

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin manufacturing PMI	Oct	51.0	51.0
US: ISM manufacturing PMI	Oct	59.1	60.8
S. Korea: CPI / Core YoY	Sep	1.9%/N/A	2.10%/1.6%
S. Korea: exports / imports YoY	Sep	17.4%/12.2%	35.0%/21.7%

Source: Bloomberg

II. Macro News

- **Moscow and Beijing's joint investment fund to grow to US\$2bn, paving way for 'dozens of deals'.** A joint China-Russia investment fund with a capital base that is about to double to US\$2bn will invest in "dozens of deals" that signal deepening financial ties between Beijing and Moscow. [SCMP]
- **China's manufacturing activity continues expanding in Oct.** China's manufacturing sector expanded in October, adding to evidence of continued momentum in the economy, the official data showed. The country's manufacturing purchasing managers' index came in at 51.6, moderating from 52.4 in Sept and 51.7 in Aug, according to the NBS. [China Daily]
- **China's non-manufacturing sector records slower expansion in Oct.** China's non-manufacturing sector continued steady expansion in October, according to official data. The non-manufacturing purchasing managers' index came in at 54.3 in Oct, slightly down from 55.4 in Sept but still in expansionary territory, according to the NBS. [China Daily]

III. Industry News

- **Big four Chinese banks post double-digit gains in lending income.** China's largest banks posted double-digit increases in lending income in the third quarter, validating some of the earnings optimism that has fueled a rally in their shares this year. [Bloomberg]
- **LME must avoid risk of abuse in open-outcry trade, HKEX CEO says.** The London Metal Exchange must guard against the risk of abuse of its open-outcry trading floor, said Charles Li, head of the company that owns the bourse, commenting on a lawsuit brought by one of the best-known metals traders alleging market manipulation. [Bloomberg]
- **US levy 'unilateral and protectionist'.** Government officials and trade experts from both China and the United States expressed their strong discontent with the US move last Friday to announce a preliminary decision against Chinese aluminium foil product exporters. [China Daily]

IV. Corporate News

- **BYD expects lower 2017 profit on stiff competition.** Chinese carmaker BYD Co Ltd, backed by Warren Buffett's Berkshire Hathaway Inc, said on Sunday that its annual profit would likely fall by as much as a fifth on higher competition but expects sales of new energy cars to grow rapidly in the fourth quarter. [SCMP]
- **Shanghai Electric in Serbia power deal.** Shanghai Electric Group signed a deal yesterday to build a 200-megawatt gas-fired cogeneration plant in Serbia that will supply the Pancevo oil refinery, run by Serbian oil firm NIS. The new plant that will burn natural gas to produce power and heat will be a JV between NIS and Gazprom Energoholding. [SCMP]
- **Alibaba teams up with Great Wall.** Alibaba Group Holding Ltd has joined hands with China Great Wall Asset Management Co Ltd, one of the country's four largest State-owned distressed asset managers, to expand its presence in non-performing asset auctions. [China Daily]

- **Tencent E-Book arm's Hong Kong IPO is said to raise \$1.1bn.** China Literature Ltd., the online reading unit helping Tencent Holdings Ltd. build an entertainment empire, raised \$1.1 billion alongside existing investors in its Hong Kong initial public offering. [Bloomberg]
- **China Literature is said to raise \$1.1b in IPO priced at top end.** China Literature Ltd. and existing investors raised \$1.1 billion after pricing a Hong Kong IPO at the top end of a marketed range. The company priced 151 million shares at HK\$55 apiece, top end of a marketed range. [Bloomberg]
- **Glencore is said to cancel Hong Kong listing on thin trading.** Glencore Plc will end its secondary listing in Hong Kong due to a lack of trading activity. The Hong Kong shares have seen very little volume, with an average of 130,000 shares changing hands each day. That compares with about 47 million for the London listing. [Bloomberg]
- **Flying Mining postpones listing plan in Hong Kong.** The company needs more time to address inquiries from regulators, it says in filing to Hong Kong stock exchange. Earlier, it plans to raise net HK\$155.2mn from Hong Kong listing. [Bloomberg]
- **Cosco Shipping to raise \$1.9bn to fund ship orders.** Cosco Shipping Holdings Co. plans to raise up to 12.9 billion yuan (\$1.9 billion) in a share sale to help pay for 20 new vessels it has ordered. The company will sell as many as 2.04 billion A-shares in a private placement. [Bloomberg]
- **China Railway Const., Ping An Asset Mgmt plan 100bn yuan fund.** China Railway Construction and its unit to contribute 50b yuan into the infrastructure fund, China Railway Construction says in Shanghai stock exchange. Fund to invest in China Railway Construction's public-private partnership projects and commercial property projects. [Bloomberg]
- **Cosco Shipping Energy plans to raise 5.4bn yuan in share sale.** The company plans to sell up to 806.4mn A-shares to as many as 10 investors. Proceeds will be used to buy oil tanks. The company's unit and Mitsui O.S.K. Lines plan to jointly invest in LNG ship project with total investment of 754.7mn euros. [Bloomberg]
- **Bank of China quarterly profit little changed amid impairments.** Bank of China Ltd. posted third-quarter profit that was little changed as impairment losses offset some of the gains from lending. Net income for the three months through September was 41.82 billion yuan (\$6.3 billion), little changed from 41.78 billion yuan a year earlier. [Bloomberg]
- **Beijing Airport 9-month profit 1.94bn yuan vs 1.4bn yuan year ago.** Beijing Airport posted a 9-month revenue of 7.08b yuan vs 6.48b yuan year earlier, according to statement to Hong Kong stock exchange. 9-month operating profit 2.59b yuan vs 1.87b yuan year earlier. [Bloomberg]
- **CPMC unit to take Qingyuan JDB herbal stake for 2bn yuan.** Unit CPMC Investment to make 2b yuan capital contribution to Qingyuan JDB Herbal Plant Technology in exchange for a 30.58% stake, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China Development Bank cuts bond size to up to 20bn yuan.** China Development Bank cuts Tuesday's issuance to a total of up to 20b yuan from 28b yuan, according to a statement posted on the chinabond website. [Bloomberg]
- **Swiss Re sells New China Life H-Shares for \$455mn.** Swiss Re Direct Investments sold 75mn existing shares in New China Life at HK\$47.30 each. Shares sold represent 7.3% of New China Life's Hong Kong-listed shares and 2.4% of Hong Kong and China shares. [Bloomberg]
- **China Communications Construction third quarter net income 4.19bn yuan.** China Comm Cons reported net income for the third quarter of 4.19 billion yuan. 3Q revenue reached RMB117.2bn and 3Q EPS came in at 26 RMB cents. 9M net income amounted to RMB11.73bn. [Bloomberg]

V. Overnight Market Recap

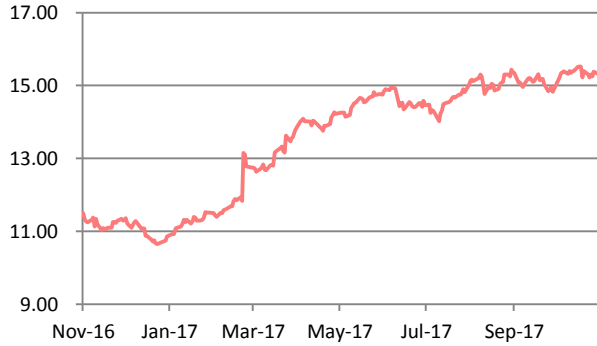
	Close	Net Chg	Chg (%)	Performance (%)							
				1W	1M	3M	6M	1Y	YTD		
US Equity	S&P 500	2,575	2.4	0.1	0.2	2.2	4.0	7.8	22.0	15.0	
	Dow Jones	23,377	28.5	0.1	(0.3)	4.3	6.4	11.8	29.6	18.3	
	Nasdaq Composite	6,728	28.7	0.4	2.0	3.6	5.7	10.4	30.5	25.0	
	Russell 2000	1,503	11.6	0.8	0.1	0.8	5.2	6.8	27.6	10.7	
	VIX Index	10.18	(0.3)	(3.0)	(8.8)	7.0	0.9	0.7	(45.2)	(27.5)	
Europe Equity	Euro Stoxx 50	3,674	11.8	0.3	1.8	2.2	5.7	3.2	21.5	11.7	
	DAX	13,230	12.0	0.1	1.7	3.1	9.2	6.4	24.0	15.2	
	CAC	5,503	9.7	0.2	2.0	3.3	7.3	4.5	23.1	13.2	
	FTSE 100	7,493	5.3	0.1	(0.4)	1.6	0.9	4.0	8.3	4.9	
	HSI	28,246	(90.7)	(0.3)	0.3	2.5	2.6	14.7	22.0	28.4	
APAC Equity	HSCEI	11,508	(55.7)	(0.5)	0.9	5.5	4.4	12.6	18.6	22.5	
	HSI VIX	15.04	(1.5)	(8.8)	0.1	7.4	11.4	28.8	(18.2)	(11.0)	
	CSI 300	4,007	(3.0)	(0.1)	1.2	4.4	6.3	16.5	19.3	21.0	
	SH Composite	3,393	3.0	0.1	0.2	1.3	3.1	7.6	8.7	9.3	
	SZ Composite	2,002	13.8	0.7	(0.4)	0.7	6.4	5.0	(3.4)	1.7	
	Nikkei 225	22,012	(0.1)	-	1.0	8.1	10.1	14.0	26.2	15.2	
	KOSPI	2,523	21.5	0.9	1.3	5.4	4.1	14.4	25.7	24.5	
Commodities (USD)	Brent (Future)	60.94	0.5	0.8	5.2	5.9	15.7	17.8	26.2	7.3	
	WTI (Future)	54.38	0.2	0.4	3.6	5.6	11.0	11.8	16.9	1.6	
	Gold	1,271	(4.8)	(0.4)	(0.4)	(0.1)	0.1	1.1	(1.4)	10.7	
	Copper (Future)	6,867	37.0	0.5	(2.0)	6.0	8.6	19.7	41.8	24.1	
	Baltic Dry Index	1,534.00	#N/A	N/A	#N/A	N/A	(2.5)	13.1	62.2	38.3	79.0
FX	Dollar Index	94.55	(0.0)	(0.0)	0.8	1.6	1.8	(4.5)	(4.0)	(7.5)	
	EUR	1.16	(0.0)	(0.0)	(1.0)	(0.7)	(1.3)	6.9	5.4	10.8	
	JPY	113.64	0.5	0.4	(0.2)	(0.8)	(2.9)	(1.6)	(8.4)	2.9	
	CNY	6.64	(0.0)	0.2	0.0	0.3	1.4	3.9	2.1	4.7	
	CNH	6.63	(0.0)	(0.1)	(0.2)	0.6	1.4	4.0	2.1	5.2	
CDS	ChinaGov CDS	52.18	1.2	2.4	1.2	(15.7)	(17.1)	(35.8)	(52.2)	(55.4)	
	CDX Emerging Market	96.53	(0.0)	(0.0)	0.0	0.4	0.6	1.0	3.6	3.0	

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.13	0.0	3.5	1.1	1.0	1.1	0.9	0.4	0.5
	2-Year Treasury Yield	1.60	0.0	1.7	1.6	1.5	1.4	1.3	0.8	1.2
	5-Year Treasury Yield	2.02	0.0	1.1	2.0	1.9	1.8	1.9	1.3	1.9
	10-Year Treasury Yield	2.38	0.0	0.5	2.4	2.3	2.3	2.3	1.8	2.4
	2-10 Spread	77.56	(1.5)	(1.9)	83.3	85.4	90.8	101.8	99.0	125.0
China rates	O/N China Repo Rate	2.80	0.0	0.7	2.7	3.0	3.0	2.9	2.3	2.2
	1-Week China Repo Rate	3.44	-	-	3.3	3.4	3.4	3.4	2.5	2.6
	O/N SHIBOR	2.74	0.0	0.6	2.7	2.9	2.8	2.8	2.3	2.2
	1-Week SHIBOR	2.89	0.0	0.2	2.9	3.0	2.9	2.9	2.4	2.5

Source: Bloomberg

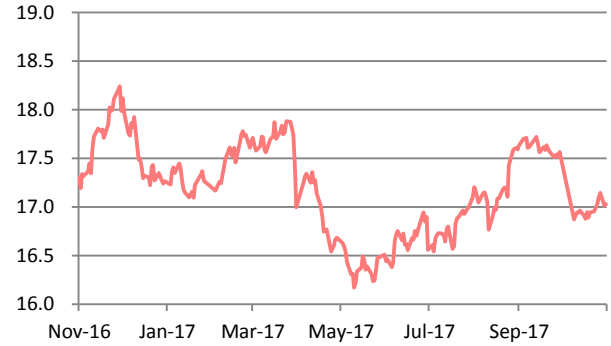
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



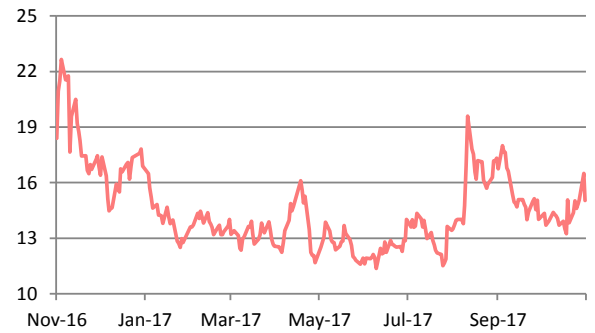
Source: Bloomberg

China 5Y CDS Index_USD



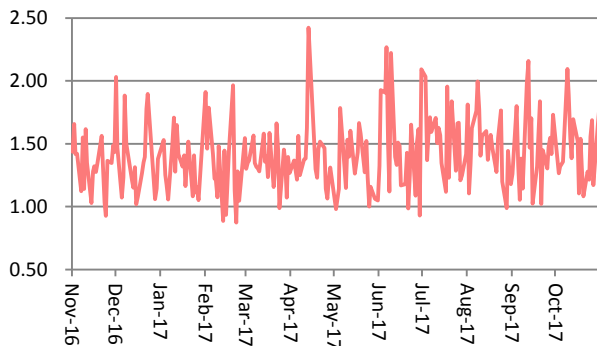
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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