

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: existing home sales	Oct	5.4mm	5.39mn
Japan: exports / imports YoY	Oct	15.7%/20.2%	14.1%/12.0%
Germany: PPI YoY	Oct	2.50%	3.10%
S. Korea: PPI YoY	Oct	N/A	3.60%
Thailand: GDP YoY	3Q17	3.90%	3.70%

Source: Bloomberg

II. Macro News

- **Malaysian economy expands at fastest pace in more than 3 years.** Malaysia's economy grew at the fastest pace in more than three years in the third quarter, supported by resilient domestic demand and a manufacturing sector that's benefiting from booming global trade. [Bloomberg]
- **India's First Moody's upgrade in 14 years bets on reforms.** Moody's Investors Service raised India's sovereign rating for the first time since 2004, overlooking a haze of short-term economic uncertainties to bet on the nation's prospects from a raft of policy changes by Prime Minister Narendra Modi. [Bloomberg]
- **China, Canada are said to ready trade talks.** Canadian PM Justin Trudeau will travel to China next month to launch free trade talks, Canada's National Post newspaper reported. The move would see Canada launch negotiations with China while already in talks with the U.S. and Mexico on a modernised North American Free Trade Agreement. [Bloomberg]

III. Industry News

- **Shanghai's state-owned businesses in 800bn yuan push to restore city's economy.** Businesses controlled by Shanghai's municipal government have pledged to plough RMB800bn annually into industries like hi-tech manufacturing in the next five years in the city's latest push to regain its status as the mainland's economic juggernaut. [Bloomberg]
- **China to press on with drive to cut bloated steel capacity.** China vowed to press on with a campaign next year to cut surplus capacity and stop shuttered mills from returning to market, in a move that may bolster the global industry. Policy makers will "conscientiously" implement measures to resolve overcapacity in iron and steel, the MIIT said. [Bloomberg]
- **CBRC tightens rules for commercial banks.** China's top banking regulator has drafted a regulation on equity management for commercial banks to tighten controls on financial risk and combat illegal activities. The CBRC started soliciting public opinion on the interim regulation on equity management, which would impose stricter supervision on major shareholders of commercial banks. [SCMP]

IV. Corporate News

- **Wanda wants US\$5b from single buyer for five offshore assets as China reins in investments abroad.** Chinese conglomerate Dalian Wanda Group is offering to sell all five of its large-scale projects in Britain, the US and Australia to a single buyer for an estimated US\$5 billion, as Beijing tightens control over companies' offshore investments. [SCMP]
- **GAC unveils intelligent network terminal.** Guangzhou Automobile Group Co launched an in-car intelligent network terminal product, in association with Tencent Holdings Ltd. Various varieties of its vehicles in the near future will be equipped with the terminal as the company steps up its efforts to develop more internet-based vehicles. [China Daily]

- **Consumer confidence grows in domestic formula brands.** China Feihe Int'l has seen sales of its high-end infant milk formula products grow 200% in 1H17 over the same period last year, an indicator that Chinese consumers have gradually recovered their confidence in domestic baby formula milk brands. [China Daily]
- **BYD signs green bus deal with Argentine province.** BYD will provide 50 pure electric buses to the Argentine province of La Rioja to help with its green development. The fleet of buses are part of a series of new energy solutions BYD inked with La Rioja on Thursday at the China Hi-tech Fair 2017 in Shenzhen, South China's Guangdong province. [China Daily]
- **Adidas to shift IT operations from Hong Kong to Shanghai.** German sportswear giant Adidas is planning to relocate its information technology operations from Hong Kong to Shanghai as part of a strategy to bolster its business on the mainland. The relocation is expected to cause some job losses in Hong Kong. [SCMP]
- **Huishan Dairy says it is preparing for provisional liquidation.** The company's board has instructed its Cayman legal advisors to prepare documents to place the company into provisional liquidation, according to a Hong Kong exchange filing. [China Daily]
- **Baidu may divest global assets, shift focus to AI.** Internet giant Baidu Inc is considering spinning off its international division, as it focuses more on prioritising artificial intelligence as a growth driver. The Beijing-based company is aiming to reposition itself as a leader in artificial intelligence. [China Daily]
- **Toyota to re-enter electric vehicles starting in China From 2020.** Toyota Motor Corp. will introduce electric vehicles in China from 2020 and is considering selling battery-powered autos developed by its local partners under the Japanese marque as Beijing prepares to tighten environmental regulations. [Bloomberg]
- **China State Construction Intl unit proposes issue of USD notes.** Amount and terms and conditions haven't been determined, according to statement Hong Kong stock exchange. Proceeds to be used to repay and/or refinance existing debts, to finance new and existing projects, for general corporate purposes. [Bloomberg]
- **Jiayuan Intl to buy property assets for combined 2.45bn yuan.** Jiayuan International unit agreed to buy Yangzhou Yurun Property Development from Jiangsu Dehua Property Development, according to statement to Hong Kong stock exchange. [Bloomberg]
- **China Dairy flagged by Muddy Waters prepares for liquidation.** China Huishan Dairy Holdings Co., the Hong Kong-listed company targeted by short sellers including Muddy Waters Capital LLC, is preparing for provisional liquidation in a move that could protect its assets as it negotiates with creditors. [Bloomberg]
- **Boeing sees huge demand for wide-body aircraft.** Boeing Co said that by 2020, it will deliver its first B777X aircraft, the latest addition to its family of twin-aisle airplanes, and a more fuel-efficient and powerful version of current B777-300ER. It said it's bullish on China's demand for wide-body planes, fueled by China's growing int'l flights market. [China Daily]
- **Baidu to roll out production of self-driving cars next year.** Baidu will start the production and trial operation of self-driving vehicles in mid-2018 in collaboration with Xiamen King Long United Automotive Industry Co, the company's CEO and chairman, Robin Li, said. And production of more bus models will start in 2019. [Shine]
- **Germany's Wacker plans US\$24m expansion in China.** German chemicals producer Wacker will invest 20mn euros in China to expand production and step up research to tap growing demand for high-value chemicals. By 2H18, Wacker aims to increase silicon rubber capacity of its plant in Zhangjiagang, Jiangsu Province by several thousand tons. [Shine]
- **COFCO Group's E-commerce platform COFCO Womai passes listing hearing.** COFCO Group's online e-commerce platform COFCO Womai has passed the listing hearing, as revealed by market sources. It plans to raise about USD200mn initially. The company will initiate its IPO as early as end Nov or early Dec. [AASocks]
- **Alibaba seizes land in Nanjing; proposes to be headquarter in Jiangsu.** Alibaba Group won the bid of a land parcel in Nanjing with RMB800 million, which is proposed to be used as the headquarter of the company in Jiangsu, as reported by cnstock.com. [AASocks]

V. Overnight Market Recap

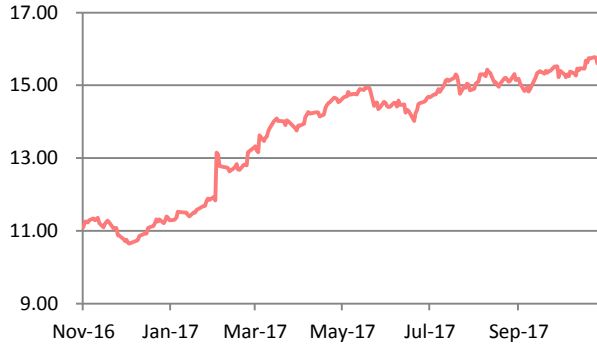
		Close	Net Chg	Chg (%)	Performance (%)					
					1W	1M	3M	6M	1Y	YTD
US Equity	S&P 500	2,579	(6.8)	(0.3)	(0.1)	0.1	6.3	8.3	18.2	15.2
	Dow Jones	23,358	(100.1)	(0.4)	(0.3)	0.1	7.8	12.3	23.8	18.2
	Nasdaq Composite	6,783	(10.5)	(0.2)	0.5	2.3	9.1	11.5	27.5	26.0
	Russell 2000	1,493	5.9	0.4	1.2	(1.1)	9.9	9.2	13.5	10.0
	VIX Index	11.43	(0.3)	(2.8)	1.2	14.6	(19.8)	(5.1)	(11.1)	(18.6)
Europe Equity	Euro Stoxx 50	3,547	(17.3)	(0.5)	(1.3)	(1.6)	2.9	(1.1)	17.4	7.8
	DAX	12,994	(53.5)	(0.4)	(1.0)	0.0	6.8	2.8	21.8	13.2
	CAC	5,319	(17.2)	(0.3)	(1.1)	(1.0)	4.0	(0.1)	18.1	9.4
	FTSE 100	7,381	(6.3)	(0.1)	(0.7)	(1.9)	0.8	(1.2)	8.9	3.3
APAC Equity	HSI	29,199	180.3	0.6	0.3	2.5	8.0	16.0	30.7	32.7
	HSCEI	11,609	74.8	0.6	(1.2)	0.4	8.6	13.1	24.2	23.6
	HSI VIX	14.29	(0.4)	(2.4)	(0.2)	3.3	(16.9)	7.8	(18.1)	(15.4)
	CSI 300	4,121	15.8	0.4	0.2	4.9	10.6	21.1	20.6	24.5
	SH Composite	3,383	(16.3)	(0.5)	(1.4)	0.1	3.5	9.5	6.0	9.0
	SZ Composite	1,954	(55.8)	(2.8)	(4.2)	(2.3)	2.7	5.4	(7.4)	(0.8)
	Nikkei 225	22,397	45.7	0.2	(1.3)	4.4	15.0	14.3	24.7	17.2
KOSPI	2,534	(0.8)	(0.0)	(0.4)	1.9	7.6	10.9	28.5	25.2	
Commodities (USD)	Brent (Future)	62.72	1.4	2.2	(1.3)	8.3	18.6	16.7	33.5	10.1
	WTI (Future)	56.55	1.4	2.6	(0.3)	9.9	16.6	12.4	23.8	5.3
	Gold	1,292	13.8	1.1	1.4	1.0	0.1	2.6	6.5	12.7
	Copper (Future)	6,777	40.0	0.6	(0.1)	(3.6)	4.4	20.8	23.3	22.4
	Baltic Dry Index	1,371.00	10.0	0.7	(5.1)	(13.1)	8.8	43.4	9.1	42.7
FX	Dollar Index	93.66	(0.3)	(0.3)	(0.8)	0.3	0.6	(3.2)	(7.1)	(8.0)
	EUR	1.18	0.0	0.2	1.1	(0.4)	(0.7)	4.4	10.4	11.6
	JPY	112.10	(1.0)	(0.8)	(1.3)	1.3	(2.7)	(0.7)	(1.1)	4.4
	CNY	6.63	(0.0)	0.1	0.2	(0.0)	0.7	3.8	3.8	4.8
	CNH	6.64	0.0	0.1	(0.4)	(0.3)	0.4	3.5	3.9	5.0
CDS	ChinaGov CDS	59.93	(1.1)	(1.8)	(2.4)	10.8	(9.1)	(23.6)	(51.5)	(48.8)
	CDX Emerging Market	96.11	0.1	0.1	0.4	(0.5)	0.1	0.6	4.3	2.6

		Close	Net Chg	Chg (%)	Value					
					1W	1M	3M	6M	1Y	YTD
US rates	3-Month Treasury Yield	1.26	0.0	0.4	1.2	1.1	1.0	0.9	0.4	0.5
	2-Year Treasury Yield	1.72	0.0	0.8	1.7	1.6	1.3	1.3	1.1	1.2
	5-Year Treasury Yield	2.06	(0.0)	(0.6)	2.1	2.0	1.8	1.8	1.8	1.9
	10-Year Treasury Yield	2.34	(0.0)	(1.3)	2.4	2.4	2.2	2.3	2.4	2.4
	2-10 Spread	61.80	(4.5)	(6.8)	72.3	80.4	87.6	96.7	128.3	125.0
China rates	O/N China Repo Rate	2.72	(0.1)	(2.9)	2.9	2.6	3.3	2.5	1.8	2.2
	1-Week China Repo Rate	3.20	0.3	9.6	3.2	2.8	3.4	2.8	2.7	2.6
	O/N SHIBOR	2.74	(0.1)	(2.2)	2.8	2.6	2.8	2.7	2.3	2.2
	1-Week SHIBOR	2.87	(0.0)	(0.7)	2.9	2.8	2.9	2.9	2.4	2.5

Source: Bloomberg

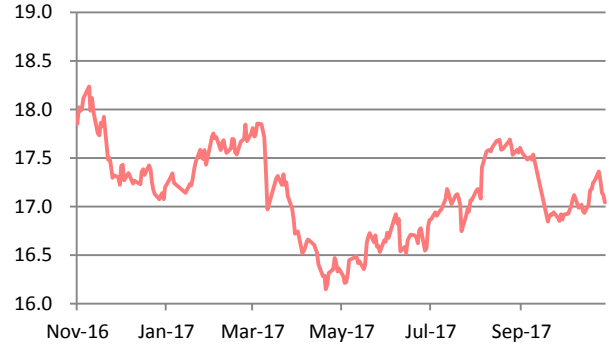
VI. Key Indicators

Hang Seng Index PE Ratio



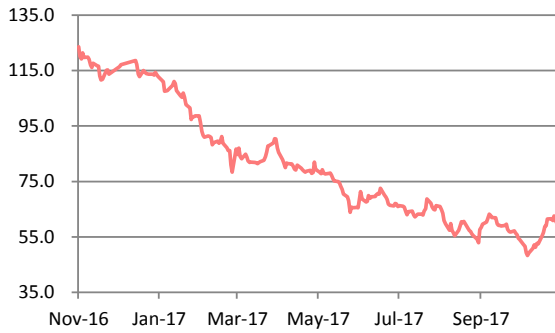
Source: Bloomberg

Shanghai Composite Index PE Ratio



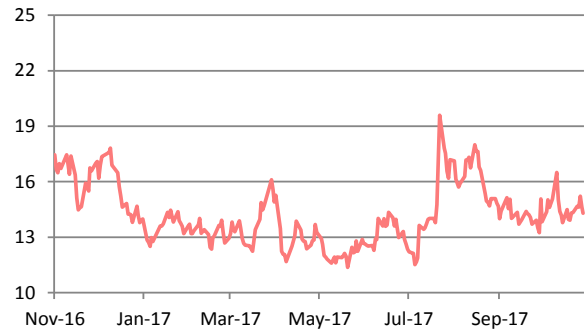
Source: Bloomberg

China 5Y CDS Index_USD



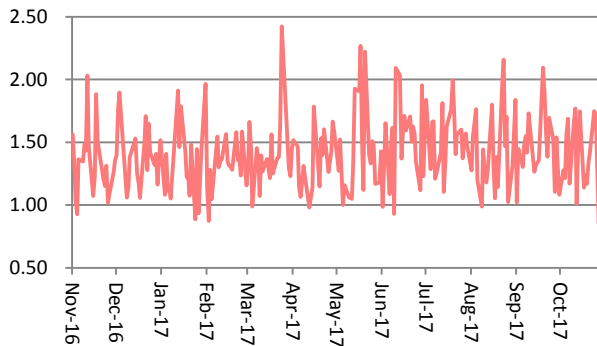
Source: Bloomberg

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

Disclosure of Interests

As of the date of this report,

1. The research analysts primarily responsible for the preparation of all or part of this report hereby certify that:
 - (i) the views expressed in this research report accurately reflect the personal views of each such analyst about the subject securities and issuers; and
 - (ii) no part of the analyst's compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.
2. The research analysts primarily responsible for the preparation of all or part of this report, or his/her associate(s), do not have any interest (including any direct or indirect ownership of securities, arrangement for financial accommodation or serving as an officer) in any company mentioned in this report,
3. This report has been produced in its entirety by China Securities (International) Brokerage Company Limited ("China Securities (International)") (CE Number: BAU373, regulated by the Securities and Futures Commission in Hong Kong)
4. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities have no financial interest, in aggregate, equal to or more than 1% of the market capitalization in the stocks reviewed in this report.
5. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may receive compensation from or mandates for investment banking services in the past 12 months from listed corporations whose stocks are being reviewed by China Securities (International) in this report.
6. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities do not have any individual employed by or associated with them serving as an officer of a listed corporation whose stocks are being reviewed by China Securities (International) in this report.
7. China Securities (International) and each of its group companies that carry on a business in Hong Kong in investment banking, proprietary trading or agency broking in relation to securities may act as the market makers in the stocks reviewed by China Securities (International) in this report.

Disclaimer

This report is for information purposes only and should not be construed as an offer to sell or to solicitation of an offer to buy or sell any securities in any jurisdiction. The securities referred to in this research report may not be eligible for sale in some jurisdictions. This information contained in this report has been compiled by China Securities (International) from sources that it believes to be reliable and the opinions, analysis, forecasts, projections and expectations contained in this report are based on such information and are expressions of belief only and no representation, warranty or guarantee is made or given by China Securities (International) or any its accuracy or completeness. All opinions and estimates expressed in this report are (unless otherwise indicated) entirely those of China Securities (International) as of the date of this report only and are subject to change without notice. Such opinions and estimates may be different from or contrary to the opinions presented by the other business departments, units or affiliates of China Securities (International), as different assumptions and standards, different views and analytical methods may be adopted in the preparation of such other materials, and China Securities (International) is under no obligation to bring such other materials to the attention of any recipient of this report. Neither China Securities (International) nor its holding companies and affiliates accept any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report or otherwise arising in connection therewith.

Any investment referred to herein may involve significant risk, may be illiquid and may not be suitable for all investors. The value of or income from any investment referred to herein may fluctuate and be affected by changes in exchange rates. Past performance is not indicative of future results. This report does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors are expected to make their own investment decision without relying on this publication. Before entering into any transactions in any securities referred to in this research report investor should consider their own individual investment objectives and financial situation and seek professional financial, tax and legal advice, as necessary.

This report is strictly confidential to the recipient. It is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. The distribution of this report in other jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions.

China Securities (International) Research

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

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