

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Caixin Composite PMI	Oct	N/A	51.4
US: Average Hourly Earnings YoY	Oct	2.70%	2.90%
US: Labour Participation Rate	Oct	N/A	63.10%
US: ISM Non-Manufacturing PMI	Oct	58.0	59.8

Source: Bloomberg

II. Macro News

- **China pledges to cut import tariffs on foreign consumer goods.** China will lower tariffs and step up bank financing to support more imports. China will lower import tariffs on consumer products, encourage banks to expand import financing and increase imports of advanced technological equipment and key components. [Bloomberg]
- **Bank of England raises interest rates for first time in a decade.** The Bank of England raised interest rates for the first time in more than 10 years on Thursday and said it expected only "very gradual" further increases over the next three years. The BoE said its nine rate-setters voted 7-2 to increase its benchmark Bank Rate to 0.50% from 0.25%. [SCMP]
- **China plans to make non-tradeable shares available in Hong Kong.** China plans to start a trial programme that will convert the substantial non-tradeable stock held by big shareholders of mainland companies trading in Hong Kong into free-floating shares, making a big chunk of stocks from 249 such firms available for public trading. [SCMP]

III. Industry News

- **HKEX to offer long-dated contract months for futures, options.** The contract months are to be launched for Hang Seng Index and Hang Seng China Enterprises Index futures on Dec. 4, Hong Kong Exchanges and Clearing Ltd. says in statement. [Bloomberg]
- **China to pick 2 cos. for H Share full circulation trial.** China State Council plans to choose two H.K.-listed mainland companies in a pilot scheme for "full circulation" of H-shares, Caixin reports. ZhongAn Online P & C Insurance among the companies that are trying to be on the trial list. [Bloomberg]
- **Ministry plans rules to curb PPP misuse.** The Ministry of Finance is expected to come out with detailed regulations for public-private partnership projects to curb potential debt risks and prevent the misuse of fiscal funds by local governments, officials said. [China Daily]

IV. Corporate News

- **Li Ka-Shing sells Hong Kong tower for \$5.2bn record price.** Li Ka-Shing's CK Asset Holdings Ltd. Has agreed to sell its stake in The Center to C.H.M.T. Peaceful Development Asia Property Ltd for HK\$40.2 billion (\$5.2 billion), a record for a Hong Kong office tower. [Bloomberg]
- **HSBC Says China's panda bond market has plenty of room to grow.** China's panda bond market has plenty of scope to expand after the government allowed more foreign investors to buy debt in the nation, according to HSBC Holdings Plc. [Bloomberg]
- **FIH Mobile expects net loss in 2017 vs profit year ago.** The company is unable to reasonably and meaningfully estimate the likely magnitude of the consolidated net loss for the full year ending Dec. 31, 2017, according to Hong Kong stock exchange filing. [Bloomberg]

- **HNA said to get U.K. nod to buy Deutsche Bank stake manager.** HNA Group Co.'s takeover of the company that ultimately manages its Deutsche Bank AG shares has been approved by the U.K. regulator, according to people with knowledge of the matter, showing the Chinese conglomerate's deal-making remains on track. [Bloomberg]
- **Best Pacific International gets HK\$2bn-equiv. 3.5Y loan.** Seven wholly-owned subsidiaries of the co. are the borrowers of the multi-currency term loan and revolving credit facilities, according to filing to stock exchange. Best Pacific Textile has a HK\$1.2b 3Y loan due Jan.2019, facility pays H+260 margin. [Bloomberg]
- **Ctrip tops estimates amid boom in Chinese overseas travel.** Ctrip.com International Ltd., China's biggest online travel website, posted revenue that beat analyst estimates amid a boom in overseas Chinese tourism. Sales climbed to \$1.2 billion in the three months ended September, the Shanghai-based company said in a statement. [Bloomberg]
- **Tesla's China suppliers sink as factory timeline disappoints.** Chinese companies that supply Tesla Inc. fell Thursday after Elon Musk indicated his pioneering electric car firm won't start making vehicles in the world's largest auto market this decade. [Bloomberg]
- **China Dev. Bank sells 3-year upsized bonds at 4.3893%.** China Development Bank sold 3-year bonds with a B/C ratio of 2.33, according to a trader who bids at the auctions. 7-year upsized bonds were sold at a yield of 4.5287% with B/C ratio of 2.84. [Bloomberg]
- **China Life to make more 'big moves' in SOE reforms.** President Lin Dairen says at a briefing, without giving details of the reforms. The company expects to keep single-premium products below 10% of premiums next year, from more than 10% this year. [Bloomberg]
- **Sinopec Sells Biodiesel Made From Cooking Oil at Two Stations.** The company's two gas stations in Shanghai started to sell B5 biodiesel made from waste cooking oil, according to a statement on Shanghai gov't website. [Bloomberg]
- **Bestway Global Seeks \$197mn in Hong Kong IPO.** Bestway Global Holdings Inc., water leisure products maker, offers 264.6m shares at HK\$4.38 to HK\$5.80 apiece in a Hong Kong initial public offering, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **Alibaba's earnings soar.** Alibaba raised its full-year revenue estimates after beating analyst forecasts with a 61% surge in 2Q revenues. Alibaba is now predicting a 49-53%, up from 45-49%, rise in annual revenue, after investing an additional US\$803mn in logistics affiliate Cainiao to attain a 51% majority stake. [SCMP]
- **Lenovo forms PC venture with Fujitsu.** Lenovo Group has rebounded from a surprise loss in previous quarter to a US\$139mn net profit, lifted by signs of stability in the global PC industry. Lenovo announced it has agreed to buy a 51% stake in the PC business of Fujitsu, in a deal worth HK\$1.2bn, creating a formidable new JV in Japan. [SCMP]
- **ExxonMobil to build petrochemical complex in China's Daya Bay development zone.** ExxonMobil will build a petrochemical complex in Huizhou. The city's government said that the oil major had signed a partnership agreement aimed at creating a "world-class petrochemical industry base" in the Daya Bay area on China's south coast. [SCMP]
- **Shanghai property developer Future Land eyes co-living opportunities in Hong Kong.** Future Land Development has set its sights on HK's co-living spaces. The Chinese developer said on it has invested around HK\$500-HK\$600mn this year in two residential and commercial projects each. [SCMP]
- **Crude price recovery lifts PetroChina.** China National Petroleum Corp, or PetroChina, reported a 290% rise in third-quarter net profit as the company reaped the rewards of a strong rebound in crude prices and deleveraging. Net profit rose 290% YoY to RMB4.69bn (\$707mn) as the company cut debt and interest expenses. [China Daily]
- **Tencent unit gains from HK frenzy.** Tencent-backed China Literature, mainland's largest online publishing and e-book company, has proven to be a money-spinner of sorts at the bourses after it raised about HK\$520bn (\$66.7bn) from its planned initial public offering in Hong Kong on Wednesday. [China Daily]
- **Tencent postpones introduction of 'Arena Of Valor' (overseas version).** Tencent will postpone the issue date of the overseas version of this mobile phone game, also translated as King of Glory, in North America from November to next year, so as to improve the game quality and the social networking function of the game. [AASocks]

V. Overnight Market Recap

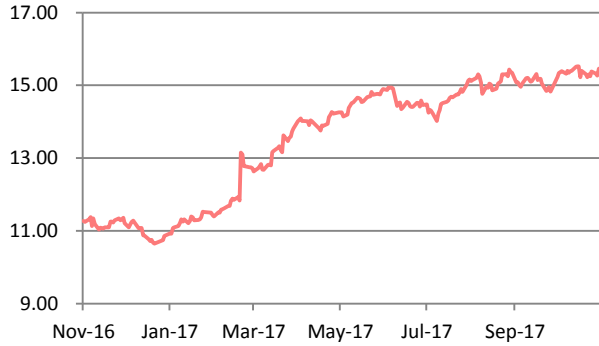
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,580	0.5	0.0	0.8	1.8	4.4	8.0	23.5	15.2
	Dow Jones	23,516	81.3	0.3	0.5	3.9	6.8	12.2	31.2	19.0
	Nasdaq Composite	6,715	(1.6)	(0.0)	2.4	2.8	5.9	10.6	32.7	24.7
	Russell 2000	1,497	3.8	0.3	(0.1)	(1.0)	6.5	7.6	29.4	10.3
	VIX Index	9.93	(0.3)	(2.6)	(12.1)	4.4	(4.9)	(7.0)	(55.0)	(29.3)
Europe Equity	Euro Stoxx 50	3,689	(8.6)	(0.2)	1.4	2.3	6.4	2.9	24.1	12.1
	DAX	13,441	(24.6)	(0.2)	3.8	4.2	10.6	7.3	30.2	17.1
	CAC	5,511	(3.8)	(0.1)	1.0	2.7	7.4	4.0	24.9	13.3
	FTSE 100	7,555	67.4	0.9	0.9	1.2	1.1	4.4	11.3	5.8
APAC Equity	HSI	28,519	(75.4)	(0.3)	1.1	1.2	3.6	15.5	25.7	29.6
	HSCEI	11,598	(38.1)	(0.3)	1.3	2.6	5.4	14.0	22.3	23.5
	HSI VIX	14.18	(0.2)	(1.5)	(4.4)	(1.1)	1.5	13.3	(34.0)	(16.0)
	CSI 300	3,997	0.5	0.0	0.1	4.2	7.2	17.1	18.8	20.8
	SH Composite	3,383	(12.6)	(0.4)	(0.7)	1.0	3.4	7.9	8.1	9.0
	SZ Composite	1,990	(13.5)	(0.7)	(2.0)	0.1	6.5	4.6	(3.9)	1.1
	Nikkei 225	22,539	119.0	0.5	3.7	9.3	12.5	15.9	31.5	17.9
Commodities (USD)	KOSPI	2,546	(10.1)	(0.4)	2.7	6.3	6.7	14.7	28.4	25.7
	Brent (Future)	60.62	0.1	0.2	2.2	8.0	15.8	20.1	29.4	6.7
	WTI (Future)	54.54	0.2	0.4	3.6	8.8	11.9	14.7	22.8	2.1
	Gold	1,276	1.5	0.1	0.7	0.4	0.7	3.1	(2.0)	11.3
	Copper (Future)	6,930	91.0	1.3	(1.1)	6.9	9.2	20.8	40.9	25.2
FX	Baltic Dry Index	1,496.00	(26.0)	(1.7)	(3.2)	12.7	50.7	39.4	79.4	55.7
	Dollar Index	94.69	(0.1)	(0.1)	0.1	1.2	2.0	(4.3)	(2.8)	(7.4)
	EUR	1.17	0.0	0.3	0.1	(0.7)	(1.8)	7.1	5.0	10.8
	JPY	114.08	(0.1)	(0.1)	0.1	(1.0)	(3.5)	(1.1)	(9.7)	2.6
	CNY	6.61	0.0	(0.1)	0.5	0.7	1.7	4.3	2.2	5.1
CDS	CNH	6.61	(0.0)	(0.0)	(0.7)	0.9	1.8	4.3	2.4	5.6
	ChinaGov CDS	52.74	1.4	2.8	9.2	(11.7)	(15.9)	(33.7)	(52.8)	(54.9)
	CDX Emerging Market	96.55	0.1	0.1	0.3	0.3	0.4	0.8	3.9	3.1

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.16	-	(0.0)	1.1	1.1	1.1	0.9	0.4	0.5
	2-Year Treasury Yield	1.61	(0.0)	(0.2)	1.6	1.5	1.4	1.3	0.8	1.2
	5-Year Treasury Yield	2.00	(0.0)	(0.9)	2.0	1.9	1.8	1.9	1.3	1.9
	10-Year Treasury Yield	2.35	(0.0)	(1.1)	2.4	2.3	2.3	2.3	1.8	2.4
	2-10 Spread	73.30	(2.1)	(2.8)	81.5	84.6	90.7	103.5	100.2	125.0
China rates	O/N China Repo Rate	2.56	0.1	2.4	2.9	3.0	2.7	2.6	2.2	2.2
	1-Week China Repo Rate	3.00	0.2	5.3	3.4	3.4	2.8	3.1	2.2	2.6
	O/N SHIBOR	2.63	(0.1)	(4.1)	2.7	2.9	2.7	2.8	2.2	2.2
	1-Week SHIBOR	2.86	(0.0)	(1.2)	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



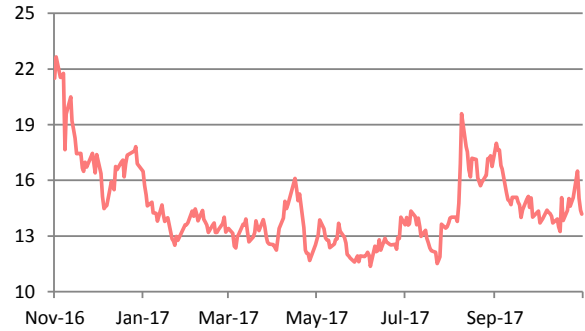
Source: Bloomberg

China 5Y CDS Index_USD



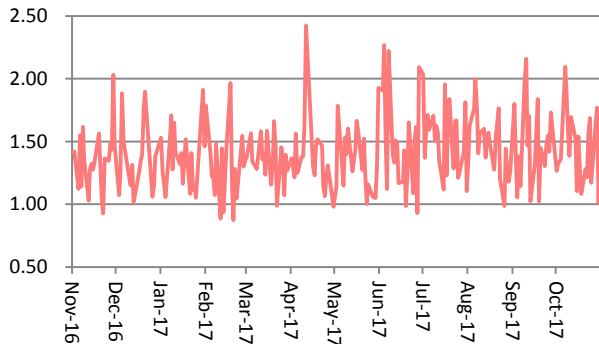
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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