

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: nonfarm productivity YoY	3Q17	1.90%	1.50%
UK: BOE bank rate	Nov	0.50%	0.25%
UK: BOE asset purchase target	Nov	GBP435bn	GBP435bn
Germany: unemployment rate	Oct	N/A	5.60%

Source: Bloomberg

II. Macro News

- **Fed keeps US rates flat as strong growth means December increase increasingly likely.** The Federal Reserve kept interest rates unchanged on Wed and pointed to solid US economic growth and a strengthening labour market while playing down the impact of recent hurricanes, a sign it is on track to lift borrowing costs again in December. [SCMP]
- **China's GDP growth to be 6.8% this year.** China's economy will maintain steady growth this year, with a full-year gross domestic product growth of 6.8%, 21st Century Business Herald reported citing a government think tank report released. The GDP growth is expected to be 6.8% considering R&D expenditures, and 6.6% excluding that item. [China Daily]
- **Cuba seeks to increase trade, join China's Belt and Road Initiative.** Cuba seeks to increase trade with China and join the Belt and Road Initiative as a possible "regional node" for this plan to spread throughout Latin America and the Caribbean, the island's first deputy minister of foreign trade and investment said. [China Daily]

III. Industry News

- **Gold connect linking Shenzhen and Hong Kong to launch Friday.** A new gold connect scheme will be launched on Friday to link up the Hong Kong and Shenzhen gold markets, giving a boost to cross border bullion trading and the ongoing internationalisation of the yuan, according to the local gold bourse head. [SCMP]
- **China is said to allow more foreign bond sales after congress.** China's top economic planning agency has granted approvals to a number of mainland companies to sell bonds overseas. Some of the quotas from the National Development and Reform Commission expire in March instead of at year end. [Bloomberg]
- **China's biggest exchange wants more Deals with foreign peers.** Shanghai Stock Exchange outlined plans for closer links with other national markets, taking further steps to enact President Xi Jinping's policy to project Chinese soft power around the world. [Bloomberg]

IV. Corporate News

- **Strategic investors pay up for Unicom stake.** China Unicom announced yesterday that it had received full payment in cash from strategic investors, a follow-up on the milestone deal amid the country's mixed ownership reform. As part of the plan, 1.9 billion Unicom shares will be transferred to the China Structural Reform Fund. [SCMP]
- **Coach to delist from Hong Kong stock market amid thin trading.** New York luxury brand Coach has applied to delist from Hong Kong owing to thin trading. Coach has applied to the stock exchange to withdraw the listing of its depository receipts in Hong Kong, but has not specified a timeline for the exit, according to a stock exchange filing in HK. [SCMP]
- **Automaker Dongfeng Renault eyes robust sales by 2022.** Sino-French joint venture Dongfeng Renault Automotive Company said that it aims to sell 400,000 vehicles per year by 2022. The company expects to expand its sales network to 400 dealers and localize nine models, focusing on SUVs and electric cars. [SCMP]

- **Alibaba doubles down on car industry to drive 'new retail' strategy.** Alibaba set its sights on the automobile industry in its latest move to revamp the entire retail landscape by blending online and offline shopping. It has led a US\$335mn funding round in a Chinese start-up that provides digital sales solutions to brick-and-mortar car dealers. [SCMP]
- **Tencent e-book IPO is said to lure orders 100 times retail stock.** Individual investors have placed orders for more than 100 times shares initially available to them in China Literature's \$1.1b IPO. Retail shares are initially capped at ~15.1m or 10% of the offering. [Bloomberg]
- **Fosun-backed parenting website is said to plan \$300mn IPO.** Chinese parenting website Babytree, backed by billionaire Guo Guangchang's Fosun Group, is planning an initial public offering that could raise as much as \$300mn. Babytree aims to go public as soon as the first half of 2018. [Bloomberg]
- **Tapestry Inc. plans to withdraw listing from Hong Kong exchange.** Tapestry Inc., formerly Coach Inc., plans to withdraw listing from Hong Kong stock exchange's main board, according to statement to Hong Kong stock exchange. The company cites trading volume and its focus of resources on its primary listing on New York stock exchange. [Bloomberg]
- **China Railway Construction wins 3.46bn yuan projects.** China Railway Construction announced that it has won projects worth RMB3.46bn. Project value equals to 0.55% of 2016 revenue under Chinese accounting standards, according to a statement to Shanghai stock exchange. [Bloomberg]
- **Geely Auto to redeem \$300mn senior notes due 2019 on Nov. 30.** Redemption price to be equal to 102.625% of the principal amount thereof, plus accrued and unpaid interest, Geely Auto says in filing to Hong Kong stock exchange. The company is to satisfy the payment with internal cash reserve and bank financing. [Bloomberg]
- **AIB seeks global market presence with bond issuance in 2018.** The China-led Asian Infrastructure Investment Bank is seeking to establish itself on global debt markets with its first bond as soon as early 2018, the bank's President Jin Liqun said. [Bloomberg]
- **BYD Unit, Faurecia to set up JV for auto parts in Shenzhen.** BYD's automobile parts unit will invest 228m yuan in the venture and Faurecia China will invest 532m yuan, according to statement to Shenzhen stock exchange. JV to develop, make and sell auto seats and related components. [Bloomberg]
- **Beijing Capital Land proposes to sell 3bn yuan of non-public debt.** Board will submit proposal to shareholders for approval at EGM, co. says in a filing. The company proposes non-public issue of debt financing arranged by Huaxia Bank on Beijing Financial Assets Exchange. [Bloomberg]
- **Baosteel, Cosco Shipping approved for Shanghai Rural Bank deal.** Baoshan Iron & Steel and Cosco Shipping Corp. will each hold 10% of Shanghai Rural Commercial Bank after China's banking regulator approved the stake purchase from Australia & New Zealand Banking Group, according to a statement on CBRC website. [Bloomberg]
- **China Hongqiao chairman bought 18.65mn shares Oct. 31.** Hongqiao Holdings, owned by Chairman Zhang Shiping, bought 18.65m China Hongqiao shares in open market at avg HK\$9.29 apiece, according to statement to Hong Kong stock exchange dated Oct. 31. [Bloomberg]
- **Sunac China seeks consent of 8.75% senior notes due 2019.** The company proposes to amend underlying terms of indenture to 8.75% senior notes due 2019 to make them consistent with terms of 6.875% senior notes due 2020 and 7.950% senior notes due 2022, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Pharmacies run by robots mark Midea's foray into health care.** Midea Group Co., the world's biggest appliance maker, is working with Guangzhou Pharmaceutical Holdings Ltd. to bring fully-automated dispensaries that can pick, package and distribute pills at hospitals and drugstores. [Bloomberg]
- **China steel giant Baoshan is bracing itself for yuan volatility.** The company needs a more comprehensive forex risk control mechanism and quicker response capability to lower the impact of forex volatility on earnings, Baoshan Iron & Steel Co. says. [Bloomberg]

V. Overnight Market Recap

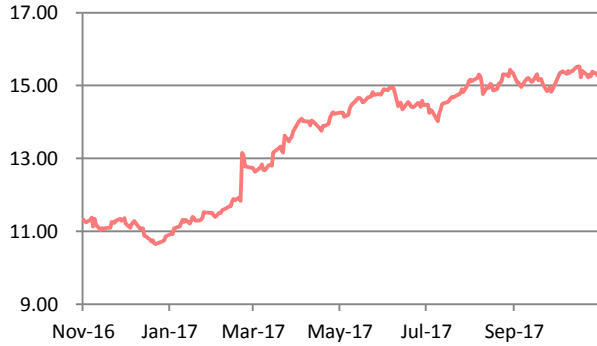
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,579	4.1	0.2	0.9	2.0	4.1	7.9	22.9	15.2
	Dow Jones	23,435	57.8	0.2	0.5	3.9	6.4	11.9	30.5	18.6
	Nasdaq Composite	6,717	(11.1)	(0.2)	2.3	3.1	5.6	10.2	31.6	24.8
	Russell 2000	1,493	(10.0)	(0.7)	(0.0)	(1.1)	5.7	6.7	28.4	10.0
	VIX Index	10.20	0.0	0.2	(9.2)	7.9	(0.8)	(3.7)	(47.2)	(27.4)
Europe Equity	Euro Stoxx 50	3,697	23.5	0.6	2.9	2.6	6.9	3.3	24.1	12.4
	DAX	13,466	235.9	1.8	3.5	4.4	10.5	7.7	29.8	17.3
	CAC	5,514	11.0	0.2	2.6	3.1	8.0	4.0	24.9	13.4
	FTSE 100	7,488	(5.1)	(0.1)	0.5	0.7	1.0	3.3	9.4	4.8
	HSI	28,594	348.5	1.2	1.0	3.8	3.6	15.8	25.4	30.0
APAC Equity	HSCEI	11,636	128.8	1.1	1.2	6.7	5.3	14.4	22.2	23.9
	HSI VIX	14.39	(0.7)	(4.3)	(1.4)	2.7	4.9	14.9	(31.3)	(14.8)
	CSI 300	3,997	(10.1)	(0.3)	0.5	4.2	6.3	16.6	19.9	20.7
	SH Composite	3,396	2.6	0.1	(0.0)	1.4	3.4	8.0	9.4	9.4
	SZ Composite	2,003	1.2	0.1	(1.1)	0.8	7.2	5.1	(2.7)	1.7
	Nikkei 225	22,420	408.5	1.9	3.3	9.9	11.7	15.3	30.8	17.3
	KOSPI	2,556	33.0	1.3	2.6	6.8	5.3	15.2	29.2	26.2
Commodities (USD)	Brent (Future)	60.49	(0.9)	(1.4)	3.5	5.1	16.8	17.4	25.7	6.5
	WTI (Future)	54.30	(0.1)	(0.2)	4.1	7.2	9.3	13.8	19.6	0.9
	Gold	1,275	3.2	0.3	(0.2)	0.4	0.7	1.5	(1.6)	11.2
	Copper (Future)	6,839	(28.0)	(0.4)	(2.8)	5.5	7.4	19.2	40.9	23.5
	Baltic Dry Index	1,522.00	(12.0)	(0.8)	(2.1)	12.2	57.7	37.2	81.6	58.4
FX	Dollar Index	94.82	0.3	0.3	1.2	1.9	1.9	(4.3)	(3.0)	(7.2)
	EUR	1.16	(0.0)	(0.2)	(1.6)	(1.0)	(2.0)	6.3	4.7	10.5
	JPY	114.18	0.5	0.5	0.4	(1.2)	(3.0)	(1.9)	(9.5)	2.5
	CNY	6.60	(0.0)	0.5	0.6	0.8	1.8	4.4	2.5	5.2
	CNH	6.61	(0.0)	(0.4)	(0.4)	0.9	1.8	4.2	2.4	5.5
CDS	ChinaGov CDS	51.30	(0.9)	(1.7)	4.0	(17.1)	(17.6)	(36.2)	(53.7)	(56.2)
	CDX Emerging Market	96.48	(0.0)	(0.0)	0.1	0.4	0.4	0.7	3.8	3.0

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.16	0.0	2.5	1.1	1.0	1.1	0.9	0.4	0.5
	2-Year Treasury Yield	1.61	0.0	0.8	1.6	1.5	1.3	1.3	0.8	1.2
	5-Year Treasury Yield	2.02	0.0	0.1	2.1	1.9	1.8	1.9	1.3	1.9
	10-Year Treasury Yield	2.37	(0.0)	(0.3)	2.5	2.3	2.2	2.4	1.8	2.4
	2-10 Spread	75.42	(2.1)	(2.8)	84.2	84.8	87.8	104.4	98.1	125.0
China rates	O/N China Repo Rate	2.50	(0.3)	(10.7)	2.7	3.0	2.8	3.0	2.3	2.2
	1-Week China Repo Rate	2.85	(0.6)	(17.2)	3.4	3.4	2.9	3.2	2.3	2.6
	O/N SHIBOR	2.74	0.0	0.1	2.7	2.9	2.8	2.9	2.2	2.2
	1-Week SHIBOR	2.89	-	-	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



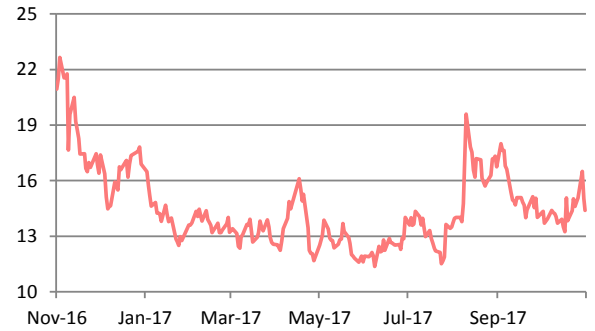
Source: Bloomberg

China 5Y CDS Index_USD



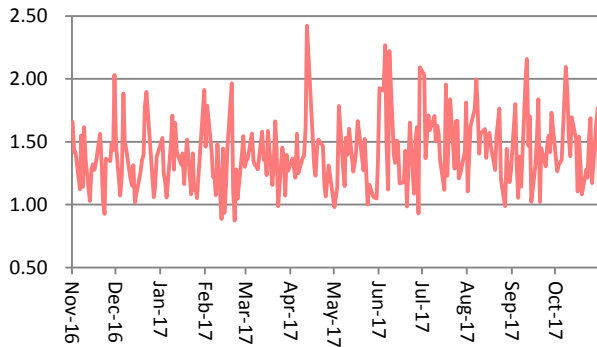
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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