

## I. Major Economic Release

### Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
S. Korea: Exports / Imports YoY	Nov	N/A	6.90% / 3.10%
Japan: Nationwide Department Store Sales YoY	Oct	N/A	4.40%
Hong Kong: CPI Composite YoY	Oct	1.70%	1.40%
UK: Public Finances	Oct	N/A	GBP11.2bn

Source: Bloomberg

## II. Macro News

- **Janet Yellen says she will leave US Fed once successor is sworn in.** Federal Reserve Chair Janet Yellen said she will step down from its Board of Governors once her successor is sworn into the office. Trump has nominated Jerome Powell to replace Yellen, 71, when her term ends in Feb, though is still subject to Senate confirmation. [SCMP]
- **Malaysia to tighten economic ties.** Malaysia will strengthen its ties with Chinese companies in e-commerce, digital economy and artificial intelligence to further accelerate the liberalization of trade and attract investment to maintain a robust growth momentum, a senior Malaysian commerce official said on Monday. [China Daily]
- **China becomes Japan's biggest export market in October.** Japan's exports grew by 14% YoY in October on strong demand for vehicles, electronics and machinery. However, customs data today showed even faster growth in imports of oil, gas and coal that caused the trade surplus to fall more than 40 percent from the year before. [The Standard]

## III. Industry News

- **Beijing tax policies aimed at high-tech development.** The corporate tax on qualifying high-tech companies will be reduced to 15% retroactively from Jan. 1, 2017, from a standard rate of 25%, while an exemption from tariffs and value-added taxes for purchases of technological equipment, started eight years ago, will be continued. [Bloomberg]
- **Italy planning measures to boost profile of real estate company shares.** The real estate industry, which accounts for 14 per cent of Italy's economy, has never really taken off on the Milan stock exchange, but a plan to extend a popular type of investment instrument to include property stocks may present the spark it has been looking for. [SCMP]
- **Iron ore stockpiles swell as China's winter curbs hit demand.** Iron ore stockpiles amassed at China's ports are on the rise again, hitting a three-month high and raising the possibility they could expand to a record by year-end, as curbs on steelmakers' output crimp near-term demand while seaborne supplies increase. [Bloomberg]

## IV. Corporate News

- **Comba Telecom to deploy wireless "superhighway" networks on Brazil's longest and busiest highway.** Comba Telecom Systems Hldgs Ltd will deploy a turnkey wireless solution for the longest and busiest highway tunnel system in Brazil, the main highway that connects the metropolitan area of Sao Paulo and the Port of Santos and other coastal regions. [Bloomberg]
- **HNA Group is said to seek loan extension for Hong Kong project.** HNA Group Co. is seeking to push back a bank loan repayment for a luxury real estate development in Hong Kong to next year. A unit of the Chinese conglomerate intends to repay the HK\$3.5bn (\$448mn) bridge loan due this Friday only in February. [Bloomberg]

- **China Energy Investment is said to appoint Qiao as Chairman.** China Energy Investment Corp. is set to appoint China Guodian Corp. Chairman Qiao Baoping as chairman of the newly formed company. Shenhua Group Corp. General Manager Ling Wen is set to be appointed general manager of the company, a merger of Guodian and Shenhua. [Bloomberg]
- **Cofco Womai starts gauging demand for Hong Kong IPO.** Cofco Womai Ltd., an e-commerce provider backed by China's largest food company, has started gauging investor demand for a proposed Hong Kong IPO, according to terms for the deal obtained by Bloomberg. [Bloomberg]
- **Galaxy strengthens position in 3Q amid greater Macau competition.** Galaxy secured its 3Q revenue lead, proving that its broad scope of product offerings, premium tilt and cost cuts can drive sustainable growth, even with more competition. [Bloomberg]
- **Alibaba Group, Auchan Retail and Ruentex form new retail strategic alliance.** Alibaba Group Holding Limited Auchan Retail S.A. and Ruentex Group announced a strategic alliance that brings together their online and offline expertise to explore new retail opportunities in China's food retail sector. [Bloomberg]
- **Guangzhou Automobile raises 15 billion yuan from private A-share sale.** Guangzhou Automobile Group completed issuance of 753.4m A-shares at 19.91 yuan each, according to a statement to the Hong Kong stock exchange dated on Nov. 17. [Bloomberg]
- **China fines Agricultural Bank branch 19.5 million yuan on bill violation.** Agricultural Bank of China's Beijing branch seriously violated rules on interbank bill business, China Banking Regulatory Commission's Beijing unit says in a notice dated Nov. 17. [Bloomberg]
- **Grocery shopping in for digital makeover after Alibaba invests US\$2.9b in Walmart-style chain.** Alibaba Group will form an alliance with one of China's biggest hypermarket operators as it pushes deeper into marrying online retail and physical stores. The US\$2.9bn purchase of 36% stake in Sun Art Retail Group follows its 2015 acquisition of a minority shareholding in Suning Commerce and Intime Retail Group. [SCMP]
- **Shanghai's old laneways get facial recognition, smart fire alarms in tie-up with iPhone maker Foxconn.** Foxconn will equip 1990s-era buildings in the Yangpu district with the latest smoke-detection systems to improve fire safety, and facial-recognition software that can identify and flag potential intruders using data from a central control room. [Bloomberg]
- **Recast to make BYD 'pioneer of new energy solution'.** China's electric vehicle and battery maker BYD Co Ltd will restructure its businesses to increase competitiveness amid growing competition from rivals. Through the effort, it aims to bring its sales revenue to RMB1tn by 2025, BYD Chairman and President Wang Chuanfu announced. [China Daily]
- **Rail bureaus renamed in restructure.** Eighteen regional railway bureaus administered by China Railway Corp finalized name changes on Sunday as they registered as limited companies, the latest step in the corporation's structural reform. Registrations were completed earlier with provincial-level industrial and commercial departments. [China Daily]
- **Fosun funding confirms Aubo's rise in co-robots.** Aubo (Beijing) Robotics Technology Co Ltd, a Chinese collaborative robot (or co-robot/cobot) maker, raised RMB60mn in series A funding from Fosun Group on Nov 7. Fosun is bullish on China's co-robot market and expects Aubo to win 30% share of the local market. [China Daily]
- **Baidu to see small-scale production of driverless vehicles.** Baidu plans to launch "small-scale production" of fully autonomous mini-buses in July of next year, according to its CEO. Baidu also plans to launch self-driving car models in cooperation with manufacturers JAC Motors and Beijing Automotive Industry Corp. [China Daily]
- **Ping An Li expects technology input to drive next stage of development.** Deputy CEO and chief insurance officer Li Yuanxiang said that the company started the input in technology from 1998 while significantly enhanced the competitive edge including costs reduction, increase of efficiency, risk management capability and customer experience. [AASStocks]

## V. Overnight Market Recap

	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,582	3.3	0.1	(0.1)	0.3	6.3	8.4	17.5	15.3
	Dow Jones	23,430	72.1	0.3	(0.0)	0.4	8.0	12.6	23.6	18.6
	Nasdaq Composite	6,791	7.9	0.1	0.5	2.4	9.3	11.6	26.5	26.1
	Russell 2000	1,503	10.6	0.7	1.9	(0.4)	10.8	10.0	13.7	10.8
	VIX Index	10.65	(0.8)	(6.8)	(7.4)	6.8	(19.3)	(11.5)	(14.3)	(24.1)
Europe Equity	Euro Stoxx 50	3,561	14.0	0.4	(0.4)	(1.2)	4.0	(0.7)	17.4	8.2
	DAX	13,059	64.9	0.5	(0.1)	0.5	8.2	3.3	22.2	13.7
	CAC	5,340	21.3	0.4	(0.0)	(0.6)	5.0	0.3	17.9	9.8
	FTSE 100	7,389	8.8	0.1	(0.3)	(1.8)	1.0	(1.1)	9.0	3.5
APAC Equity	HSI	29,260	61.3	0.2	0.3	2.7	7.8	16.2	30.9	33.0
	HSCEI	11,538	(70.5)	(0.6)	(1.3)	(0.2)	7.3	12.4	22.2	22.8
	HSI VIX	14.24	(0.1)	(0.3)	(2.9)	3.0	(16.8)	7.5	(18.4)	(15.7)
	CSI 300	4,144	23.0	0.6	0.4	5.5	10.8	21.7	20.4	25.2
	SH Composite	3,392	9.5	0.3	(1.6)	0.4	3.2	9.8	5.4	9.3
	SZ Composite	1,972	17.6	0.9	(3.6)	(1.4)	2.9	6.4	(6.9)	0.1
	Nikkei 225	22,262	(135.0)	(0.6)	(0.5)	3.7	14.8	13.6	23.0	16.5
KOSPI	2,528	(6.3)	(0.3)	(0.1)	1.5	7.3	10.5	28.6	24.7	
Commodities (USD)	Brent (Future)	62.22	(0.5)	(0.8)	(1.5)	7.7	18.0	16.1	32.8	9.5
	WTI (Future)	56.42	(0.5)	(0.8)	(1.2)	9.5	18.9	11.9	18.6	4.9
	Gold	1,277	(15.5)	(1.2)	(0.1)	(0.3)	(1.0)	1.4	5.3	11.4
	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	0.4	0.5	(0.4)	0.4	0.7	(3.2)	(7.0)	(8.0)
	EUR	1.17	(0.0)	(0.5)	0.6	(0.1)	(0.7)	4.4	10.4	11.6
	JPY	112.62	0.5	0.5	(0.9)	0.8	(3.2)	(1.1)	(1.6)	3.9
	CNY	6.64	0.0	(0.2)	0.0	(0.3)	0.4	3.8	3.9	4.6
CDS	CNH	6.65	0.0	0.2	(0.2)	(0.1)	0.4	3.5	3.9	5.0
	ChinaGov CDS	60.31	0.4	0.6	(2.0)	15.5	(8.6)	(23.1)	(51.2)	(48.5)
CDX Emerging Market	96.04	(0.1)	(0.1)	0.3	(0.5)	0.1	0.6	4.2	2.5	

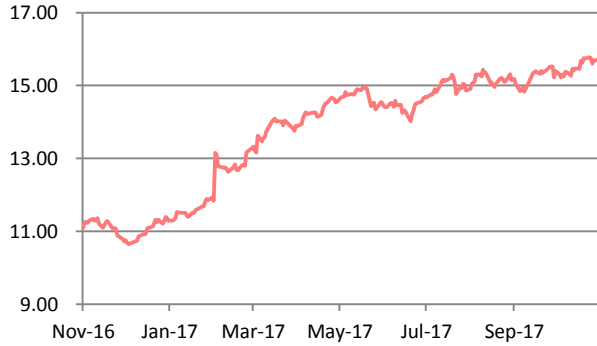
  

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.26	-	(0.0)	1.2	1.1	1.0	0.9	0.4	0.5
	2-Year Treasury Yield	1.75	0.0	1.7	1.7	1.6	1.3	1.3	1.1	1.2
	5-Year Treasury Yield	2.09	0.0	1.7	2.1	2.0	1.8	1.8	1.8	1.9
	10-Year Treasury Yield	2.37	0.0	1.0	2.4	2.4	2.2	2.3	2.3	2.4
	2-10 Spread	61.20	(0.6)	(1.0)	68.0	80.4	88.7	97.3	124.3	125.0
China rates	O/N China Repo Rate	2.80	0.1	2.9	2.9	2.6	2.8	2.6	2.2	2.2
	1-Week China Repo Rate	3.40	0.2	6.2	3.3	2.8	3.2	3.0	2.5	2.6
	O/N SHIBOR	2.79	0.0	1.8	2.8	2.6	2.8	2.7	2.3	2.2
	1-Week SHIBOR	2.86	(0.0)	(0.2)	2.9	2.8	2.9	2.9	2.4	2.5

Source: Bloomberg

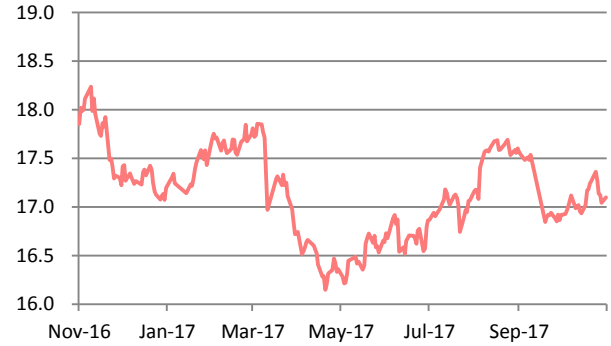
## VI. Key Indicators

**Hang Seng Index PE Ratio**



Source: Bloomberg

**Shanghai Composite Index PE Ratio**



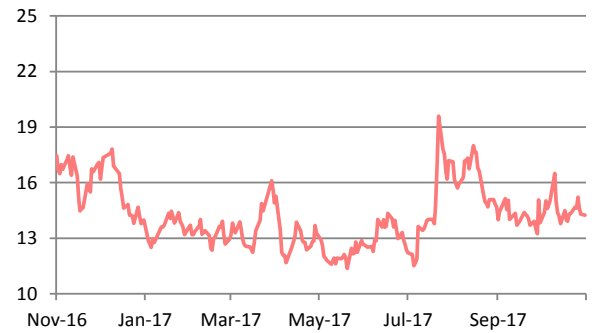
Source: Bloomberg

**China 5Y CDS Index\_USD**



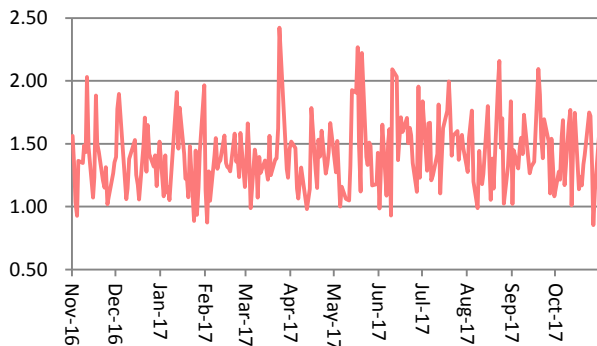
Source: Bloomberg

**Hang Seng Index VIX**



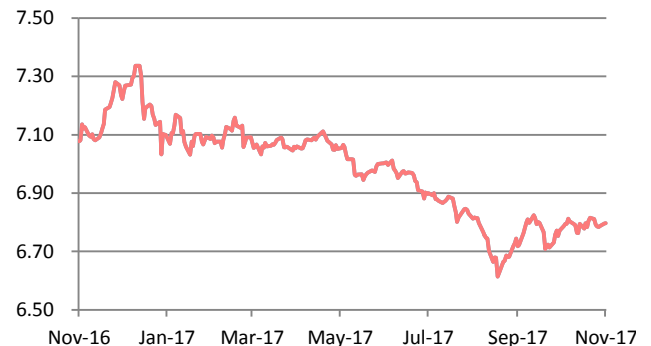
Source: Bloomberg

**Hang Seng Index Put Call Volume Ratio**



Source: Bloomberg

**USDCNH 1Y Forward**



Source: Bloomberg

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