

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Imports / Exports Price Index YoY	Oct	N/A	2.7% / 2.9%
Japan: Housing Loans YoY	3Q17	N/A	3.30%
UK: Retail Sales YoY	Oct	-0.60%	1.20%
Australia: Employment / Full-time Employment Changes	Oct	20k / N/A	19.8k / 6.1k

Source: Bloomberg

II. Macro News

- **Non-financial sector FDI grows by 1.9% in first 10 months.** Foreign direct investment in China's non-financial sectors grew 1.9% YoY between January and October to RMB678.7bn (\$102.19bn), the Ministry of Commerce said. A total of 26,174 newly funded foreign companies were established in the first 10 months, up 15.9% YoY. [China Daily]
- **Service industry leads China's GDP growth.** Chinese companies in the service sector saw stronger profit growth in the first three quarters thanks to rising demand for services and steady price rises, data from the NBS showed. The companies saw their operating profit rise 31.4% YoY in first three quarters, 8.6ppts higher than in 8M17. [China Daily]
- **Robust economy slows in October.** China's economic activity moderated in October as data from the National Bureau of Statistics showed, but the country's overall economic strength remains robust and is on track to achieve whole-year growth targets, an NBS official said. [SCMP]

III. Industry News

- **China H shares cap biggest drop in 4 weeks as carmakers retreat.** Offshore Chinese stocks capped their worst performance since Oct. 19, with automakers and energy explorers retreating amid concern over a rout in the nation's bond market and a selloff in global commodities. Shanghai's benchmark fell the most over two days in three months. [Bloomberg]
- **China Cabinet approves 3rd batch of SOEs for ownership reform.** The latest mixed-ownership reform will include 31 central and local state-owned enterprises, National Development and Reform Commission spokeswoman Meng Wei says. NDRC is helping companies to draft plans for the reform, Meng says. [Bloomberg]
- **Aluminum supply cuts in China set to disappoint this winter.** China's aluminum supply cuts this winter will disappoint because of double counting and as local authority closure orders fall short of a central government plan, according to researcher SMM Information & Technology Co. [Bloomberg]

IV. Corporate News

- **Geely buys Terrafugia and promises a flying car by 2019.** Geely has completed the acquisition of US start-up Terrafugia, a firm which claims it will create a flying car within the next two years. Geely said it aims to deliver its first flying car to the market by 2019, and then launch the world's first vertical take-off and landing aircraft (VTOL) by 2023. [SCMP]
- **Online car dealer prices IPO at high end of price range.** Yixin Group has priced its highly anticipated IPO at the upper end of the range to raise HKD6.77bn as investors eye the rapid growth of vehicle e-commerce in the country. The offering has been oversubscribed 560 times by retail investors, locking in HKD382bn. [SCMP]

- **Tencent beats forecasts with 69pc jump in profit.** Tencent Holdings handily beat market expectations as its fast-growing online video streaming unit helped earnings in the quarter to Sept surge 69%. The company believes the success reflects its increasing investment in self-commissioned video content, improved selection of licensed video content, and scheduling and audience management initiatives. [SCMP]
- **Warren Buffett increases Apple shares and sharply cuts IBM holdings.** Warren Buffett continued to trim a once-major investment in IBM Corp while adding to newer holding Apple in 3Q. Berkshire Hathaway Inc. lowered its IBM stake by about a third to 37mn shares as of Sept 30, when it was valued at c.US\$5.4bn, according to a regulatory filing. Berkshire boosted its holding in Apple by about 4mn shares. [SCMP]
- **Shanghai Pharmaceuticals buys out Cardinal Health in China.** Shanghai Pharmaceuticals Holding said on Wed it had acquired US pharmaceutical company Cardinal Health's China operations for about US\$557mn, a move that will help it become the top distributor of imported drugs by type on the mainland. [SCMP]
- **Toshiba sells TV business to Hisense.** Chinese home appliance maker Hisense Group said on Tuesday that it was acquiring the television business of struggling Japanese conglomerate Toshiba for 12.9 billion yen (\$113.44 million) to further expand its overseas business. [China Daily]
- **Baidu's Singles' Day advertising revenue surges 120% during China's online shopping spree.** Baidu, Inc. announced that this year's Singles' Day advertising revenue increased by 120% compared to last year, buoyed by record-breaking sales by Chinese consumers during the biggest annual shopping festival in China on November 11. [Bloomberg]
- **Cathay Pacific to buy 40% of AHK Air Hong Kong for HK\$36.3mn.** Cathay Pacific to buy 40% of AHK Air Hong Kong from DHL subsidiary for HK\$36.3m, company says in a filing to stock exchange. AHK to become Cathay Pacific's wholly owned subsidiary after transaction. [Bloomberg]
- **Jitters send century-old Wharf's shares down ahead of spinoff.** Wharf's shares have slipped 5.7% this week ahead of trading today, when the stock price will exclude the value of Wharf Real Estate Investment Co., the \$29bn commercial property unit that has been spun off. [Bloomberg]
- **Buffett-backed BYD to open electric-truck plant in Canada.** BYD Co. plans to open its first assembly plant in Canada, anticipating a surge in demand for electric trucks from municipalities and businesses. BYD will open the plant next year in Ontario and hire about 40 people to start, BYD Canada spokesman Ted Dowling said in interview. [Bloomberg]
- **Ant Financial sees overseas users rising toward China level.** Ant Financial and its strategic partners outside China should be able to nearly double users of their payments systems in coming years, a senior executive of the Alibaba Group Holding Ltd. affiliate said. [Bloomberg]
- **China Resources Cement approved to sell up to 5bn yuan bonds.** China Securities Regulatory Commission has approved China Resources Cement to sell up to 5b yuan corporate bonds in China, it says in filing to Hong Kong stock exchange. [Bloomberg]
- **China Hongqiao keeps to aluminum closure orders, upbeat on price.** China Hongqiao Group has shut all the aluminum plants required by local government orders, CEO Zhang Bo said in interview at conference in Fuzhou Wednesday, without elaborating. [Bloomberg]
- **Qualcomm to invest in 9 Chinese startups including Mobike.** The investments are funded by Qualcomm's \$150m China-focused fund, according to an emailed statement. The other startups include those in artificial intelligence, education, and big data sectors. [Bloomberg]
- **China Merchants sells Industrial Bank A shares to cash in over RMB330mn.** China Merchants announced that the company disposed of an aggregate of nearly 20mn Industrial Bank Co., Ltd. A shares pursuant to the IBC disposal mandate and the net proceeds arising from the disposal amounted to RMB335mn. [AASocks]
- **Soho declares special interim dividend 57.6 fen.** Soho China announced that the board has resolved the declaration and payment of a special interim dividend for the year ending 31 December 2017 of RMB0.576 per ordinary share out of the distributable profits of the company. [AASocks]

V. Overnight Market Recap

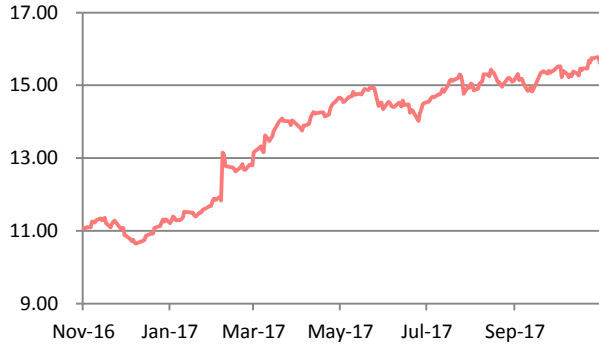
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,565	(14.3)	(0.6)	(1.1)	0.3	3.9	6.8	17.8	14.6
	Dow Jones	23,271	(138.2)	(0.6)	(1.2)	1.4	5.7	10.9	23.3	17.8
	Nasdaq Composite	6,706	(31.7)	(0.5)	(1.2)	1.2	5.7	8.7	26.7	24.6
	Russell 2000	1,464	(7.2)	(0.5)	(1.2)	(2.6)	5.8	5.0	12.4	7.9
	VIX Index	13.13	1.5	13.3	34.3	32.5	11.8	23.3	(4.3)	(6.5)
Europe Equity	Euro Stoxx 50	3,546	(10.7)	(0.3)	(3.0)	(1.7)	1.8	(2.6)	17.2	7.8
	DAX	12,976	(57.1)	(0.4)	(3.0)	(0.2)	5.8	1.3	21.7	13.0
	CAC	5,301	(14.3)	(0.3)	(3.1)	(1.1)	2.4	(1.9)	17.8	9.0
	FTSE 100	7,373	(41.8)	(0.6)	(2.1)	(2.1)	(0.8)	(2.0)	9.2	3.2
APAC Equity	HSI	28,852	(300.4)	(1.0)	(0.2)	0.6	5.3	13.9	29.5	31.1
	HSCEI	11,413	(188.9)	(1.6)	(1.4)	(1.6)	5.5	9.4	21.9	21.5
	HSI VIX	15.22	0.6	4.0	9.3	9.3	(8.1)	18.7	(18.8)	(9.9)
	CSI 300	4,074	(25.7)	(0.6)	0.6	4.1	10.1	18.8	18.8	23.1
	SH Composite	3,403	(27.0)	(0.8)	(0.4)	0.4	4.8	9.3	6.2	9.6
	SZ Composite	2,006	(20.2)	(1.0)	(0.4)	(1.5)	5.6	7.5	(5.6)	1.9
	Nikkei 225	22,028	(351.7)	(1.6)	(3.9)	3.6	11.7	10.6	23.3	15.2
Commodities (USD)	KOSPI	2,518	(8.4)	(0.3)	(1.3)	1.5	7.2	9.7	27.2	24.3
	Brent (Future)	61.87	(0.3)	(0.6)	(2.6)	8.2	21.8	19.4	31.8	8.9
	WTI (Future)	55.33	(0.4)	(0.7)	(2.6)	6.6	18.2	13.6	21.3	2.9
	Gold	1,278	(2.1)	(0.2)	(0.3)	(1.3)	(0.3)	3.4	4.5	11.5
	Copper (Future)	6,773	14.0	0.2	(1.2)	(1.6)	6.2	20.7	22.6	22.4
FX	Baltic Dry Index	1,405.00	(40.0)	(2.8)	(5.5)	(5.4)	20.2	41.3	29.6	46.2
	Dollar Index	93.81	(0.0)	(0.0)	(1.1)	0.8	(0.0)	(5.2)	(6.4)	(8.2)
	EUR	1.18	(0.0)	(0.1)	1.7	(0.1)	0.1	6.3	10.2	12.0
	JPY	112.88	(0.6)	(0.5)	(0.9)	(0.5)	(2.3)	0.3	(3.3)	3.7
	CNY	6.62	(0.0)	0.2	0.1	(0.5)	0.9	4.1	3.5	4.8
CDS	CNH	6.63	(0.0)	(0.1)	0.0	(0.8)	0.8	3.6	3.9	5.2
	ChinaGov CDS	sting Data...	1.7	2.8	6.5	9.6	(3.7)	(19.7)	(47.3)	(46.5)
	CDX Emerging Market	sting Data...	0.0	0.0	(0.2)	(0.7)	(0.4)	(0.1)	3.8	2.2

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.24	(0.0)	(0.2)	1.2	1.1	1.0	0.9	0.5	0.5
	2-Year Treasury Yield	1.68	(0.0)	(0.2)	1.6	1.5	1.3	1.3	1.0	1.2
	5-Year Treasury Yield	2.03	(0.0)	(1.3)	2.0	2.0	1.7	1.8	1.7	1.9
	10-Year Treasury Yield	2.32	(0.0)	(2.1)	2.3	2.3	2.2	2.2	2.2	2.4
	2-10 Spread	63.47	(4.6)	(6.7)	70.2	74.9	88.4	95.7	121.3	125.0
China rates	O/N China Repo Rate	sting Data...	(0.0)	(1.1)	2.7	2.6	2.9	2.6	2.1	2.2
	1-Week China Repo Rate	sting Data...	(0.2)	(6.1)	2.9	2.7	3.4	2.8	2.6	2.6
	O/N SHIBOR	sting Data...	(0.0)	(0.7)	2.6	2.6	2.8	2.8	2.3	2.2
	1-Week SHIBOR	sting Data...	0.0	0.3	2.8	2.8	2.9	2.9	2.4	2.5

Source: Bloomberg

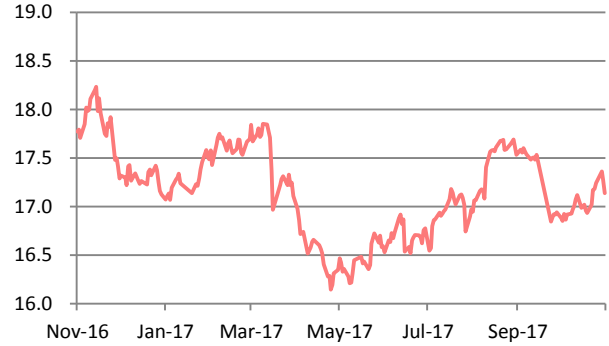
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



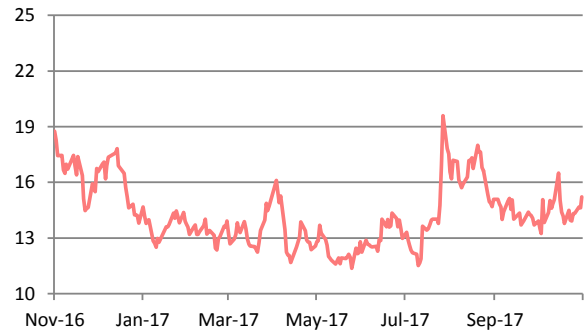
Source: Bloomberg

China 5Y CDS Index_USD



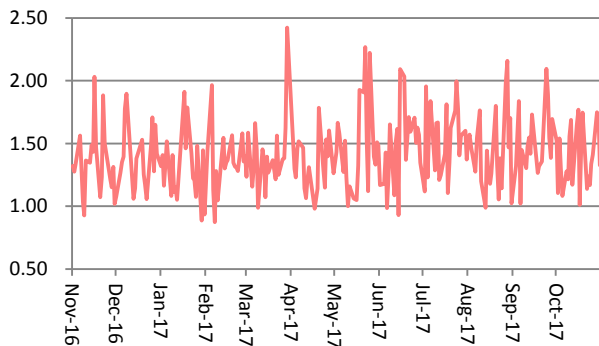
Source: Bloomberg

Hang Seng Index VIX



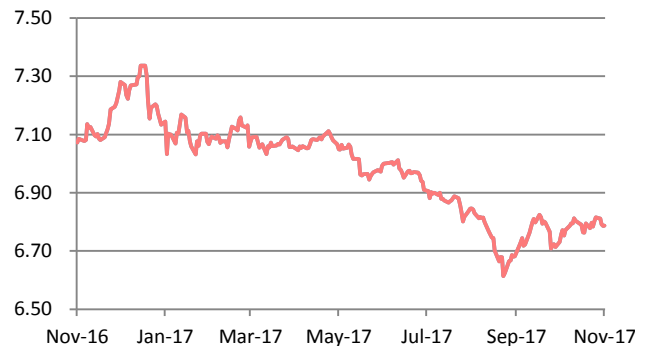
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

Research

LIU Taisheng, Steven
TMT
(852) 3465 5652
stevenliu@csci.hk

SO Lai Shan, Jennifer
Consumer
(852) 3465 5781
jenniferso@csci.hk

CHAN Ka Yeung, Duncan
Commodity
(852) 3465 5654
duncanchan@csci.hk

TIAN Yang
Automotive
(852) 3465 5775
tianyong@csci.hk

SUN Lingxiao, Roger
Industrials
(852) 3465 5785
rogersun@csci.hk

YAO Xue, Snowy
(852) 3465 5675
snowyyao@csci.hk

SHEN Xiangfei, Thomas
(852) 3465 8689
thomasshen@csci.hk

XU Qiwen
(852) 3465 8690
xuqiwen@csci.hk

Institutional Sales & Trading

XIANG Xinrong, Ron
(852) 3465 5633
ronxiang@csci.hk

HO Wen Hao, Jack
(852) 3465 5685
jackho@csci.hk

WANG Zhuo, Gary
(852) 3465 8655
wangzhuo@csci.hk

LEE Ying Ju, Rose
(852) 3465 5707
roselee@csci.hk

XIA Tian
(852) 3465 5670
xiatian@csci.hk

XU Xiaowei, Vincent
(852) 3465 5795
vincentxu@csci.hk

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China Securities (International) Research

18/F, Two Exchange Square, Central, Hong Kong

Tel: (852) 34655600 Fax: (852)21809495