

I. Major Economic Release

Upcoming Economic Release

| Economic Indicator | Period | Market Survey | Prior Period |
|---------------------------------|--------|---------------|--------------|
| China: Caixin PMI Composite | Nov | N/A | 51.0 |
| US: ISM Non-Manufacturing PMI | Nov | 59.0 | 60.1 |
| UK: BRC Sales like-for-like YoY | Nov | N/A | -1.00% |
| Philippines: CPI YoY | Nov | 3.30% | 3.50% |
| S. Africa: GDP Annualized QoQ | 3Q17 | 1.70% | 2.50% |

Source: Bloomberg

II. Macro News

- **EU is said to consider including 11 countries in tax blacklist.** Up to eleven countries could end up on a European Union blacklist of tax havens and potentially face sanctions for failing to bring their tax standards in line with the bloc, according to the latest draft of proposals. [Bloomberg]
- **China and Canada fail to agree on launching free trade talks.** A push to launch free trade negotiations between China and Canada fell flat Monday, with the nations abruptly scrapping a planned press conference and agreeing instead to extend exploratory talks. [Bloomberg]
- **Bank of China, Leumi sign agreement to offer credit jointly.** Banks will offer credit to Israeli companies operating in China, according to emailed statement from Leumi. Israeli cos. will have access to loans directly from Bank of China, with guarantee of Leumi, or by credit line to be established jointly by the two banks. [Bloomberg]

III. Industry News

- **CSRC, SFC to decide on lock-up share trading in Hong Kong.** Regulators may announce decision on a trial to lift a ban to sell lock-up shares held by state-owned enterprises owners and allow them to trade on Hong Kong's stock exchange, Hong Kong Economic Journal reports. [Bloomberg]
- **China's NDRC denies granting more electric vehicle permits.** Local media reports that China's government issued three additional electric car manufacturing licenses are "inaccurate," according to an official at the National Development and Reform Commission. [Bloomberg]
- **China banking stress indicator eased for fifth-straight quarter.** A warning indicator for banking stress in China fell for a fifth-straight quarter, signaling that the leadership's drive to squeeze risk from the financial system is making progress. China's credit-to-GDP product "gap" declined to 18.9% in the 2Q from 22.1% in first three months. [Bloomberg]

IV. Corporate News

- **Huishan Dairy says no timetable for issuing 1H 2017 results.** Huishan Dairy has currently no immediate timetable for publication of audited financial statements for the year ended March 2017 or interim results for the six months ended September 2017, according to statement to Hong Kong stock exchange dated Dec. 4. [Bloomberg]
- **Nissin Foods unit HK IPO retail offer 32x oversubscribed.** Offer size of the Hong Kong retail portion will be raised to 30% from 10% of total offered shares, Apple Daily reports. The stock is expected to start trading Dec. 11. Nissin Foods Spinoff Draws Itochu, Kagome to \$145mn IPO. [Bloomberg]

- **Shimao Property proposes sale of additional USD senior notes due 2022.** Aggregate principal amount and the issue price will be determined through a book building, Shimao Property says in Hong Kong stock exchange filing. The company plans to use proceeds to refinance certain debt, for business development and other corporate purposes. [Bloomberg]
- **Shandong Intl Trust is said to price \$378mn IPO near low end.** Shandong International Trust Co. and existing investors raised ~HK\$2.95b (\$378m) after pricing the co.'s Hong Kong IPO near the low end of a marketed range. The company sold 647.1m shares at HK\$4.56 apiece. [Bloomberg]
- **BOC HK studies buying parent's Singapore assets.** BOC Hong Kong is conducting feasibility study to buy Singapore's banking assets from Bank of China, Apple Daily reports. No timetable for the transaction, report cites unidentified people. [Bloomberg]
- **China Merchants Group preparing for Shenzhen Chiwan asset reorg.** China Merchants Group informs China Merchants Port Holdings that it is preparing for a material asset reorganization in relation to Shenzhen Chiwan Wharf Holdings, according to a Hong Kong stock exchange filing. [Bloomberg]
- **HNA's Units are on a borrowing spree, swallowing sky-high rates.** Units of HNA Group Co. are stepping up fundraising in the local bond market even as borrowing costs soar, adding to concerns about the Chinese conglomerate's debt burden. [Bloomberg]
- **Hebei Construction US\$297mn IPO is first in Hong Kong to target China's massive Xiongan project.** A share offering this week of up to HK\$2.32 billion (US\$297 million) by China's Hebei Construction will be the first listing in Hong Kong of a company linked to Beijing's ambitious Xiongan special economic zone project. [SCMP]
- **Xiaomi to seek at least US\$50b valuation in IPO next year.** Xiaomi is in talks with investment banks about a possible initial public offering and seeking a valuation of at least US\$50bn. The Beijing-based company was considering an offering as soon as next year with banks suggesting Hong Kong as the most likely destination. [SCMP]
- **HSBC is moving jobs from London to Paris, but Asian banks stay put even as Brexit looms.** Robin Rivaton, GM of Paris Region Enterprise, agency in charge of promoting investments into Paris concedes that while HSBC and other financial institutions are moving jobs to Paris after Brexit, Asian headquartered banks haven't set up operations. [SCMP]
- **Tencent-backed online doctor start-up seeks Hong Kong IPO.** WeDoctor Group, the Chinese online health care services firm backed by Tencent Hldgs, plans to seek a listing on the HKEX next year as investors bid up technology stocks. It is currently raising US\$500mn from investors and expects to close the fundraising round before Chinese New Year. [SCMP]
- **Ping An's Good Doctor app to seek Hong Kong listing next year, targeting US\$1bn share sale.** Ping An Good Doctor, the largest online health care and medical platform in China by users, plans to list on the Hong Kong stock exchange in the first half of next year, aiming to raise about US\$1 billion. If successful, the company, backed by Ping An Insurance, will join the recent wave of mainland tech and internet companies that have debuted on the city's stock market. [SCMP]
- **AI can play bigger role in China's supply-side reform, says Baidu chief.** From increasing profits for supermarkets to reducing accident rates at mining sites, artificial intelligence is set to play a bigger role in upgrading business operations in China, according to the CEO of one of China's biggest investors in the technology. [SCMP]
- **Great Wall Pan Asia jumps 15pc after participation in Link Reit deal unveiled.** Great Wall Pan Asia Holdings enjoyed a double-digit gain on Monday morning, after announcing it would pay HK\$3.19bn (US\$410mn) as part of a joint venture purchasing 17 shopping centres in Hong Kong from the Link Reit. [SCMP]
- **Walt Disney in talks to buy Murdoch's 21st Century Fox, reports say.** The Rupert Murdoch-controlled 21st Century Fox has restarted talks to sell most of the company, including UK broadcaster Sky, to Walt Disney, it was reported. The negotiations centre on Fox's film studio, cable channels, the Financial Times reported. [SCMP]
- **China Education Group entry fee said to be \$7,090.74.** The IPO price range for China Education Group (00839.HK) is set at \$5.86-7.02 per share, with an issue of 500mn shares, foreign media quoted from sales documents, as saying. The maximum proceeds are approx. \$3.51bn. In terms of a board lot of 1,000 shares, the entry fee is \$7,090.74. [AAstocks]

V. Overnight Market Recap

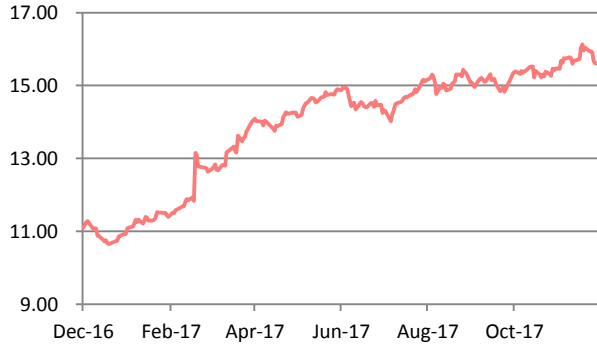
| | Close | Net Chg | Chg (%) | Performance (%) | | | | | | |
|-------------------|---------------------|----------|---------|-----------------|-------|-------|-------|--------|--------|--------|
| | | | | 1W | 1M | 3M | 6M | 1Y | YTD | |
| US Equity | S&P 500 | 2,639 | (2.8) | (0.1) | 1.5 | 2.0 | 7.4 | 8.3 | 19.7 | 17.9 |
| | Dow Jones | 24,290 | 58.5 | 0.2 | 3.0 | 3.2 | 11.7 | 14.7 | 26.4 | 22.9 |
| | Nasdaq Composite | 6,775 | (72.2) | (1.1) | (1.5) | 0.2 | 6.3 | 7.6 | 27.6 | 25.9 |
| | Russell 2000 | 1,532 | (4.6) | (0.3) | 1.3 | 2.5 | 9.5 | 9.7 | 14.5 | 12.9 |
| | VIX Index | 11.68 | 0.3 | 2.2 | 18.3 | 27.8 | (4.5) | 16.0 | (3.8) | (16.8) |
| Europe Equity | Euro Stoxx 50 | 3,576 | 48.7 | 1.4 | 0.3 | (3.1) | 4.5 | (0.1) | 17.1 | 8.7 |
| | DAX | 13,059 | 197.1 | 1.5 | 0.4 | (3.1) | 7.7 | 1.8 | 22.2 | 13.7 |
| | CAC | 5,389 | 72.4 | 1.4 | 0.5 | (2.3) | 6.0 | 1.5 | 17.8 | 10.8 |
| | FTSE 100 | 7,339 | 38.5 | 0.5 | (0.6) | (2.9) | (0.5) | (2.5) | 8.8 | 2.7 |
| APAC Equity | HSI | 29,138 | 64.0 | 0.2 | (1.8) | 1.9 | 5.0 | 12.7 | 29.5 | 32.4 |
| | HSCEI | 11,518 | 68.6 | 0.6 | (2.2) | (0.7) | 2.9 | 8.7 | 18.6 | 22.6 |
| | HSI VIX | 16.45 | (0.3) | (1.6) | 5.1 | 19.4 | (6.7) | 38.2 | 0.6 | (2.6) |
| | CSI 300 | 4,019 | 20.7 | 0.5 | (0.8) | 0.7 | 4.2 | 15.9 | 15.8 | 21.4 |
| | SH Composite | 3,310 | (8.0) | (0.2) | (0.4) | (1.8) | (2.2) | 7.1 | 3.3 | 6.6 |
| | SZ Composite | 1,903 | (13.9) | (0.7) | 0.5 | (3.7) | (3.5) | 5.7 | (8.0) | (3.4) |
| | Nikkei 225 | 22,707 | (111.9) | (0.5) | 0.9 | 0.7 | 17.1 | 12.6 | 24.3 | 18.8 |
| KOSPI | 2,502 | 26.3 | 1.1 | (0.2) | (2.2) | 7.5 | 5.6 | 27.4 | 23.5 | |
| Commodities (USD) | Brent (Future) | 62.45 | (1.3) | (2.0) | (2.2) | 0.6 | 19.3 | 25.0 | 14.7 | 9.9 |
| | WTI (Future) | 57.47 | (0.9) | (1.5) | (1.1) | 3.3 | 18.1 | 21.2 | 10.9 | 7.0 |
| | Gold | 1,276 | (4.4) | (0.3) | (1.4) | (0.4) | (4.7) | (0.2) | 9.1 | 11.3 |
| | Copper (Future) | 6,833 | 71.0 | 1.0 | (2.4) | (1.4) | (0.0) | 19.9 | 18.0 | 23.4 |
| | Baltic Dry Index | 1,626.00 | 48.0 | 3.0 | 10.1 | 10.2 | 37.0 | 95.9 | 35.7 | 69.2 |
| FX | Dollar Index | 93.19 | 0.3 | 0.3 | 0.3 | (1.8) | 0.4 | (3.6) | (7.5) | (8.8) |
| | EUR | 1.19 | (0.0) | (0.3) | (0.3) | 2.2 | (0.4) | 5.4 | 10.2 | 12.8 |
| | JPY | 112.41 | 0.2 | 0.2 | 1.2 | 1.1 | (3.3) | (1.8) | 1.2 | 4.0 |
| | CNY | 6.62 | 0.0 | (0.1) | (0.3) | 0.2 | (1.3) | 2.8 | 4.0 | 4.9 |
| | CNH | 6.62 | 0.0 | 0.3 | 0.3 | 0.1 | (1.2) | 2.5 | 3.8 | 5.4 |
| CDS | ChinaGov CDS | 55.81 | (1.3) | (2.2) | (6.1) | 0.6 | (5.0) | (25.6) | (52.2) | (52.3) |
| | CDX Emerging Market | 96.43 | 0.1 | 0.1 | 0.1 | 0.2 | (0.1) | 0.6 | 4.2 | 2.9 |

| | Close | Net Chg | Chg (%) | Value | | | | | | |
|-------------|------------------------|---------|---------|-------|------|------|------|------|-------|-------|
| | | | | 1W | 1M | 3M | 6M | 1Y | YTD | |
| US rates | 3-Month Treasury Yield | 1.27 | 0.0 | 0.8 | 1.3 | 1.2 | 1.0 | 1.0 | 0.5 | 0.5 |
| | 2-Year Treasury Yield | 1.81 | 0.0 | 1.9 | 1.7 | 1.6 | 1.3 | 1.3 | 1.1 | 1.2 |
| | 5-Year Treasury Yield | 2.14 | 0.0 | 1.4 | 2.1 | 2.0 | 1.6 | 1.7 | 1.8 | 1.9 |
| | 10-Year Treasury Yield | 2.37 | 0.0 | 0.5 | 2.3 | 2.3 | 2.1 | 2.1 | 2.4 | 2.4 |
| | 2-10 Spread | 56.20 | (2.1) | (3.7) | 57.8 | 71.6 | 76.6 | 84.7 | 127.0 | 125.0 |
| China rates | O/N China Repo Rate | 2.61 | 0.0 | 1.2 | 2.8 | 2.5 | 2.7 | 2.9 | 2.2 | 2.2 |
| | 1-Week China Repo Rate | 3.00 | (0.1) | (3.2) | 3.4 | 2.9 | 3.4 | 3.4 | 2.4 | 2.6 |
| | O/N SHIBOR | 2.60 | (0.0) | (1.6) | 2.8 | 2.6 | 2.7 | 2.8 | 2.3 | 2.2 |
| | 1-Week SHIBOR | 2.82 | (0.0) | (1.2) | 2.9 | 2.8 | 2.8 | 2.9 | 2.5 | 2.5 |

Source: Bloomberg

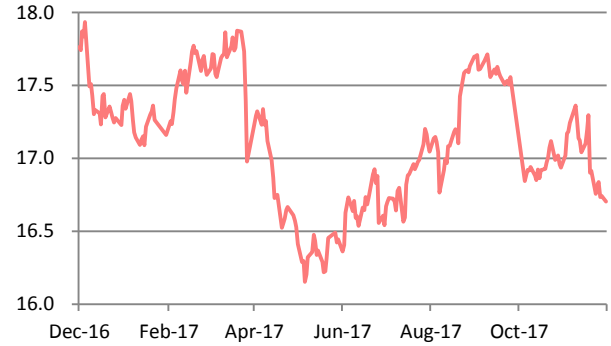
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



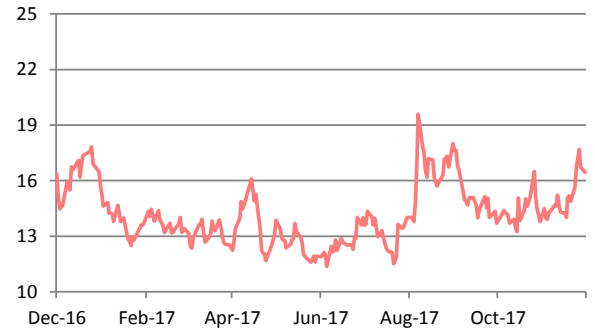
Source: Bloomberg

China 5Y CDS Index_USD



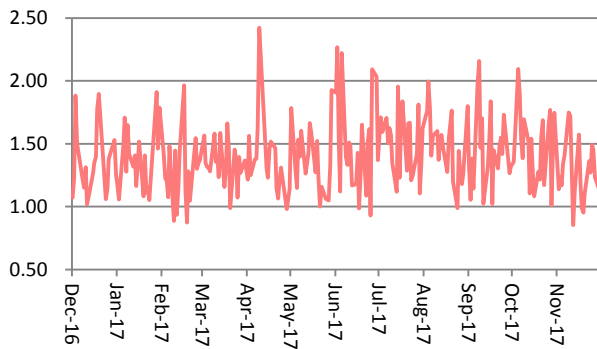
Source: Bloomberg

Hang Seng Index VIX



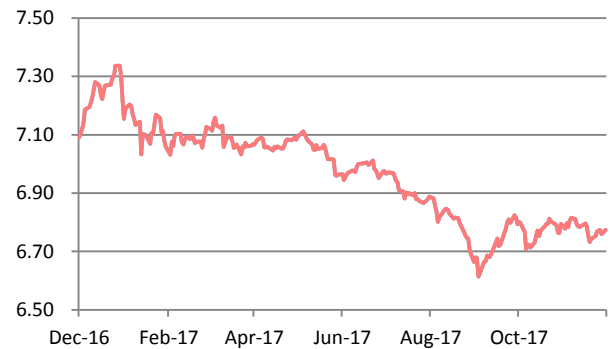
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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