

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Reserve	Oct	USD3118bn	USD3108.5bn
Japan: Labour Cash Earnings YoY	Sep	0.50%	0.90%
Taiwan: Exports / Imports YoY	Oct	N/A	28.1%/22.2%
UK: Halifax House Price YoY	Oct	N/A	4.00%
Germany: Industrial Production YoY	Sep	4.30%	4.70%

Source: Bloomberg

II. Macro News

- **China central bank boss renews warnings about financial risk.** China's financial system is becoming significantly more vulnerable due to high leverage, according to central bank governor Zhou Xiaochuan, who has made a series of blunt warnings in recent weeks about debt levels in the world's second-largest economy. [Bloomberg]
- **China inches toward growth-pace balance.** China is determined to put growth quality before pace, but that will not hold the economy back from growing faster than most of other countries in coming decade, according to experts. In a report delivered to 19th National Congress, the country's leadership called it "a new historic juncture in China's development". [China Daily]
- **Cambodia sees Belt and Road Initiative as key development strategy for trade, investment.** Cambodia regarded the China-proposed Belt and Road Initiative as a key development strategy for the country's trade and investment expansion, said a Commerce Ministry news release. [China Daily]

III. Industry News

- **China 3Q current-account surplus \$37.1 billion.** China 3Q non-reserve financial account deficit \$7.2b, according to preliminary data from the State Administration of Foreign Exchange. 3Q capital, financial account deficit \$37.1bn. [Bloomberg]
- **Hong Kong Exchange Fund 3Q investment income HK\$53.6bn.** That represents a drop of HK\$17.7b from the previous quarter, according to emailed statement from Hong Kong Monetary Authority. The fund made investment income of HK\$189.8b in first three quarters. [Bloomberg]
- **China's shadow banking halts as regulation bites, Moody's says.** China's shadow banking sector, estimated by some analysts to be worth 122.8 trillion yuan (\$18.5 trillion), stopped growing in the first half of the year as issuance of wealth management products declined, according to Moody's Investors Service. [Bloomberg]

IV. Corporate News

- **China Evergrande raises 60bn yuan before listing.** China Evergrande Group has raised RMB60bn from strategic investors as it looks to further reduce debt before the listing of its property arm, Hengda Real Estate, on the Shenzhen Stock Exchange. [SCMP]
- **Tencent's China Literature sets IPO price at HK\$55 a share.** China Literature Ltd., the online reading unit helping Tencent Holdings Ltd. build an entertainment empire, set the offering price for its Hong Kong initial public offering and said it expects net proceeds of HK\$7.17bn (\$919mn) from the sale. [Bloomberg]

- **Noble Group buys into African project amid default concerns.** Noble Group Ltd. may be losing money on Asian operations, selling assets in the U.S., and battling concerns it'll default, but the Hong Kong-based commodity trader has decided that now's the right time to boost its presence in Africa with a bet on the electric vehicle boom. [Bloomberg]
- **Bitauto's car-financing unit seeks \$871mn in Hong Kong IPO.** Bitauto Holdings Ltd.'s car-financing unit is seeking as much as HK\$6.8bn (\$871mn) in a planned Hong Kong initial public offering. Yixin Group Ltd., which provides online car loans and insurance, will offer 879mn shares at a price of between HK\$6.60 and HK\$7.70 apiece. [Bloomberg]
- **Qatar Air turns east after U.S. snub with surprise Cathay stake.** Qatar Airways Ltd. snapped up 9.6% of Hong Kong-based Cathay Pacific Airways Ltd. Qatar Airways will purchase the stake for HK\$5.16bn (\$662mn) from Kingboard Chemical Holdings Ltd. and associates, according to a statement. [Bloomberg]
- **HSBC, Hang Seng may raise pay pool for some H.K. staff.** HSBC may increase its next year's pay pool budget by ~3% for some Hong Kong staff. HSBC's unit Hang Seng Bank may raise the budget by 3%-3.5%. HSBC, Hang Seng may end freeze on senior executives' salary next year. [Bloomberg]
- **China Hongqiao says interim injunction filed against Emerson.** China Hongqiao Group filed on Nov. 3 an interim injunction application before the High Court of Hong Kong to restrain the publication of negative reports by Emerson Analytics against the co., it says in stock exchange filing. [Bloomberg]
- **Soho China enters agreement for \$400mn syndicated loan.** Soho China has entered into agreement with syndicate of banks for the \$400 million equivalent 1-year loan facility, it says in stock exchange filing. [Bloomberg]
- **KWG Property proposes issue of USD senior fixed rate notes.** Principal amount, interest rate, and certain other terms of the issuance are yet to be determined, KWG Property says in Hong Kong stock exchange filing. The company plans to use net proceeds to refinance certain debt. [Bloomberg]
- **CNNC Unit signs pact with TerraPower JV for nuclear equipment.** China National Nuclear's fuel unit signed a deal Nov. 3 with a joint venture between a separate CNNC unit and U.S.-based TerraPower for the development of next-generation nuclear fuel equipment, including its production within China, according to a statement from CNNC.
- **Sunac China Oct. contract sales value 43.9bn yuan.** Sunac China's October contract sales value represents an increase of 193% on year, Sunac China says in stock exchange filing. [China Daily]
- **Boeing eyes more deals in Chinese mark.** US multinational aircraft giant, Boeing Co, has its eyes on more deals in China, which is expected to become the largest aircraft market in the world over the next decade, an official with Boeing said in an interview. [China Daily]
- **Sodexo Group strengthens integrated support services for mainland corporates.** Sodexo Group, a French services giant specializing in traditional segments such as catering and engineering, is expanding in the Chinese mainland market, its largest target in Asia, by enhancing its integrated corporate services in 50 Chinese cities. [China Daily]
- **CCB inks house renting deals.** China Construction Bank Corp joined hands with major real estate developers to provide long-term housing for rent and launched a loan product for tenants in Shenzhen, Guangdong province. CCB signed contracts with 11 companies to provide 5,481 houses for long-term rent in Shenzhen. [China Daily]
- **Xinyi Glass daily melting capacity of float glass at 17,100 tons as at Sep.** Xinyi Glass announced that as at September 2017, the group's daily melting capacity of float glass is 17,100 tonnes. The company predicted that by 2020, the group's float glass capacity can increase by 50% more. [AASocks]
- **Huawei, Indian Telecoms in talks on 5G cooperation.** Huawei and top telecom operators in India are in talks about innovation cooperation on 5G technology and have unlocked 5G tests in India, Economic Times reported. [AASocks]
- **Hon Hai to base in Nanjing for AI development.** Hon Hai Precision's chairman Terry Gou said the group will choose Nanjing as the base of its AI development due to the abundant talents in Jiangsu Province, Reuters reported. Yet, the chairman did not disclose further details regarding the investment. [AASocks]

V. Overnight Market Recap

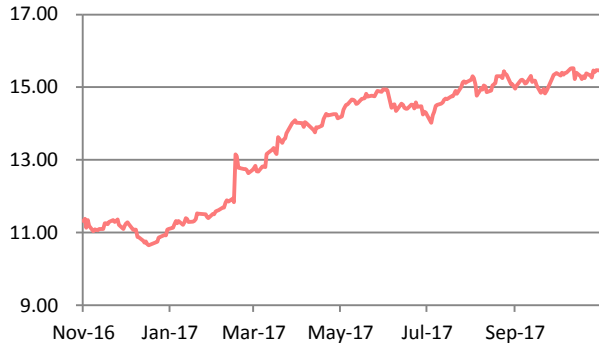
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,591	3.3	0.1	0.7	1.6	4.4	8.0	21.6	15.7
	Dow Jones	23,548	9.2	0.0	0.9	3.4	6.5	12.1	29.0	19.2
	Nasdaq Composite	6,786	22.0	0.3	1.3	3.0	6.3	11.2	31.4	26.1
	Russell 2000	1,498	3.1	0.2	0.5	(0.8)	5.9	7.2	25.6	10.4
	VIX Index	9.40	0.3	2.8	(10.5)	(2.6)	(5.3)	(11.1)	(49.8)	(33.0)
Europe Equity	Euro Stoxx 50	3,682	(7.6)	(0.2)	0.6	2.2	5.0	0.6	22.4	11.9
	DAX	13,469	(10.1)	(0.1)	1.9	4.0	9.9	5.9	28.8	17.3
	CAC	5,507	(10.7)	(0.2)	0.2	2.7	5.7	1.4	23.4	13.3
	FTSE 100	7,562	1.9	0.0	1.0	0.5	0.4	3.6	11.1	5.9
APAC Equity	HSI	28,597	(6.8)	(0.0)	0.9	0.5	3.3	16.8	25.4	30.0
	HSCEI	11,525	(77.8)	(0.7)	(0.3)	0.6	4.3	16.1	19.9	22.7
	HSI VIX	14.49	0.7	5.2	(12.2)	4.0	3.4	4.5	(32.8)	(14.2)
	CSI 300	4,021	28.2	0.7	0.3	4.8	7.9	18.9	19.8	21.5
	SH Composite	3,388	16.4	0.5	(0.1)	1.2	3.3	9.2	8.1	9.2
	SZ Composite	1,999	23.4	1.2	0.5	0.5	6.8	6.8	(3.3)	1.5
	Nikkei 225	22,548	9.2	0.0	2.5	9.0	12.4	16.0	31.3	18.0
Commodities (USD)	KOSPI	2,549	(8.6)	(0.3)	1.9	6.5	6.3	13.7	27.6	25.8
	Brent (Future)	64.27	2.2	3.5	5.5	15.6	22.6	30.9	41.0	13.1
	WTI (Future)	57.35	1.7	3.1	5.9	16.1	15.9	23.8	27.5	6.5
	Gold	1,282	12.0	0.9	0.4	(0.3)	1.8	4.4	(0.1)	11.6
	Copper (Future)	6,895	(34.0)	(0.5)	1.0	5.8	8.5	23.1	39.0	24.6
FX	Baltic Dry Index	1,476.00	(6.0)	(0.4)	(3.8)	5.1	43.0	48.5	72.6	53.6
	Dollar Index	94.76	(0.2)	(0.2)	0.2	1.0	1.3	(3.9)	(2.4)	(7.3)
	EUR	1.16	0.0	0.0	(0.4)	(1.1)	(1.6)	6.3	5.2	10.4
	JPY	113.71	(0.4)	(0.3)	0.5	(1.0)	(2.7)	(0.5)	(8.2)	2.8
	CNY	6.63	(0.0)	0.1	0.2	0.3	1.3	4.1	2.2	4.7
CDS	CNH	6.63	(0.0)	(0.2)	(0.2)	(0.1)	1.6	4.3	2.6	5.3
	ChinaGov CDS	55.48	3.0	5.6	8.9	(6.3)	(12.2)	(30.5)	(47.9)	(52.6)
	CDX Emerging Market	96.28	0.0	0.0	(0.3)	0.0	(0.1)	0.9	2.7	2.8

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.18	0.0	0.7	1.1	1.1	1.0	0.9	0.4	0.5
	2-Year Treasury Yield	1.62	0.0	0.4	1.6	1.5	1.4	1.3	0.8	1.2
	5-Year Treasury Yield	1.98	(0.0)	(0.3)	2.0	2.0	1.8	1.9	1.3	1.9
	10-Year Treasury Yield	2.32	(0.0)	(0.7)	2.4	2.4	2.3	2.4	1.8	2.4
	2-10 Spread	69.16	(2.4)	(3.4)	77.6	85.1	90.7	105.3	100.4	125.0
China rates	O/N China Repo Rate	2.46	(0.1)	(2.4)	2.8	3.0	2.9	2.7	2.1	2.2
	1-Week China Repo Rate	2.75	(0.2)	(5.2)	3.4	3.4	2.9	3.2	2.4	2.6
	O/N SHIBOR	2.51	(0.1)	(2.5)	2.7	2.9	2.8	2.8	2.2	2.2
	1-Week SHIBOR	2.80	(0.0)	(1.0)	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



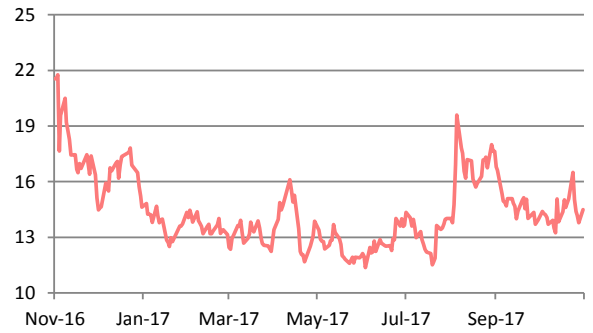
Source: Bloomberg

China 5Y CDS Index_USD



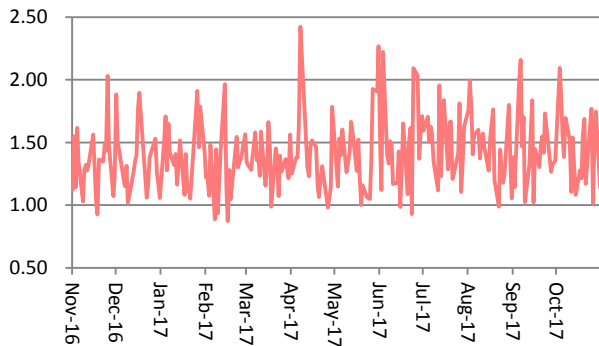
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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