

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: Foreign Direct Investment YTD YoY	Oct	N/A	17.3%
China: Aggregate Financing CNY	Oct	RMB1152.5bn	RMB1820bn
US: U. of Mich. Sentiment	Nov	100.00	100.70
Hong Kong: GDP YoY	3Q17	N/A	3.80%
India: Industrial Production YoY	Sep	N/A	4.30%

Source: Bloomberg

## II. Macro News

- **China factory prices surge again as pollution drive curbs output.** China's factory prices kept surging last month as authorities curb production in smokestack industries to combat pollution. The producer price index rose 6.9% in Oct from a year earlier, versus a projected 6.6% rise in a Bloomberg survey and matching September's pace. [Bloomberg]
- **China to maintain macroeconomic policy in 2018.** Premier Li Keqiang said that China would maintain the stability of its macroeconomic policy, and continue reform and opening up in 2018. The government will also further cut taxes and fees for companies to reduce "institutional transaction costs," Li said. [SCMP]
- **Brexit talks resume with EU striking cautious tone on progress.** Brexit talks resume Thursday with no indication that a breakthrough is in reach: the Europeans are taking a cautious approach even as both sides continue to hope for an agreement by year-end. [Bloomberg]

## III. Industry News

- **CSRC eyes business sustainability in IPO review.** China Securities Regulatory Commission has started looking at business sustainability and compliance of companies in addition to their financial performance when reviewing their IPO applications, 21st Century Business Herald reports. [Bloomberg]
- **China to allow more loans for new-energy vehicle purchases.** China will allow higher loan ratio for new-energy vehicles than traditional vehicles, in attempt to promote environmental protection industry development, according to revised policy by PBOC and CBRC. [Bloomberg]
- **China, CEE countries to enhance cooperation in energy.** China and Central and Eastern European countries intend to enhance cooperation, to explore new opportunities and to evaluate the existent potential in energy projects, said high officials and fair within the "16+1" cooperation format. [China Daily]

## IV. Corporate News

- **China steps toward U.S. LNG deal as Sinopec inks Alaska pact.** China Petrochemical Corp., known as Sinopec Group, signed a joint development agreement with Alaska Gasline Development Corp. on the plan to pipe gas from the state's northern shore to a proposed liquefaction terminal in the south, where it would be shipped abroad. [Bloomberg]
- **Alibaba prepares a grand retail experiment for Singles' Day.** Ma's Alibaba Group Holding Ltd. is prepping for Singles' Day, an annual Nov. 11 online shopping fiesta dwarfing Black Friday and Cyber Monday that Citigroup Inc. estimates could generate a record RMB158bn (\$24bn) of sales. [Bloomberg]

- **China Literature greenshoe exercised in full, Tencent says.** Over-allotment option fully exercised by global coordinators of China Literature's initial public offering, Tencent says in Hong Kong exchange statement. Over-allotment shares amount to aggregate of 22.7m China Literature shares. [Bloomberg]
- **West Virginia gets China energy deal that dwarfs state's GDP.** China Energy Investment Corp. plans to invest \$83.7bn in shale gas development and chemical manufacturing projects in the state over two decades, according to a statement from the state's Department of Commerce. [Bloomberg]
- **BAIC Motor to cooperate with Ifytek for in-vehicle intelligence.** The two companies to cooperate in areas including intelligent human-computer interaction technology, in-vehicle intelligence and AI technology, big data analysis, smart car networking platform, BAIC Motor says in filing to Hong Kong stock exchange. [Bloomberg]
- **VTech Holdings 1H net income rises 45% year-on-year to \$103.6mn.** Vtech Holdings' 1H revenue \$1.04bn vs \$982.9mn year ago, the company says in a filing to stock exchange. The company proposes interim dividend/share 17 cents. [Bloomberg]
- **China Power to raise up to HK\$4.47bn from rights issue.** China Power plans to sell 2.45b-2.46bn shares in 1-for-3 rights issue at price of HK\$1.82/shr, it says in Hong Kong stock exchange filing. Max rights issue represents c.25% of enlarged issued share capital. Proceeds to be used to finance the acquisitions of clean energy project companies. [Bloomberg]
- **Ningbo Shanshan unit to resubmit Hong Kong IPO plan to CSRC.** Ningbo Shanshan Unit is to resubmit HK IPO plan to the CSRC. The unit got approval in Oct. 2016 and the permit expired, according to a statement to Shanghai stock exchange. [Bloomberg]
- **Alibaba Vice Chairman Tsai sold combined 660,599 shares Nov. 6.** Alibaba Vice Chairman Joseph Tsai cut stake in Alibaba to 2.40% from 2.43% after share sales on Nov. 6, according to two disclosure filings to Hong Kong stock exchange. [Bloomberg]
- **Fitch downgrades Parkson to 'CCC'.** Fitch Ratings has downgraded Parkson Retail Group Limited's Long-Term Issuer Default Rating and senior unsecured rating to 'CCC' from 'B-' to reflect rising uncertainty over the company's plans to refinance or repay its USD500 million bonds maturing in May 2018. [Bloomberg]
- **Electric-car startup NIO is said to raise over \$1bn from Tencent, others.** Chinese electric-car startup NIO is raising more than \$1bn in a new round of financing from investors led by Tencent Holdings Ltd. to develop affordable and connected battery cars. [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's online insurers, led by ZhongAn, see losses mount despite surge in premiums.** ZhongAn Online Property & Casualty Insurance, the biggest of the four online insurers, posted a loss of RMB400mn in the third quarter amid an increase in marketing expenses and regulatory restrictions. It follows a RMB180mn loss in the 2Q. [Bloomberg]
- **Tencent earmarks US\$4.52bn to nurture Chinese content firms and clamp down on plagiarism.** Tencent has earmarked RMB30bn to fund the growth of domestic content producers and clampdown on copyright plagiarism on its various platforms. [SCMP]
- **GE eyes big slices of power and aviation.** General Electric Co. is expected to ink deals running into several billions of dollars with Chinese companies, mainly in the power and aviation sector, during US President Donald Trump's state visit to China, a top official said. [China Daily]
- **JD comes out with \$2bn sourcing plan.** JD.com Inc. announced that it intends to purchase more than \$2bn of goods from the United States over the next three years, including the import of more than \$1.2bn of beef from Montana Stock Growers Association and pork from Smithfield Foods. [China Daily]

## V. Overnight Market Recap

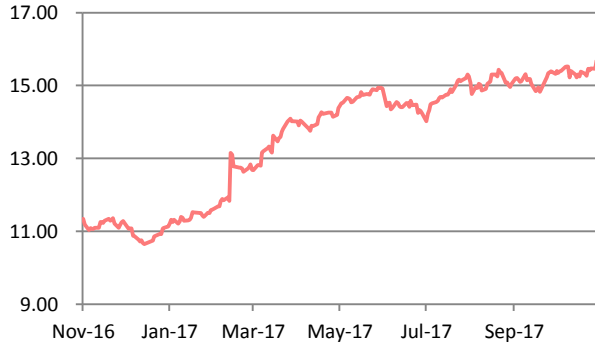
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,585	(9.8)	(0.4)	0.2	1.3	6.0	7.7	19.2	15.4
	Dow Jones	23,462	(101.4)	(0.4)	(0.2)	2.8	7.4	12.0	24.7	18.7
	Nasdaq Composite	6,750	(39.1)	(0.6)	0.5	2.5	8.6	10.1	29.6	25.4
	Russell 2000	1,475	(6.7)	(0.5)	(1.4)	(2.2)	7.5	5.4	17.8	8.7
	VIX Index	10.50	0.7	7.4	5.7	4.2	(34.5)	2.8	(28.8)	(25.2)
Europe Equity	Euro Stoxx 50	3,613	(42.5)	(1.2)	(2.1)	0.4	5.2	(0.9)	18.6	9.8
	DAX	13,183	(199.9)	(1.5)	(1.9)	1.8	9.7	3.3	24.0	14.8
	CAC	5,408	(63.7)	(1.2)	(1.9)	0.8	5.7	0.1	19.4	11.2
	FTSE 100	7,484	(45.6)	(0.6)	(0.9)	(0.7)	1.3	1.3	9.6	4.8
APAC Equity	HSI	29,137	229.0	0.8	2.2	2.3	6.2	16.5	27.6	32.4
	HSCEI	11,745	168.4	1.5	1.3	2.9	8.9	14.8	23.0	25.0
	HSI VIX	14.31	0.4	2.8	0.9	0.2	(15.4)	12.0	(18.9)	(15.3)
	CSI 300	4,076	27.9	0.7	2.0	4.8	9.7	22.1	20.2	23.1
	SH Composite	3,428	12.3	0.4	1.3	1.3	5.1	12.3	8.1	10.4
	SZ Composite	2,029	15.0	0.7	1.9	(0.1)	8.3	11.3	(3.3)	3.0
	Nikkei 225	22,869	(45.1)	(0.2)	2.0	9.8	15.9	14.9	31.9	19.6
KOSPI	2,551	(1.8)	(0.1)	0.2	4.8	8.1	12.4	27.4	25.9	
Commodities (USD)	Brent (Future)	63.93	0.4	0.7	5.5	14.6	21.3	31.2	37.9	12.5
	WTI (Future)	57.17	0.4	0.6	4.8	12.0	17.3	20.5	27.7	6.1
	Gold	1,285	3.7	0.3	0.7	(0.2)	(0.0)	5.5	2.1	12.1
	Copper (Future)	6,855	29.0	0.4	(1.1)	2.8	5.8	25.0	30.9	23.8
	Baltic Dry Index	1,486.00	9.0	0.6	0.3	5.3	41.5	47.6	55.8	54.6
FX	Dollar Index	94.87	(0.4)	(0.4)	(0.3)	0.8	1.0	(5.2)	(4.1)	(7.6)
	EUR	1.16	0.0	0.4	(0.1)	(1.4)	(1.1)	7.1	6.9	10.7
	JPY	113.47	(0.4)	(0.4)	(0.5)	(0.8)	(3.7)	0.8	(5.8)	3.1
	CNY	6.64	0.0	(0.2)	(0.5)	(0.2)	0.5	4.0	2.3	4.6
	CNH	6.65	0.0	0.2	0.6	(1.2)	0.3	4.0	2.8	5.0
CDS	ChinaGov CDS	59.10	0.3	0.5	12.1	(0.8)	(9.3)	(25.0)	(45.8)	(49.5)
	CDX Emerging Market	95.82	(0.1)	(0.1)	(0.8)	(0.4)	(0.1)	0.2	3.7	2.3

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.22	-	(0.0)	1.2	1.1	1.0	0.9	0.5	0.5
	2-Year Treasury Yield	1.63	(0.0)	(0.7)	1.6	1.5	1.3	1.3	0.9	1.2
	5-Year Treasury Yield	2.01	0.0	0.1	2.0	2.0	1.7	1.8	1.6	1.9
	10-Year Treasury Yield	2.34	0.0	0.3	2.3	2.3	2.2	2.3	2.2	2.4
	2-10 Spread	70.23	1.7	2.5	71.6	82.6	89.1	103.1	123.1	125.0
China rates	O/N China Repo Rate	2.70	0.1	3.8	2.5	2.6	2.8	2.3	2.2	2.2
	1-Week China Repo Rate	2.90	(0.3)	(9.4)	2.9	2.9	3.1	2.6	2.7	2.6
	O/N SHIBOR	2.65	0.1	2.0	2.6	2.7	2.8	2.8	2.2	2.2
	1-Week SHIBOR	2.81	0.0	0.8	2.8	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**



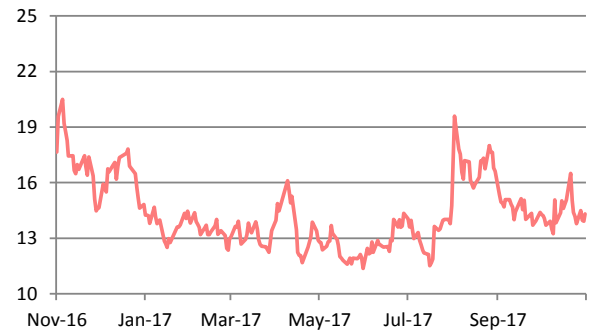
Source: Bloomberg

**China 5Y CDS Index\_USD**



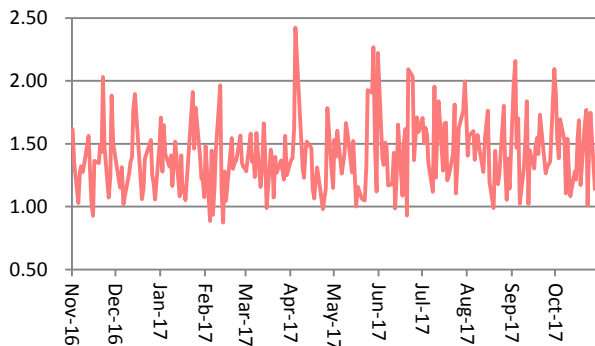
Source: Bloomberg

**Hang Seng Index VIX**



Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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