

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Markit Manufacturing PMI	Nov	55.0	54.6
Japan: Nikkei Manufacturing PMI	Nov	N/A	52.8
UK: Number of Finance Loans for Housing	Oct	N/A	41,584
Germany: IFO Business Climate	Nov	116.5	116.7
S. Korea: Consumer Confidence	Nov	N/A	109.2

Source: Bloomberg

II. Macro News

- **China agrees loans to Djibouti as nations pledge closer ties.** China vowed to establish a strategic partnership with Djibouti, the site of its first overseas military base, as leaders of the two countries signed an agreement yesterday for Beijing to provide an undisclosed amount of loans to the Horn of African nation. [SCMP]
- **Better job prospects, consumption boost consumer confidence in Q3.** China's Consumer Confidence Index soared to a historical high of 114 points in the third quarter of this year, up two points on a quarterly basis, buoyed by improved job prospects and surging consumption power, a new study said. [China Daily]
- **Shanghai's economy expands steadily in October.** Shanghai's economy grew steadily in October as industrial output, consumer prices and foreign trade all rose. The city's foreign trade in October jumped 14.3% YoY to RMB266.08bn (US\$40.22bn), reversing a 5.7% drop in the same month last year, according to Shanghai Statistics Bureau. [Shine]

III. Industry News

- **Beijing gives private firms greater role in developing hi-tech 'global leading players'.** China's private businesses are to play a greater role in the country's top technology programmes and backbone infrastructure projects as Beijing seeks to give fresh momentum to its "Made in China 2025" initiative, according to a joint policy directive by 16 Chinese ministries. [SCMP]
- **7bn yuan of treasury bonds to be issued in HK.** China's Ministry of Finance said Wednesday that it will issue yuan-denominated treasury bonds worth RMB7bn in Hong Kong next week. The bonds will be sold via the bond-tendering platform of HK's Central Moneymarkets Unit in the week starting Nov 27. [China Daily]
- **China, Chile 'landmark' FTA seen as a boon.** deal upgrading the China-Chile Free Trade Agreement, signed two weeks ago and witnessed by the presidents of both nations, will facilitate e-commerce through measures such as streamlining customs procedures, said Chilean Ambassador to China Jorge Heine. [China Daily]

IV. Corporate News

- **Cathay pilots dismiss strike talk and insist they want cost-cutting deal.** Cathay Pacific Airways pilots yesterday dialed down earlier talk of a strike during the year-end holidays, saying they had no plans to walk out, but their union did say it was preparing for a possible "escalation" if the company pressed ahead with pay cuts. [SCMP]
- **With eye on Belt and Road Initiative, CEFC to buy majority stake in Czech broadcaster.** CEFC China Energy, the country's largest non-state energy co, is poised to acquire a third media and communications asset in two years in Czech Republic. It is expanding its footprint in Central Europe, a key market covered by Beijing's Belt and Road Initiative. [SCMP]

- **Fast Retailing seeks nod to open stores in India.** Fast Retailing has applied for approval to open stores in India as it looks to increase its footprint across the globe. The Japanese firm submitted an application on Tuesday and sought to do business in the contry under the Uniqlo brand name, an Indian regulatory filing said. [SCMP]
- **GCL New Energy to sell PV equipment to Kangfu for 500mn yuan.** GCL New Energy sells Fenxi leased assets, including photovoltaic equipment, to Kangfu International Leasing, according to a statement to the Hong Kong stock exchange. [Bloomberg]
- **HNA deepens Australia push by acquiring AHG assets, Aerocare.** HNA Group Co. agreed to pay A\$280mn (\$213mn) in cash to buy Automotive Holdings Group Ltd.'s business that delivers refrigerated goods as the Chinese conglomerate builds up its operations in Australia. [Bloomberg]
- **Want Want China bought back 6mn shares for HK\$37.5mn Nov. 22.** Want Want China repurchased the shares on exchange at HK\$6.20-HK\$6.27 apiece, according to statement to Hong Kong stock exchange dated Nov. 22. Want Want China bought back 9.3mn shares for HK\$55.7mnon Nov. 21. [Bloomberg]
- **Anbang is said to be required to cut bank stakes under new rules.** Anbang Insurance Group Co. has been asked by Chinese regulators to reduce its stakes in China Minsheng Banking Corp. and China Merchants Bank Co. to comply with new rules governing bank shareholdings. [Bloomberg]
- **CNNC to build Pakistan's third Hualong One Reactor.** China National Nuclear Corp. signed deal to build its third Hualong One nuclear reactor in Pakistan. The company signed the deal on Nov.21 to build the No. 5 unit of the country's Chashma nuclear power plant with China's indigenously-developed Hualong One third-generation nuclear power technology. [Bloomberg]
- **China Exim Bank postpones up to 10bn yuan bond sale.** The Export-Import Bank of China postpones bond sale scheduled Thursday, the policy bank says in statement on ChinaBond website on Wednesday, without giving the reason or more details. [Bloomberg]
- **Chalco leads metals rally on MSCI China as sector plays catchup.** Metal companies are best performing stocks on MSCI China Index, led by Aluminum Corp. of China Ltd. climbing as much as 9.3% in Hong Kong, most since Sept. 12. Metals stocks playing catchup to broader rally after lagging this quarter. [Bloomberg]
- **Tencent announces major push in Xiongan New Area.** Tencent Holdings Ltd plans to set up a financial technology lab and digitalize public medical services in the Xiongan New Area, part of a broader push to set foot in the country's new economic zone. [China Daily]
- **CGN funds will power UK plants.** China General Nuclear Power Corporation has confirmed its investment in the United Kingdom's nuclear industry as Britain's regulator began the second stage of the process to assess China's third-generation nuclear power technology. [China Daily]
- **Foxconn says it has corrected internship overtime issues.** Foxconn Technology Group, Apple's main supplier in Asia, released a statement on Tuesday in response to a Financial Times report that said the company had been illegally employing students, working them overtime to help assemble the iPhone X. [China Daily]
- **FAW recalls faulty automobiles in China.** FAW Car Co Ltd started recalling 206,570 vehicles in China due to problems with the braking system on Nov 21. The recall was made due to the faulty design of a vacuum hose valve that is unable to function in cold weather, which could lead to malfunction of the braking system. [China Daily]
- **Sa Sa HK and Macau sales rise, books HK\$109mn.** Sa Sa Int'l's half-year profit rose 14.5% to HK\$109.9mn. Basic EPS were 3.7 HK cents vs. 3.3 HK cents last year. Chairman Kwok Siu-ming said Sa Sa is increasing the number of shops in residential areas and transport hubs to expand local market share, incl. shops near the mainland border. [The Standard]
- **Tencent goes in deep with online game scoop.** Tencent Holdings said it has forged a cooperation agreement with PUBG Corporation under which it will have the exclusive right to offer in China PlayerUnknown's Battlegrounds, one of the world's most popular online games. [The Standard]

V. Overnight Market Recap

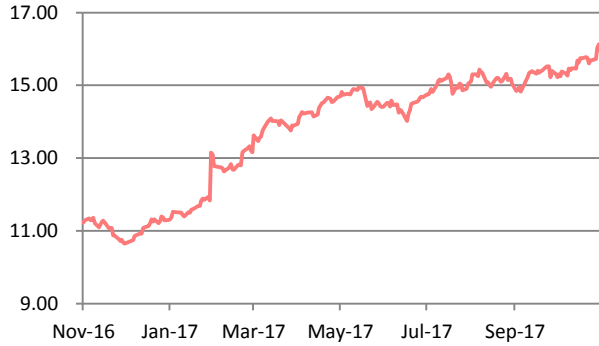
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,597	(2.0)	(0.1)	1.3	1.3	6.3	8.3	17.8	16.0
	Dow Jones	23,526	(64.7)	(0.3)	1.1	1.1	7.9	12.4	23.3	19.0
	Nasdaq Composite	6,867	4.9	0.1	2.4	4.3	9.4	11.9	27.6	27.6
	Russell 2000	1,517	(2.1)	(0.1)	3.6	1.3	10.7	9.8	13.0	11.8
	VIX Index	9.88	0.2	1.5	(24.8)	(10.7)	(19.3)	(7.8)	(20.5)	(29.6)
Europe Equity	Euro Stoxx 50	3,572	9.4	0.3	0.2	(1.1)	3.7	(0.4)	17.5	8.6
	DAX	13,009	(6.5)	(0.0)	(0.3)	(0.0)	6.8	2.9	21.7	13.2
	CAC	5,380	26.8	0.5	0.8	(0.3)	5.2	0.7	18.4	10.6
	FTSE 100	7,417	(1.8)	(0.0)	0.4	(1.5)	0.1	(1.3)	8.6	3.6
APAC Equity	HSI	29,708	(295.6)	(1.0)	2.4	5.5	8.0	16.8	31.4	35.0
	HSCEI	11,737	(221.6)	(1.9)	1.8	2.9	6.2	13.0	21.3	24.9
	HSI VIX	15.19	0.1	0.7	3.8	1.1	(3.3)	26.6	(10.5)	(10.1)
	CSI 300	4,102	(125.2)	(3.0)	(0.1)	3.6	9.8	19.8	17.6	23.9
	SH Composite	3,352	(78.5)	(2.3)	(1.4)	(0.9)	2.5	9.4	3.4	8.0
	SZ Composite	1,924	(57.8)	(2.9)	(4.3)	(4.4)	1.8	7.0	(9.3)	(2.3)
	Nikkei 225	22,523	106.7	0.5	2.3	3.8	15.9	14.8	24.0	17.8
KOSPI	2,537	(3.4)	(0.1)	0.1	2.0	6.9	9.6	28.8	25.2	
Commodities (USD)	Brent (Future)	63.55	0.2	0.4	3.6	10.8	20.9	17.4	29.8	11.8
	WTI (Future)	58.02	1.2	2.1	4.9	11.3	23.1	13.7	21.7	8.7
	Gold	1,291	(0.7)	(0.1)	1.0	1.1	0.3	2.6	9.2	12.5
	Copper (Future)	6,963	9.0	0.1	3.4	(0.6)	6.1	21.9	21.3	25.8
	Baltic Dry Index	1,413.00	17.0	1.2	3.8	(11.0)	17.8	51.3	17.7	47.0
FX	Dollar Index	93.22	-	-	(0.8)	(0.8)	0.1	(4.2)	(8.3)	(8.8)
	EUR	1.19	0.0	0.2	0.7	0.8	0.4	5.6	12.3	12.7
	JPY	111.22	-	-	(1.6)	2.3	(1.6)	0.1	1.8	5.0
	CNY	6.58	(0.0)	0.4	0.7	0.9	1.1	4.6	5.1	5.5
CDS	CNH	6.58	(0.0)	(0.3)	(0.8)	1.0	1.3	4.5	5.6	6.0
	ChinaGov CDS	59.10	(0.1)	(0.1)	(3.2)	14.7	(3.0)	(25.4)	(51.3)	(49.5)
	CDX Emerging Market	96.20	(0.0)	(0.0)	0.2	(0.3)	0.1	0.5	4.2	2.7

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.28	-	-	1.3	1.1	1.0	0.9	0.5	0.5
	2-Year Treasury Yield	1.73	-	-	1.7	1.6	1.3	1.3	1.1	1.2
	5-Year Treasury Yield	2.04	-	-	2.1	2.0	1.8	1.8	1.8	1.9
	10-Year Treasury Yield	2.32	-	-	2.3	2.4	2.2	2.2	2.3	2.4
	2-10 Spread	58.79	-	-	61.8	83.3	82.8	94.9	122.3	125.0
China rates	O/N China Repo Rate	2.90	(0.1)	(3.3)	2.7	2.7	2.5	2.5	2.3	2.2
	1-Week China Repo Rate	3.44	-	-	3.2	3.3	3.0	3.4	2.6	2.6
	O/N SHIBOR	2.80	(0.0)	(0.2)	2.7	2.7	2.9	2.6	2.3	2.2
	1-Week SHIBOR	2.87	0.0	0.1	2.9	2.9	2.9	2.9	2.5	2.5

Source: Bloomberg

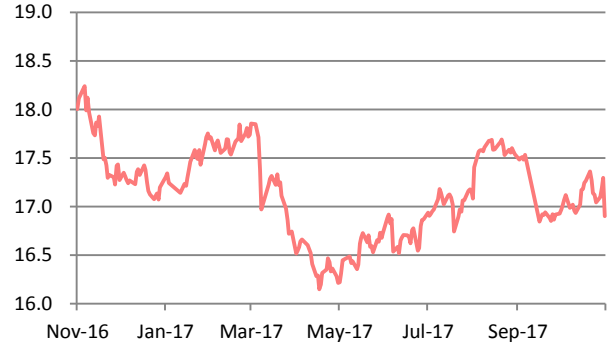
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



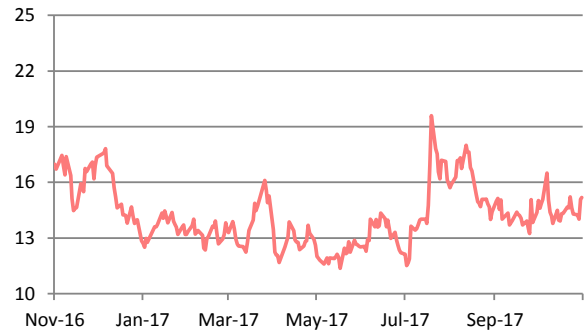
Source: Bloomberg

China 5Y CDS Index_USD



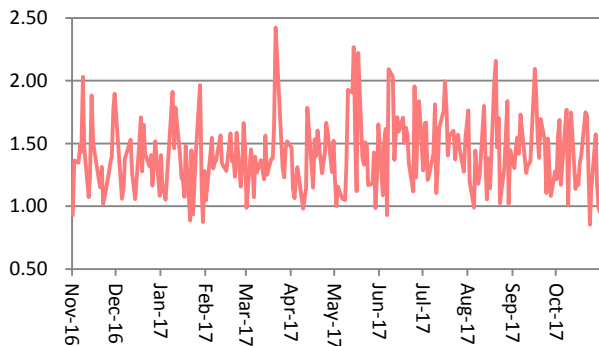
Source: Bloomberg

Hang Seng Index VIX



Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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