
	SZ Composite	2,024	(6.9)	(0.3)	1.2	1.8	8.3	6.1	(1.4)	2.8
	Nikkei 225	22,008	268.7	1.2	2.6	8.1	10.3	14.6	26.1	15.1
KOSPI	2,497	16.0	0.6	0.3	4.3	4.0	13.2	23.6	23.2	
Commodities (USD)	Brent (Future)	60.44	1.1	1.9	4.7	4.4	17.4	17.5	19.8	6.4
	WTI (Future)	53.90	1.3	2.4	4.7	3.4	9.9	10.1	8.4	0.3
	Gold	1,273	6.4	0.5	(0.6)	(0.7)	1.1	0.7	0.4	11.0
	Copper (Future)	6,830	(156.0)	(2.2)	(1.8)	6.1	7.9	20.0	42.6	23.4
	Baltic Dry Index	1,546.00	(9.0)	(0.6)	(2.0)	14.0	65.7	39.4	85.4	60.9
FX	Dollar Index	94.92	0.3	0.3	1.3	1.7	1.1	(4.2)	(4.0)	(7.1)
	EUR	1.16	(0.0)	(0.4)	(1.5)	(1.2)	(0.6)	6.8	6.5	10.4
	JPY	113.67	(0.3)	(0.3)	0.1	(0.7)	(2.1)	(2.1)	(7.4)	2.9
	CNY	6.65	0.0	(0.1)	(0.5)	(0.1)	1.4	3.7	2.0	4.4
	CNH	6.65	(0.0)	(0.1)	0.4	(0.1)	1.4	3.8	2.2	4.9
CDS	ChinaGov CDS	49.33	1.0	2.1	(8.8)	(20.4)	(23.3)	(39.3)	(55.1)	(57.9)
	CDX Emerging Market	96.54	0.3	0.3	(0.1)	0.6	0.5	1.0	3.3	3.1

				Value						
	Close	Net Chg	Chg (%)	1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.09	(0.0)	(0.2)	1.1	1.0	1.1	0.8	0.3	0.5
	2-Year Treasury Yield	1.59	(0.0)	(1.7)	1.6	1.5	1.3	1.3	0.9	1.2
	5-Year Treasury Yield	2.03	(0.0)	(2.4)	2.0	1.9	1.8	1.8	1.3	1.9
	10-Year Treasury Yield	2.41	(0.1)	(2.2)	2.4	2.3	2.3	2.3	1.8	2.4
	2-10 Spread	81.49	(2.7)	(3.2)	80.4	84.5	93.8	101.4	99.0	125.0
China rates	O/N China Repo Rate	2.90	0.2	7.0	2.6	2.8	2.9	3.2	2.5	2.2
	1-Week China Repo Rate	3.44	-	-	2.8	3.4	2.8	3.4	2.5	2.6
	O/N SHIBOR	2.72	0.0	0.9	2.6	2.8	2.8	2.8	2.3	2.2
	1-Week SHIBOR	2.88	0.0	0.3	2.8	3.0	2.9	2.9	2.4	2.5

Source: Bloomberg

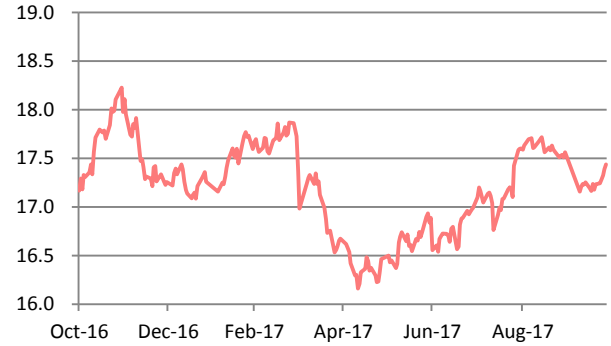
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



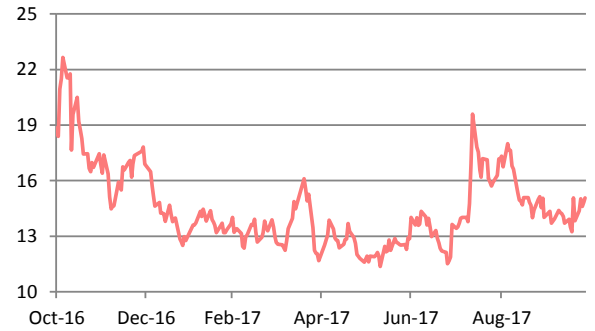
Source: Bloomberg

China 5Y CDS Index_USD



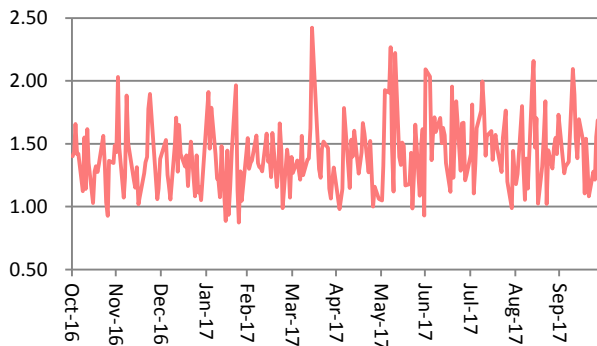
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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