

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: CPI / PPI YoY	Oct	1.7%/6.6%	1.6%/6.9%
US: Continuing Jobless Claims	Oct	N/A	1884k
Japan: Core Machine Order YoY	Sep	1.80%	4.40%
UK: Industrial Production YoY	Sep	1.80%	1.60%

Source: Bloomberg

## II. Macro News

- **Trump team said to plan \$250bn in deals on China trip.** The White House expects to announce upwards of \$250 billion in business deals in China this week, an administration official said exactly the sort of U.S. jobs- based diplomacy that President Donald Trump likes to deliver when traveling abroad. [Bloomberg]
- **China's trade surplus with US hits second highest on record ahead of Trump's visit.** China posted the second highest monthly trade surplus of US\$26.6bn with the United States in October, hours ahead of US President Donald Trump's first state visit to China. [SCMP]
- **Fed's Harker backs December hike, says 2018 hinges on inflation.** Federal Reserve Bank of Philadelphia President Patrick Harker suggested he'll likely support a third 2017 interest-rate increase next month, but said he wants to see signs of inflation moving higher before backing tightening next year. [Bloomberg]

## III. Industry News

- **IPO fever hits Hong Kong market.** HK demand for new share sales has hit fever pitch, with 417,000 people applying for lots in Tencent Holdings Ltd.'s online bookstore unit, more than 5% of the city's population. China Literature Ltd.'s retail offering was 625 times oversubscribed; that locked up at least HK\$520bn, or a third of the city's monetary base, SCMP reported. [Bloomberg]
- **Foreign and HK banks' mainland China lending hits record high.** Foreign bank's exposure to China stood at US\$1.89tn, a record high, at end of 1H of this year, according to data from Fitch. Tighter liquidity on the mainland, easy liquidity in HK and Chinese corporates' growing global ambitions contributed to a rebound after a slower 2015 and 2016, Fitch said. [SCMP]
- **Telecom firms try to gain 5G advantage.** Telecommunications gear makers are ramping up their efforts to garner overseas business around the planned fifth-generation network, as part of the country's broader push to gain the lead in the race for the next generation of mobile communication technologies. [China Daily]

## IV. Corporate News

- **China Literature shares book solid gains on trading debut.** Shares in China Literature, a unit of Tencent Holdings and the mainland's largest online publishing and e-book website, skyrocketed nearly 90% in value by the close of trading in HK yesterday, in what has been dubbed the city's hottest IPO in nearly a decade. [SCMP]
- **WeChat parent buys 12% of Snapchat.** Tencent Holdings now holds a 12% stake in Snapchat operator Snap, according to a filing by Snapchate to the Securities and Exchange Commission in the U.S. yesterday. Tencent had bought 145.8mn shares of the company's non-voting class A ordinary shares on the open market. [SCMP]

- **Ford's electric car venture with Zotye to speed up US manufacturer's expansion in China.** Ford has signed an agreement with Anhui Zotye Automobile to set up a 5bn yuan (US\$754mn) joint venture focusing on electric cars, in a substantial step towards tapping the mainland's new energy vehicle segment. [SCMP]
- **Alibaba's Singles' Day sales set to top 152b yuan this year.** Singles' Day sales transacted across all Alibaba Group e-commerce platforms this year are expected to surge 26% to a record RMB152bn, supported by demand for imported products and participation of overseas audiences, according to consulting firm Oliver Wyman. [SCMP]
- **Xiaomi eyes 'new chapter' in global sales with Spain as first European stop.** Chinese smartphone maker Xiaomi has launched "a new chapter" in its global expansion with a move into the western European market, senior vice-president Wang Xiang said at a launch event in Madrid, Spain. [SCMP]
- **Huawei seen as the most authentic brand in China.** The privately held maker of networking systems and smartphones climbed from fourth last year to unseat the Bank of China at the top of the mainland rankings in Cohn&Wolfe's fifth Authentic Brands Study. [SCMP]
- **Bourse operator HKEX's third-quarter net profit surges 32% on higher turnover and new listings.** Hong Kong Exchanges and Clearing on Wed reported a 32% jump in third-quarter net profit on the back of rising market turnover and new listings. Third-quarter profit stood at HK\$2.03bn, or HK\$1.65 per share, up from HK\$1.54bn a year earlier. [SCMP]
- **Four tap into asset-backed securities on rental flats.** China Young Professional Apartments and Poly Real Estate have now been given the green light to launch quasi-REITs. Property developers such as China Vanke, CIFI Holdings, Longfor Properties and Landsea Green Properties, Poly China have entered the business of long-term rental spaces. [SCMP]
- **Geely Auto to buy controlling holder's assets.** Geely Automobile unit agreed to buy Baoji Geely Engine from Zhejiang Geely for RMB345.1mn. Geely Auto unit also entered pact to buy Zhejiang Yili Automobile Components from Zhejiang Geely and Shanghai Maple for RMB495mn, and Ningbo Shangzhongxia Automatic Transmission from Geely Holding for RMB993.1mn. [Bloomberg]
- **China Eastern Airlines to issue S\$500mn 2.8% bonds due 2020.** The company will use the proceeds for prepayment for aircraft purchase, repayment of existing debt and working capital, it says in filing to Hong Kong stock exchange. [Bloomberg]
- **Midea revenue could weaken on slowing Chinese property market.** A slowdown in China's property market will impact Midea's home-appliance sales in 2018. The government has sought to tighten policies related to housing and seems likely to implement new measures in lower-tier cities. [Bloomberg]
- **CRRC Times says shareholder Sinomach to sell all of its stock.** Sinomach Capital has informed CRRC Times Electric that it intends to sell all of its 9.4m shares in the company, according to a Hong Kong exchange statement. Stock represents about 0.8% of CRRC Times Electric's issued share capital. [Bloomberg]
- **China SCE Prop says chairman raises stake to 51.93%.** Newup Holdings Ltd., a company owned by China SCE Chairman Wong Chiu Yeung, bought 1m shares of the property firm on Tuesday, according to Hong Kong exchange statement. [Bloomberg]
- **Alibaba-backed best scouts for tech firms to boost efficiency.** Best Inc., the Chinese logistics provider backed by Alibaba Group and founded by a former Google executive, is scouting for acquisitions of technology companies both in China and the U.S. that will help it boost efficiency and break even as early as next year. [Bloomberg]
- **Geely Auto buys Baoji, Yiwu, Ningbo Industrial Properties from parent.** Geely Auto announced that Geely Luoyou, a 99% owned subsidiary, entered into Baoji Acquisition agreement with Zhejiang Geely, pursuant to which Geely Luoyou has conditionally agreed to acquire the entire registered capital of three target cos for total consideration of RMB1.833bn. [AASocks]
- **China Longyuan Oct power generation up 6.5% YoY to 3.8337M MWh.** China Longyuan Power announced that the power generation of the group for October 2017 on a consolidated basis amounted to 3.8337 million MWh, up 6.50% YoY. [AASocks]

## V. Overnight Market Recap

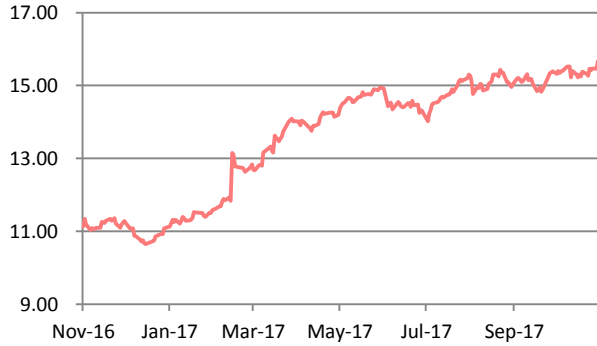
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,594	3.7	0.1	0.6	1.8	4.8	8.1	21.3	15.9
	Dow Jones	23,563	6.1	0.0	0.5	3.5	6.7	12.1	28.5	19.2
	Nasdaq Composite	6,789	21.3	0.3	1.1	3.0	6.6	11.2	30.7	26.1
	Russell 2000	1,482	2.6	0.2	(0.7)	(1.9)	5.1	6.5	24.0	9.2
	VIX Index	9.78	(0.1)	(1.1)	(4.1)	1.3	(10.8)	0.1	(47.8)	(30.3)
Europe Equity	Euro Stoxx 50	3,655	(3.7)	(0.1)	(1.1)	1.2	5.4	0.2	19.6	11.1
	DAX	13,382	3.2	0.0	(0.6)	3.1	10.1	5.0	25.7	16.6
	CAC	5,471	(9.2)	(0.2)	(0.8)	2.0	6.3	1.4	20.4	12.5
	FTSE 100	7,530	16.6	0.2	0.6	0.3	0.4	2.6	8.9	5.4
APAC Equity	HSI	28,908	(86.7)	(0.3)	1.1	2.1	4.1	16.1	29.0	31.4
	HSCEI	11,576	(69.4)	(0.6)	(0.5)	1.7	5.6	14.3	23.4	23.2
	HSI VIX	13.92	(0.0)	(0.3)	(3.3)	(3.3)	(5.7)	7.9	(36.1)	(17.6)
	CSI 300	4,048	(6.2)	(0.2)	1.3	4.3	8.5	20.7	20.7	22.3
	SH Composite	3,415	1.9	0.1	0.6	1.2	4.3	10.9	9.2	10.0
	SZ Composite	2,014	1.0	0.0	0.5	(0.0)	6.8	9.0	(2.6)	2.3
	Nikkei 225	22,914	(23.8)	(0.1)	4.1	10.7	16.1	15.5	41.0	19.9
Commodities (USD)	KOSPI	2,552	7.0	0.3	(0.2)	6.6	7.8	11.3	30.3	26.0
	Brent (Future)	63.69	(0.2)	(0.3)	4.9	14.1	21.7	28.7	37.9	11.7
	WTI (Future)	56.81	(0.4)	(0.7)	4.6	15.3	15.5	22.4	26.3	5.8
	Gold	1,281	6.1	0.5	0.5	(0.2)	0.4	5.0	0.3	11.7
	Copper (Future)	6,826	(144.0)	(2.1)	(0.2)	2.4	6.4	22.2	33.9	23.3
FX	Baltic Dry Index	1,477.00	4.0	0.3	(1.3)	5.1	42.3	47.6	62.1	53.7
	Dollar Index	94.91	(0.0)	(0.0)	0.1	1.2	1.3	(4.2)	(3.0)	(7.2)
	EUR	1.16	0.0	0.1	(0.2)	(1.2)	(1.4)	6.6	6.3	10.2
	JPY	113.87	(0.1)	(0.1)	(0.3)	(1.0)	(3.3)	0.1	(7.2)	2.7
	CNY	6.63	(0.0)	0.2	(0.4)	(0.0)	1.2	4.2	2.4	4.8
CDS	CNH	6.63	(0.0)	(0.1)	0.4	(0.3)	0.9	4.3	3.0	5.2
	ChinaGov CDS	58.78	2.2	3.9	14.6	(0.7)	(8.7)	(25.8)	(46.9)	(49.8)
	CDX Emerging Market	95.89	0.0	0.0	(0.6)	(0.4)	(0.2)	0.5	2.7	2.4

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.22	0.0	2.0	1.2	1.1	1.0	0.9	0.4	0.5
	2-Year Treasury Yield	1.65	0.0	1.0	1.6	1.5	1.3	1.3	0.9	1.2
	5-Year Treasury Yield	2.01	0.0	1.1	2.0	2.0	1.8	1.9	1.5	1.9
	10-Year Treasury Yield	2.33	0.0	0.9	2.3	2.4	2.2	2.4	2.1	2.4
	2-10 Spread	68.51	0.4	0.5	73.3	84.4	86.7	104.9	116.3	125.0
China rates	O/N China Repo Rate	2.60	0.1	2.4	2.6	2.6	2.8	2.9	2.2	2.2
	1-Week China Repo Rate	3.20	0.4	14.3	3.0	3.3	2.9	2.9	2.6	2.6
	O/N SHIBOR	2.60	0.0	1.7	2.6	2.7	2.8	2.8	2.2	2.2
	1-Week SHIBOR	2.79	0.0	0.1	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**



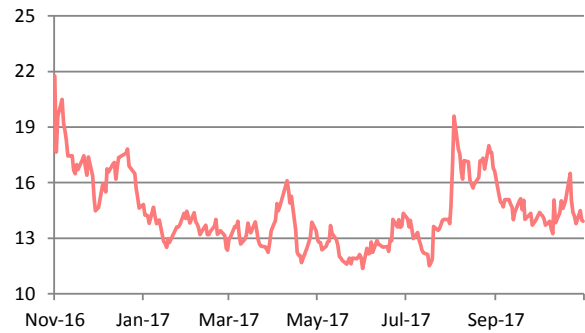
Source: Bloomberg

**China 5Y CDS Index\_USD**



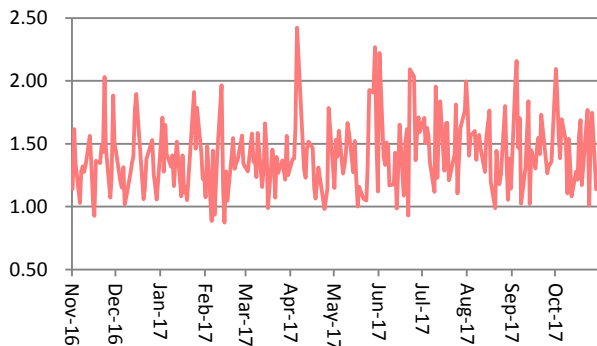
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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