

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
China: USD exports / imports YoY	Nov	5.0% / 11.8%	6.90% / 17.2%
US: household change in net worth	3Q17	N/A	USD1698bn
US: change in private payrolls	Nov	205k	252k
US: change in nonfarm payrolls	Nov	210k	261k
US: average hourly earnings YoY	Nov	2.70%	2.40%

Source: Bloomberg

II. Macro News

- **China transferring high-quality industrial capacity to Pakistan through economic corridor building.** China is transferring its high-quality industrial capacity to its close neighbor Pakistan under their multi-billion-US-dollars project of China-Pakistan Economic Corridor, with the latest example being the inauguration of the first unit of Port Qasim coal-fired power plant using the world most advanced super critical thermal technology. [China Daily]
- **IMF says China could further improve financial stability.** The IMF executive board directors welcomed the significant steps taken by the PBOC and regulatory agencies to strengthen financial sector supervision against a background of rapid financial sector growth and deepening. [China Daily]
- **Thai government mulls non-tariff Steps Against China EV Imports.** Thai govt plans non-tariff measures related to batteries to prevent expected flood of electric vehicle imports from China under Asean-China free trade agreement, Bangkok Post reports, citing Industry Minister Uttama Savanayana. [Bloomberg]

III. Industry News

- **Top iron ore miner threatens to flood market if prices jump.** The world's biggest producer of the steel-making ingredient is prepared to unleash as much as 50mn metric tons of spare capacity to balance the market if prices get too high, Vale SA's CEO Fabio Schvartsman said. [Bloomberg]
- **China counting down to 5G commercialisation.** Downloading a 6-gigabyte file in less than two seconds using 5G technology is not a far stretch, as China is preparing for the commercialization of the next generation of mobile communication technology. [SCMP]
- **China's banks need more capital after credit boom, IMF says.** China's banks should increase capital buffers to protect against any sudden economic downturn following a credit boom, the IMF said. In its first comprehensive assessment of China's financial system since 2011, it recommended "a gradual and targeted increase in bank capital." [Bloomberg]

IV. Corporate News

- **Lacklustre public interest makes Shandong Trust IPO one of the year's coolest in Hong Kong.** Shandong International Trust, the first Chinese trust to seek a listing in Hong Kong, has priced its initial public offering close to the bottom end of range to raise HK\$2.95bn (US\$378mn), after receiving one of the coolest responses for a major IPO this year. [SCMP]
- **Cathay Pacific and flight attendants union agree 1 per cent pay rise.** Flight attendants and ground crew for Hong Kong's de facto flagship carrier will receive a 1 per cent pay rise next year while most of its staff will get a one-month bonus, the loss-making airline said on Thursday. [SCMP]

- **Middleman in Link Reit row denies relaying eviction threat to Hong Kong's New People's Party.** The so-called middleman in a row between Asia's largest real estate investment trust and one of Hong Kong's political parties has denied relaying a threat to the latter, claiming on Thursday that he was just trying to facilitate dialogue between the two. [SCMP]
- **Cofco's Joy City steps up mall expansion plan in China with Singapore's GIC and China Life.** Joy City, the Hong Kong-listed commercial property arm of state-owned conglomerate Cofco, plans to leverage its funds to reach its new goal of operating 100 malls within 10 years, a highly ambitious target considering that it planned to own only 20 malls by 2020. [SCMP]
- **Ford plans to sell passenger cars online in China via Alibaba's Tmall e-commerce platform.** Ford Motor is expected to sign as early as Thursday a deal with Alibaba Group, which may allow the US carmaker to test selling cars to consumers in China through Alibaba's online retail arm Tmall, as well as via a new "auto vending machine" store concept. [SCMP]
- **Xiaomi seeks sponsors for 2018 IPO.** Xiaomi has reportedly asked banks to pitch next Friday for a contemplated listing next year. The Chinese smartphone maker's planned IPO is tipped to become the world's largest tech public offering in 2018. [China Daily]
- **GAC New Energy banking on unmanned driving.** Zeng Qinghong, chairman of Guangzhou Automobile Group Co, said the company had completed its second phase of research and development of unmanned vehicles—semi-automatic driving. [China Daily]
- **Razer Says IPO overallotment fully exercised.** Overallotment option was fully exercised on Dec. 6 for aggregate 159.5m shares, representing 15% of offer shares initially available, according to statement to Hong Kong stock exchange dated Dec. 6. [Bloomberg]
- **Tencent, DHC Software to cooperate on medical, financial sectors.** The two companies have signed agreement to boost cooperation on water conservation, public security and media, according to a filing to Shenzhen stock exchange. [Bloomberg]
- **Datang Power plans to buy parent's power assets for 18.1bn yuan.** Datang Power plans to buy 100% stake in three power generating companies from parent China Datang with cash, according to a filing to Shanghai stock exchange. [Bloomberg]
- **Shenyang Machine tool signs debt-to-equity swap pact with CCB.** Shenyang Machine Tool Group plans to transfer income rights for its 29% stake in listed unit Shenyang Machine Tool Co. to a branch of China Construction Bank as part of debt-to-equity swap, according to a statement to Shenzhen stock exchange. [Bloomberg]
- **Walgreens boots alliance to invest in Chinese pharmacy chain GuoDa.** Walgreens Boots Alliance, Inc. (Nasdaq: WBA) today announces that it has reached an agreement with China National Accord Medicines Corporation Ltd. to become an investor in its subsidiary Sinopharm Holding Guoda Drugstores Co.Ltd. [Bloomberg]
- **Galaxy Entertainment to invest in Philippines.** Galaxy Entertainment has partnered with a local company and in the process of complying with requirements to start operating in the Philippines, according to statement from President Rodrigo Duterte's communications office.[Bloomberg]
- **Sino Land plans to offer 2,700 homes in H.K. next year.** The company plans to sell four new residential property projects next year, offering ~2,700 units, Ming Pao reports, citing an interview with sales department's General Manager Victor Tin.[Bloomberg]
- **Fosun International bought back 1.1mn shares for HK\$17.4mn Dec. 6.** Fosun International repurchased the shares, representing 0.01% of issued share capital, at HK\$15.56-HK\$15.94 apiece, according to statement to Hong Kong stock exchange dated Dec. 6. [Bloomberg]
- **MGM China bought back 1.02mn shares for HK\$22.1mn Dec. 6.** MGM China repurchased the shares at HK\$21.60-HK\$21.70 apiece, according to statement to Hong Kong stock exchange dated Dec. 6. MGM China bought back 70,000 shares Dec. 5 and 1.04mn shares Dec. 4. [Bloomberg]

V. Overnight Market Recap

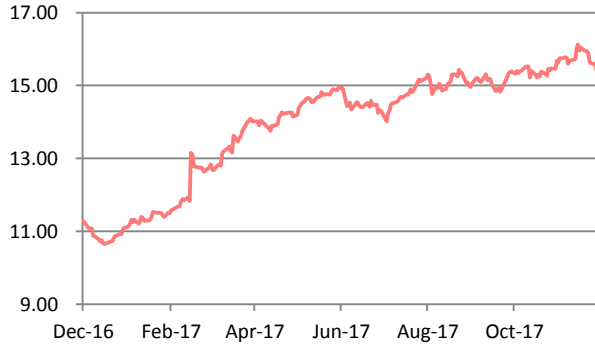
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,637	7.7	0.3	(0.4)	1.6	7.1	8.3	17.4	17.8
	Dow Jones	24,211	70.6	0.3	(0.3)	2.8	11.1	14.3	23.4	22.5
	Nasdaq Composite	6,813	36.5	0.5	(0.9)	0.3	7.1	7.8	25.8	26.6
	Russell 2000	1,520	11.6	0.8	(1.5)	2.6	8.6	7.4	9.7	12.0
	VIX Index	10.16	(0.9)	(7.8)	(9.9)	3.9	(16.2)	-	(19.6)	(27.6)
Europe Equity	Euro Stoxx 50	3,573	11.6	0.3	0.1	(2.2)	3.6	0.3	12.2	8.6
	DAX	13,045	46.3	0.4	0.2	(2.5)	6.0	2.6	16.7	13.6
	CAC	5,384	9.5	0.2	0.2	(1.6)	5.3	2.3	13.7	10.7
	FTSE 100	7,321	(27.3)	(0.4)	(0.1)	(2.8)	(0.8)	(1.7)	5.6	2.5
APAC Equity	HSI	28,303	78.4	0.3	(3.0)	(2.1)	2.3	8.6	23.8	28.6
	HSCEI	11,151	(11.9)	(0.1)	(2.8)	(3.7)	0.0	4.7	12.7	18.7
	HSI VIX	17.79	(0.5)	(2.8)	0.6	27.8	7.1	48.9	21.9	5.3
	CSI 300	3,971	(44.8)	(1.1)	(0.9)	(1.9)	3.8	11.5	14.4	20.0
	SH Composite	3,272	(21.9)	(0.7)	(1.4)	(4.2)	(2.8)	3.9	1.8	5.4
	SZ Composite	1,868	(11.2)	(0.6)	(1.8)	(7.2)	(5.4)	0.8	(10.1)	(5.1)
	Nikkei 225	22,498	321.0	1.5	(1.0)	(1.8)	16.7	13.0	19.9	17.7
KOSPI	2,462	(12.4)	(0.5)	(0.6)	(3.3)	5.3	4.4	21.5	21.8	
Commodities (USD)	Brent (Future)	62.20	1.0	1.6	(2.2)	(2.3)	14.1	29.4	17.4	9.5
	WTI (Future)	56.69	0.7	1.3	(1.2)	(0.4)	19.2	24.0	11.3	5.3
	Gold	1,247	(16.2)	(1.3)	(2.2)	(2.6)	(7.3)	(2.4)	6.6	8.7
	Copper (Future)	6,564	14.0	0.2	(2.9)	(3.8)	(4.8)	16.8	13.5	18.6
	Baltic Dry Index	1,670.00	4.0	0.2	5.8	12.4	25.4	102.7	48.8	73.8
FX	Dollar Index	93.80	0.2	0.2	0.8	(1.2)	2.3	(3.1)	(6.4)	(8.2)
	EUR	1.18	(0.0)	(0.2)	(1.1)	1.5	(2.2)	5.0	10.9	12.0
	JPY	113.09	0.8	0.7	0.5	0.6	(4.7)	(2.8)	0.8	3.4
	CNY	6.62	0.0	(0.1)	(0.2)	0.3	(2.0)	2.7	3.9	4.9
	CNH	6.62	0.0	0.1	0.2	0.1	(2.0)	2.4	4.3	5.3
CDS	ChinaGov CDS	56.37	0.3	0.5	(2.3)	(4.1)	(7.0)	(21.8)	(49.5)	(51.8)
	CDX Emerging Market	96.42	(0.0)	(0.0)	0.2	0.6	(0.2)	0.8	3.4	2.9

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.28	(0.0)	(0.4)	1.3	1.2	1.0	1.0	0.5	0.5
	2-Year Treasury Yield	1.80	(0.0)	(0.2)	1.8	1.6	1.3	1.3	1.1	1.2
	5-Year Treasury Yield	2.14	0.0	0.6	2.1	2.0	1.6	1.8	1.8	1.9
	10-Year Treasury Yield	2.36	0.0	1.1	2.4	2.3	2.1	2.2	2.4	2.4
	2-10 Spread	55.70	2.9	5.5	58.3	68.5	78.5	86.2	129.3	125.0
China rates	O/N China Repo Rate	2.55	(0.0)	(1.2)	2.6	2.6	2.6	2.5	2.3	2.2
	1-Week China Repo Rate	2.80	(0.1)	(1.8)	3.1	3.2	2.6	2.9	2.4	2.6
	O/N SHIBOR	2.59	0.0	0.5	2.6	2.6	2.6	2.8	2.3	2.2
	1-Week SHIBOR	2.79	0.0	0.1	2.9	2.8	2.8	2.9	2.5	2.5

Source: Bloomberg

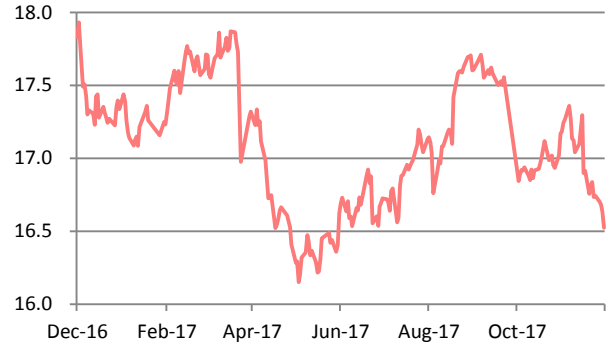
VI. Key Indicators

Hang Seng Index PE Ratio



Source: Bloomberg

Shanghai Composite Index PE Ratio



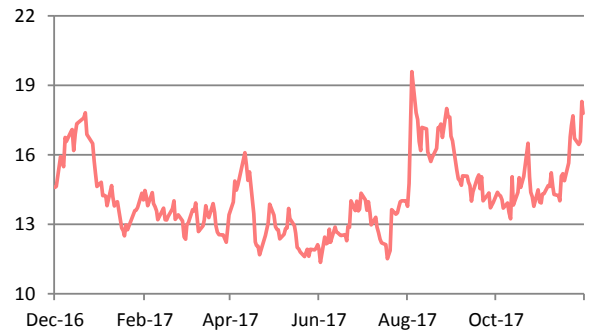
Source: Bloomberg

China 5Y CDS Index_USD



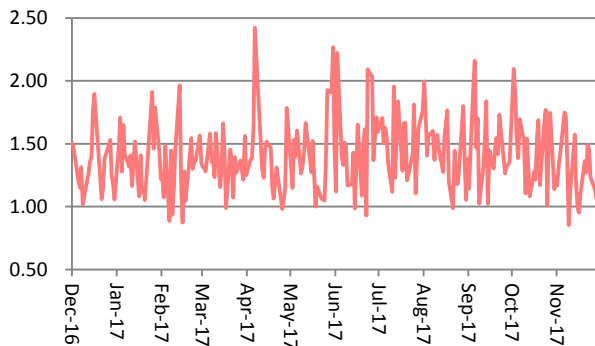
Source: Bloomberg

Hang Seng Index VIX



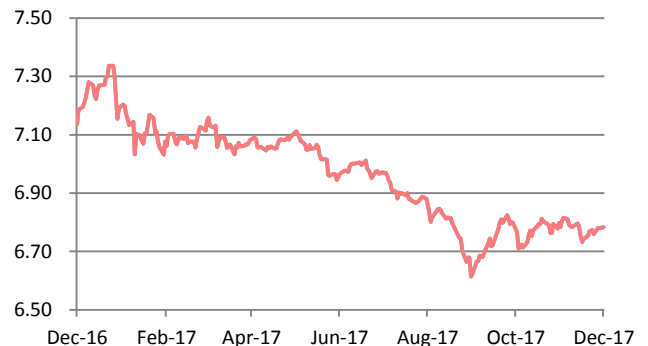
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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