

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Exports / Imports YoY	Oct	7.0%/16.8%	8.1%/18.7%
Japan: Leading Index CI	Sep	106.6	107.2
US: Consumer Credit	Sep	USD17.5bn	USD13.065bn
Thailand: Central Bank Rate Decision	8-Nov	1.50%	1.50%

Source: Bloomberg

II. Macro News

- **Jamaica adds yuan to FX reserves as China helps end lost decade.** Jamaica has opened an account with the PBOC, allowing it to settle transactions in yuan, bank Governor Brian Wynter said in a phone interview. The Bank of Jamaica will continue to hold the bulk of its \$3.7bn in international reserves in dollars, he added. [Bloomberg]
- **Thailand, China set to sign 40bn Baht pact for trains in 1Q.** Thailand, China may sign 40b baht (\$1.2bn) agreement in 1Q 2018 for rolling stock, signaling and maintenance under joint project for high-speed rail link from Bangkok to Laos, Thai Transport Minister Arkhom Termpittayapaisith says. [Bloomberg]
- **South Korea sees thaw in ties with China helping economic growth.** South Korea expects economic ties with China to gradually improve, which should help sectors of its economy such as tourism and cosmetics that were hit after Seoul deployed a missile defense system. [Bloomberg]

III. Industry News

- **China foreign reserves rise for a ninth month amid capital curbs.** China's foreign-exchange reserves posted a ninth straight monthly increase in October, as curbs on outbound investment stemmed capital outflows. Foreign-currency stockpile rose to \$3.109tn, the PBOC said Tuesday. [Bloomberg]
- **China managers to dominate as funds set to swell to \$17 trillion.** China's asset-management industry is set to expand five-fold to \$17 trillion by 2030, beating growth in other markets and benefiting local money managers. Accordingly, the biggest winners will be domestic firms, with foreign institutions getting just 6% of the money pile. [Bloomberg]
- **China Orders Drug Cos. in Beijing, Hebei to Halt Some Output.** China orders pharmaceutical manufacturers in Beijing, Tianjin, Hebei province and surrounding areas to halt active pharmaceutical ingredient production activities involving volatile organic compounds, a kind of pollutant, from Nov. 15 to Mar 15 2018. [Bloomberg]

IV. Corporate News

- **Razer is said to raise \$529mn in IPO priced near top end.** Razer Inc., the maker of computer accessories for hardcore gamers, raised \$529mn after pricing its Hong Kong IPO near the top end of a marketed range. The company has priced its sale of 1.06bn shares at HK\$3.88 apiece, according to people familiar with the matter. [Bloomberg]
- **CIC is said to join Goldman for \$5bn U.S. investment fund.** China's sovereign wealth fund has tapped Goldman Sachs Group Inc. to help invest as much as \$5 billion in the U.S. manufacturing industry, according to people briefed on the matter. [Bloomberg]
- **Esprit 3-month revenue HK\$4.01bn vs HK\$4.11bn year ago.** The year-on-year drop in revenue in local currency for three months ended Sept. 30 was in line with the corresponding reduction in space, it says in filing to Hong Kong stock exchange. [Bloomberg]

- **Geely Auto Oct. sales volume rises 30% YoY to 125,118 units.** Geely Auto's Jan.-Oct. total sales volume reached 952,226 units, achieving about 87% of company's full-year sales target, the company says in a filing to Hong Kong stock exchange. [Bloomberg]
- **Bank of China to shift Vietnam, Philippine businesses to BOCHK.** The proposed transfers will further expand BOC Hong Kong's business reach, help foster co.'s growth in Asean region, Bank of China says in statement to Hong Kong exchange. [Bloomberg]
- **Sunac Chairman says investment in Leshi not 'failure'.** Sunac Chairman Sun Hongbin said in a forum that his investment isn't a failure as he has yet to engage in Leshi's business, Hong Kong Economic Journal reports. Hongbin said he is still sorting out stake in the co., some operations will start this week. [Bloomberg]
- **Sinopec sits atop H-Share index as Saudi upheaval drives up Oil.** China Petroleum & Chemical Corp. led gains on the H-share index Tuesday as it headed for its biggest advance in 13 months, bolstered by oil trading near a two-year high amid political upheaval in Saudi Arabia. [Bloomberg]
- **Noble Group buys into African project amid default concerns.** The company is investing 500,000 pounds (\$655,000) in an obscure mining project in Malawi, emerging as Mkango Resources Ltd.'s top shareholder, according to statements from the companies. [Bloomberg]
- **Baidu, Alibaba and Tencent initiatives will help China 'aggressively' narrow AI gap with US.** The combined initiatives of Chinese internet powerhouses Baidu, Alibaba Group Holding and Tencent Holdings are helping the mainland chip away at the lead held by the United States in artificial intelligence (AI) innovation globally. [SCMP]
- **HK's hottest IPO in 10 years just turned supernova.** China Literature has priced its initial public offering at the top end of a price range, as investors overbought its shares by more than 600 times in the hope of getting in early on what could turn into another internet star like its parent Tencent Holdings. [SCMP]
- **Tianjin FAW Xiali Automobile's controlling shareholder to offload stake as SOE reform moves forward.** Tianjin FAW Xiali Automobile said its controlling shareholder has been given government approval to shed its stake. The company said that it had obtained verbal approval to sell its 394.5mn shares, about a quarter of total issued share capital. [SCMP]
- **PetroChina's shares fuelled by move to increase natural gas prices for commercial users.** Shares of PetroChina rose after it raised the price of the cleaner burning fuel by 10 to 15 per cent this winter, amid strong demand and tightened supply spurred by Beijing's campaign to reduce pollution by curbing the use of coal. [SCMP]
- **Essilor sees US\$54bn merger with Ray-ban maker Luxottica sealed in the first quarter.** Essilor International SA, the world's largest maker of optical lenses, sees the completion of its US\$54bn merger deal with Italian peer Luxottica in the 1Q18 as EU antitrust investigators restart their review, according to CEO of Essilor, Hubert Sagnières. [SCMP]
- **Qihoo says 2019 profit will double as its China listing qualifies it for state cybersecurity contracts.** Anti-virus software maker Qihoo 360 Technology issued an optimistic profit forecast for fiscal 2019, noting that its renewed status as a mainland-listed entity will help it to qualify for state and military projects. [SCMP]
- **China Resources Power, San Miguel Corp. reportedly become final buyers of Philippines power plant.** As Bloomberg News cited insiders, China Resources Power and San Miguel Corp. have become the final buyers of AES Corp.'s power plant in the Philippines. The valuation of such assets may exceed US\$1bn. [AASocks]
- **China Hongqiao chairman adds stakes to 82.02%.** China Hongqiao announced that Zhang Shiping, a controlling shareholder and chairman, through its wholly-owned China Hongqiao Holdings Limited, acquired a total of 6.443 million shares of the company on 6 November at an average price of \$12.51, involving \$80.6 million. [AASocks]
- **COFCO International sells Nidera's seed business to Syngenta.** COFCO Corp, China's biggest foodstuff conglomerate by revenue, announced its overseas investment and management platform COFCO International has agreed to sell seed business of grain trader Nidera BV to agribusiness giant Syngenta AG on Monday. [China Daily]

V. Overnight Market Recap

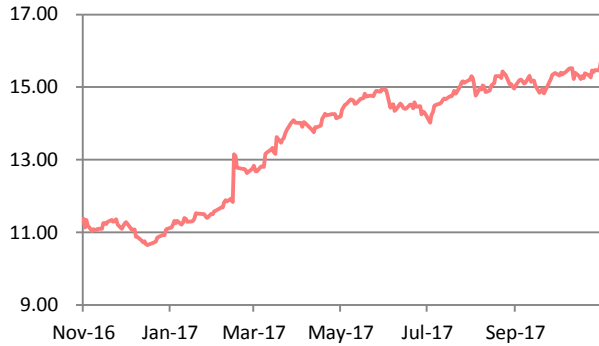
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,591	(0.5)	(0.0)	0.6	1.6	4.4	8.0	21.5	15.7
	Dow Jones	23,557	8.8	0.0	0.8	3.4	6.5	12.1	29.0	19.2
	Nasdaq Composite	6,768	(18.7)	(0.3)	0.6	2.7	6.0	10.9	31.0	25.7
	Russell 2000	1,479	(18.9)	(1.3)	(1.6)	(2.1)	4.6	5.9	24.1	9.0
	VIX Index	9.89	0.5	5.2	(2.8)	2.5	(0.4)	(6.4)	(47.1)	(29.6)
Europe Equity	Euro Stoxx 50	3,659	(23.6)	(0.6)	(0.4)	1.5	4.4	(0.0)	21.6	11.2
	DAX	13,379	(89.5)	(0.7)	1.1	3.3	9.2	5.2	27.9	16.5
	CAC	5,481	(26.6)	(0.5)	(0.4)	2.3	5.2	0.9	22.9	12.7
	FTSE 100	7,513	(49.2)	(0.7)	0.3	(0.1)	(0.3)	3.0	10.4	5.2
APAC Equity	HSI	28,994	397.5	1.4	2.7	1.9	4.1	18.0	26.6	31.8
	HSCEI	11,646	120.9	1.0	1.2	1.6	5.1	16.7	20.6	24.0
	HSI VIX	13.96	(0.5)	(3.7)	(7.2)	0.2	1.3	4.3	(35.2)	(17.3)
	CSI 300	4,054	33.4	0.8	1.2	5.7	8.6	20.7	20.3	22.5
	SH Composite	3,414	25.4	0.7	0.6	1.9	4.0	10.9	8.4	10.0
	SZ Composite	2,013	13.4	0.7	0.5	1.2	7.1	9.6	(3.3)	2.2
	Nikkei 225	22,938	389.3	1.7	4.2	10.9	14.7	15.3	33.6	20.0
Commodities (USD)	KOSPI	2,545	(4.0)	(0.2)	0.9	6.3	6.3	11.0	27.1	25.6
	Brent (Future)	64.27	(0.7)	(1.1)	3.6	14.3	21.4	29.5	37.7	11.9
	WTI (Future)	56.94	(0.4)	(0.7)	4.7	15.5	15.3	23.2	26.8	6.0
	Gold	1,275	(6.7)	(0.5)	0.3	(0.7)	1.1	4.0	(0.0)	11.1
	Copper (Future)	6,970	75.0	1.1	1.5	4.6	9.4	24.8	39.7	25.9
FX	Baltic Dry Index	1,473.00	(3.0)	(0.2)	(3.2)	4.8	42.2	48.2	69.3	53.3
	Dollar Index	94.76	0.2	0.2	0.4	1.2	1.6	(3.8)	(2.9)	(7.1)
	EUR	1.16	(0.0)	(0.2)	(0.5)	(1.3)	(1.4)	6.1	5.1	10.2
	JPY	114.01	0.3	0.3	0.3	(1.1)	(3.2)	(0.6)	(7.7)	2.6
	CNY	6.64	0.0	(0.1)	(0.1)	(0.2)	1.2	4.0	2.0	4.6
CDS	CNH	6.64	0.0	0.2	0.1	(0.4)	1.1	4.0	2.4	5.0
	ChinaGov CDS	56.57	1.1	2.0	8.4	(4.4)	(10.1)	(29.1)	(47.7)	(51.7)
	CDX Emerging Market	95.88	(0.4)	(0.4)	(0.7)	(0.4)	(0.4)	0.4	2.2	2.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.20	0.0	1.9	1.2	1.1	1.0	0.9	0.4	0.5
	2-Year Treasury Yield	1.63	0.0	0.5	1.6	1.5	1.3	1.4	0.9	1.2
	5-Year Treasury Yield	1.99	0.0	0.2	2.0	2.0	1.8	1.9	1.3	1.9
	10-Year Treasury Yield	2.31	(0.0)	(0.1)	2.4	2.4	2.2	2.4	1.9	2.4
	2-10 Spread	68.16	(1.0)	(1.4)	75.4	85.1	90.5	105.5	99.7	125.0
China rates	O/N China Repo Rate	2.54	0.1	3.3	2.5	3.0	2.9	2.8	2.1	2.2
	1-Week China Repo Rate	2.80	0.0	1.8	2.9	3.4	2.9	3.4	2.3	2.6
	O/N SHIBOR	2.55	0.0	1.6	2.7	2.7	2.8	2.8	2.2	2.2
	1-Week SHIBOR	2.79	(0.0)	(0.3)	2.9	2.9	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



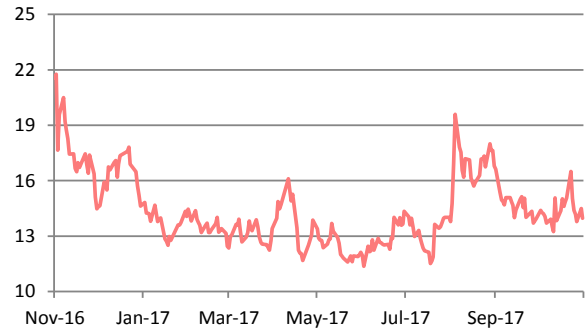
Source: Bloomberg

China 5Y CDS Index_USD



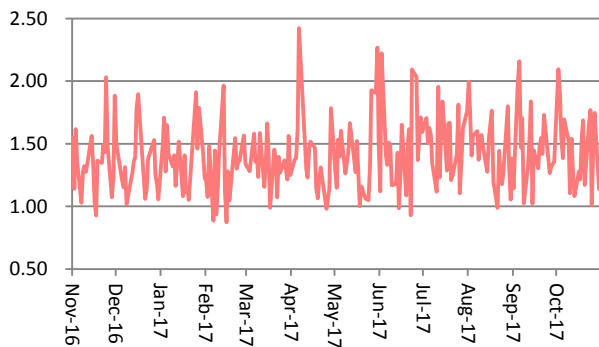
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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