

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Durable Goods Orders MoM	Oct	0.30%	2.00%
New Zealand: Net Migrations	Oct	N/A	5,190
S. Korea: Household Credit	3Q17	N/A	KR1388bn
Taiwan: Unemployment Rate	Oct	N/A	3.71%

Source: Bloomberg

II. Macro News

- **Australia-China relations go from strength to strength.** Australia sees greater opportunities in trade and cultural exchange under the Belt and Road Initiative. Graeme Meehan, Australian Consul General in Shanghai, said China has been Australia's largest export destination and trading partner, and that the exchange of education and tourism, as well as increased trade and investment are important elements in the China-Australia economic relationship. [Shine]
- **HK Oct Underlying Inflation Rate at 1.5%.** Netting out the effects of all Government's one-off relief measures, the YoY increase in the Composite CPI (i.e. the underlying inflation rate) in Oct-17 was also 1.5%, slightly larger than that in September 2017 (1.4%), mainly due to the smaller decreases in the charges for package tours. [AASocks]
- **Brexit-hit banks said to start moving staff abroad in early 2018.** Barring some major breakthrough, global banks will implement their relocation plans early next year to guarantee they're able to have new offices inside the European Union running by the time the U.K. exits. [Bloomberg]

III. Industry News

- **China recruits Baidu, Alibaba and Tencent to AI 'national team'.** China's Ministry of Science and Technology identified internet giants Baidu, Alibaba Group and Tencent Hldgs, and voice intelligence specialist iFlyTek, as the first group to spur development of next generation AI technologies that are vital to everything from voice activated digital assistants to self-driving cars. [SCMP]
- **Debt on pace for 327% of GDP by 2022.** China has thrown open the doors of its banking sector to foreign firms. Those that enter will find a risky environment, as the debt-to-GDP ratio continues to swell. Bloomberg Economics forecasts that by 2022, China will have total debt at about 327% of GDP. [Bloomberg]
- **PBOC to keep grip on yuan for at least a decade.** China is unlikely to ease controls over its currency or allow free capital outflows for at least a decade on concerns of "massive" outflows, Market News International reports, citing a unidentified senior official close to the People's Bank of China. [Bloomberg]

IV. Corporate News

- **Want Want China 6-month net income falls 9.9% YoY to 1.27bn yuan.** Want Want China reported net income of 1.27bn Yuan for the six months ended Sept. 30, compared with 1.41bn yuan a year earlier, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Value Partners says suitor's financing talks at 'advanced stage'.** Potential investor who's been in talks with major Value Partners shareholders is in the process of finalising negotiations on material terms of a deal, co. says in monthly update to Hong Kong exchange. [Bloomberg]

- **CRRC to shift freight rail businesses into two new units.** CRRC Qiqihar, four other CRRC subsidiaries to form a unit for freight rail-car business, and CRRC Yangtze, plus four other cos. will form another unit,, CRRC says in statement to Shanghai stock exchange. [Bloomberg]
- **MicroPort signs LOI to buy Cardiac Rhythm Mgmt Ops from LivaNova.** Company unit signed legally binding Letter of Intent to conditionally buy cardiac rhythm management business form LivaNova for initial consideration of \$190mn, MicroPort says in filing to Hong Kong stock exchange. [Bloomberg]
- **China Railway Construction wins PPP project in Beijing.** The company and its two units win a public-private partnership project with 11b yuan total investment for a part of new airport expressway in Beijing, according to a statement to Shanghai stock exchange. [Bloomberg]
- **Cosco Shipping Energy orders seven oil tankers for 3.67bn Yuan.** The company will buy four VLCC oil tankers and three Suezmax tankers from Dalian Shipbuilding Industry for a combined 3.67b yuan, according to statement to the Shanghai stock exchange. [Bloomberg]
- **Chongqing Iron says reorganisation plan approved by court.** A local court in China's Chongqing City approved reorganization plan in final ruling Monday, Chongqing Iron & Steel says in statement to the Shanghai stock exchange. [Bloomberg]
- **Guangzhou Auto looks to enhance China tie-up with Fiat Chrysler.** Guangzhou Automobile Group Co. is in talks with Fiat Chrysler Automobiles NV to deepen their tie-up in China, as the world's largest car market looks to relax some regulations and the Chinese maker prepares to sell its own Trumpchi brand in the U.S. [Bloomberg]
- **Kingkey Enterprise sold 150mn Meitu shares.** Kingkey Enterprise sold the Meitu shares off exchange at avg HK\$11.55 apiece, according to disclosure filing to Hong Kong stock exchange. Kingkey Enterprise lowers its Meitu stake to 9.79% from 13.31%. [Bloomberg]
- **Singapore REITs raise most cash since 2009 after outperformance.** Singapore's real-estate investment trusts have raised the most capital since 2009 this year, funding acquisitions to prepare for a recovery in office rents. Investors in the city's REITs were rewarded with high returns at a relatively low risk over the past two years. [Bloomberg]
- **China's GCL to get US\$1bn investment from Taiping Insurance.** Under a non-legally binding "cooperation framework agreement", Taiping Financial Holdings, the "overseas comprehensive investment platform" of China Taiping Insurance Group, would lead a HK\$8bn (US\$1b) fund to make the purchase, according GCL New Energy's filing to HKEX. [SCMP]
- **India Xiaomi's No. 1 priority.** India has emerged as top priority for Xiaomi and it's ready to replicate its domestic success there. India supports analogous purchasing power in a similarly sized population of 1.4bnn consumers obsessed with cost-effective electronic gadgets, according to Xiaomi founder and chief executive Lei Jun. [SCMP]
- **Allianz, TH Real estate to set up fund to buy outlet malls in China as part of regional push.** German's Allianz Real Estate has teamed up with US property investment firm TH Real Estate to raise US\$750mn to acquire two premier outlet shopping centres in China, Florentia Village Jingjin in northeast China and Florentia Village in Shanghai. [SCMP]
- **COFCO focuses on core business, furthers mixed-ownership reform.** COFCO Corp. plans to increase the proportion of State-owned capital involved in agriculture, grain and oil businesses to 80% by 2020. As to the core businesses of grain, oil, sugar and cotton, their market shares are expected to account for more than 15% respectively. [China Daily]
- **GAC Group intends to strengthen cooperation with FCA in mainland.** GAC Group general manager Feng Xingya told Bloomberg that the group is seeking to strengthen cooperation with FCA in Mainland China in terms of car models, production and sales. [AASocks]
- **Fosun Int'l's stakes in Yuyuan rise to nearly 70% after injection.** Fosun International injected assets in Shanghai Yuyuan Tourist Mart Co.,Ltd. Chairman Guo Guang Chang replied that such asset restructuring increased FOSUN INTL's equity interests in Yuyuan to nearly 70%. [AASocks]

V. Overnight Market Recap

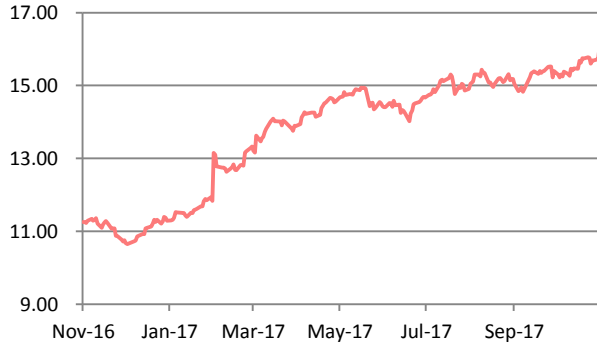
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,599	16.9	0.7	0.8	0.9	7.0	9.1	18.2	16.1
	Dow Jones	23,591	160.5	0.7	0.8	1.1	8.7	13.4	24.4	19.4
	Nasdaq Composite	6,862	71.8	1.1	1.8	3.5	10.5	12.8	27.8	27.5
	Russell 2000	1,519	15.5	1.0	3.2	0.6	11.9	11.1	14.9	11.9
	VIX Index	9.73	(0.9)	(8.6)	(16.0)	(2.4)	(26.2)	(19.2)	(21.7)	(30.7)
Europe Equity	Euro Stoxx 50	3,579	17.9	0.5	0.6	(0.7)	4.6	(0.2)	18.0	8.8
	DAX	13,168	108.9	0.8	1.0	1.4	9.1	4.2	23.2	14.7
	CAC	5,366	25.7	0.5	1.0	(0.1)	5.5	0.8	18.5	10.4
	FTSE 100	7,411	21.9	0.3	(0.0)	(1.5)	1.3	(0.8)	9.3	3.8
APAC Equity	HSI	29,818	557.8	1.9	2.3	4.7	8.8	17.4	31.5	35.5
	HSCEI	11,874	336.1	2.9	2.4	2.7	8.4	14.5	23.0	26.4
	HSI VIX	14.01	(0.2)	(1.6)	(4.2)	1.3	(13.2)	8.4	(16.0)	(17.1)
	CSI 300	4,218	73.9	1.8	2.9	7.4	12.4	23.6	21.6	27.4
	SH Composite	3,410	18.1	0.5	(0.6)	0.9	3.7	10.9	5.0	9.9
	SZ Composite	1,987	15.5	0.8	(1.9)	(0.6)	4.1	8.7	(7.0)	0.9
	Nikkei 225	22,416	154.7	0.7	0.2	4.5	15.6	13.9	23.4	17.3
KOSPI	2,531	3.0	0.1	0.2	1.7	7.0	9.8	27.6	24.9	
Commodities (USD)	Brent (Future)	62.22	0.5	0.9	0.9	8.7	21.5	17.1	28.3	10.5
	WTI (Future)	56.83	0.7	1.3	2.0	10.4	20.0	12.9	19.7	5.8
	Gold	1,281	3.7	0.3	0.0	(0.1)	(0.3)	1.6	5.6	11.6
	Copper (Future)	6,828	51.0	0.8	(1.0)	(1.8)	5.3	20.2	25.9	23.3
	Baltic Dry Index	1,385.00	14.0	1.0	(1.4)	(12.2)	9.4	44.9	11.7	44.1
FX	Dollar Index	94.08	(0.1)	(0.1)	0.2	0.3	1.0	(3.2)	(7.0)	(8.0)
	EUR	1.17	0.0	0.0	(0.5)	(0.1)	(0.2)	4.4	10.4	11.6
	JPY	112.45	(0.2)	(0.2)	(0.9)	0.8	(2.6)	(1.1)	(1.2)	4.0
	CNY	6.63	(0.0)	0.1	0.1	0.2	0.6	3.9	4.0	4.8
CDS	CNH	6.63	(0.0)	(0.3)	(0.1)	0.1	0.6	3.7	4.2	5.2
	ChinaGov CDS	59.82	(0.5)	(0.8)	(1.8)	14.6	(7.6)	(23.7)	(50.2)	(48.9)
CDX Emerging Market	96.08	0.0	0.0	0.4	(0.5)	0.0	0.6	3.6	2.6	

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.27	0.0	1.0	1.2	1.1	1.0	0.9	0.5	0.5
	2-Year Treasury Yield	1.77	0.0	1.2	1.7	1.6	1.3	1.3	1.1	1.2
	5-Year Treasury Yield	2.10	0.0	0.3	2.0	2.0	1.7	1.8	1.8	1.9
	10-Year Treasury Yield	2.36	(0.0)	(0.4)	2.3	2.4	2.2	2.3	2.3	2.4
	2-10 Spread	58.24	(3.0)	(4.8)	63.5	79.8	85.7	96.4	122.1	125.0
China rates	O/N China Repo Rate	3.10	0.3	10.7	2.8	2.6	3.0	2.6	2.3	2.2
	1-Week China Repo Rate	3.44	0.0	1.2	3.1	3.2	3.4	2.7	3.0	2.6
	O/N SHIBOR	2.81	0.0	0.8	2.8	2.6	2.8	2.6	2.3	2.2
	1-Week SHIBOR	2.86	0.0	0.1	2.9	2.8	2.9	2.8	2.5	2.5

Source: Bloomberg

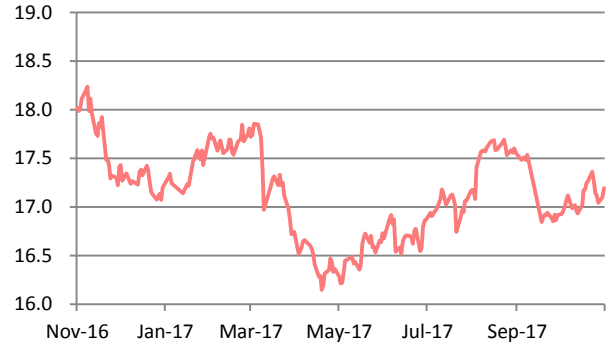
VI. Key Indicators

Hang Seng Index PE Ratio



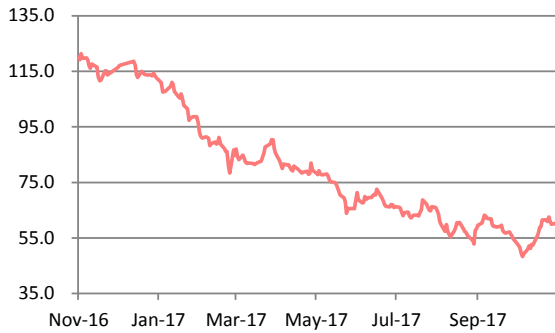
Source: Bloomberg

Shanghai Composite Index PE Ratio



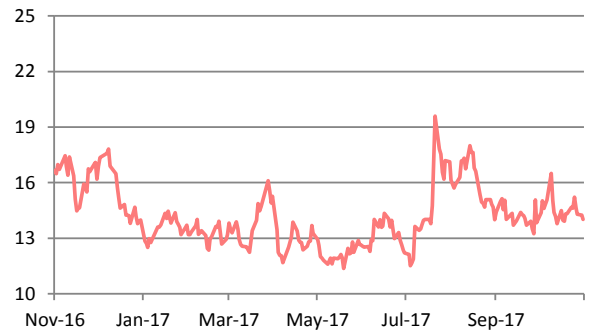
Source: Bloomberg

China 5Y CDS Index_USD



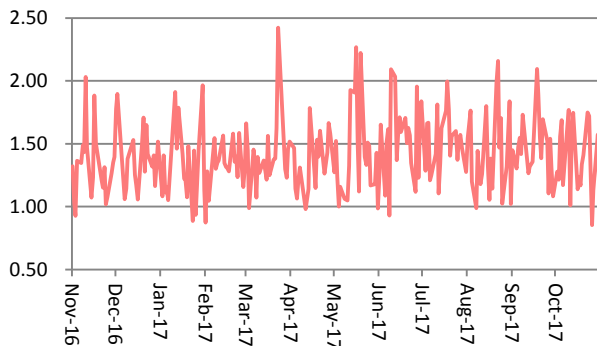
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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