

I. Major Economic Release

Upcoming Economic Release

Economic Indicator	Period	Market Survey	Prior Period
US: Capacity Utilisation	Nov	77.20%	77.0%
Indonesia: Exports / Imports YoY	Nov	N/A	18.39%/23.33%
US: Industrial Production MoM	Nov	0.20%	0.90%
Mexico: Overnight Rate	14-Dec	7.25%	7.00%

Source: Bloomberg

II. Macro News

- **ECB does not pull plug on easy money and will keep stimulus as long as it is needed.** The European Central Bank (ECB) raised growth and inflation forecasts for the euro area on Thursday but stuck to its pledge to provide stimulus for as long as needed, predicting inflation would remain below target into 2020. [SCMP]
- **Fixed-asset investment in China's economy slows.** China's fixed-asset investment growth slowed to 7.2% in the Jan-Nov period, while industrial output expanded at a faster pace than markets had expected. Analysts polled by Reuters had correctly predicted investment growth of 7.2%, cooling from the 7.3% rate from January to October. [SCMP]
- **Hong Kong raises base rate by 25 basis points in lockstep with US Fed's third increase this year.** The Hong Kong Monetary Authority raised the base lending rate by 25 basis points to 1.75%, as it moves in lockstep with the equivalent overnight increase by the U.S. Federal Reserve to maintain the Hong Kong dollar's peg to the greenback. [SCMP]

III. Industry News

- **China, U.K. said to plan Study on two-way bond trading link.** China and the U.K. will assess the feasibility of a bond-trading link that would mark a fresh step in opening up the world's largest emerging debt market. The two governments, whose officials gather Dec. 15-16 in Beijing for bilateral financial and economic talks, have agreed to form a working group to look at the issue. [Bloomberg]
- **China to support foreign banks to conduct government bond business.** China's banking regulator will also loosen requirements for foreign banks to conduct individuals' yuan deposit business, according to statement on CBRC website. China seeks to remove requirement on foreign banks' operating period in the country before they apply for yuan business. [Bloomberg]
- **China Calls on SOEs to Cut Leverage, Carry Out Reform.** China's State Council says state-owned enterprises should reduce leverage and debt, undertake reform and step up scrutiny of overseas projects, according to a statement from a meeting of the cabinet chaired by Premier Li Keqiang. [Bloomberg]

IV. Corporate News

- **Zhenro Properties is said to premarket IPO next week.** Shanghai's Zhenro Properties plans to premarket a Hong Kong IPO of around \$500mn as early as next week, IFR Asia reports, citing unidentified people familiar with the deal. [Bloomberg]
- **Wuxi Biologics controlling holder to Sell 126mn shares at discount.** Controlling shareholder Wuxi Biologics Holdings Ltd. to place the Wuxi Biologics (Cayman) Inc. shares, representing ~10.83% of issued share capital, at HK\$40.25 apiece, according to statement to Hong Kong stock exchange. [Bloomberg]

- **Foxconn to take 24.37% stake in IDG Energy for HK\$1.49bn.** IDG Energy Investment to issue 1.49bn shares to 5 Foxconn Technology subsidiaries at HK\$1.00 apiece, according to statement to HKEX. Proceeds to be used for investments in LNG terminal projects and related business, investments in other oil and gas companies or projects. [Bloomberg]
- **Bank of Chongqing sells \$750mn perpetual offshore preference shares.** 40% non-cumulative perpetual offshore preference shares will have a par value of 100 yuan each and will be issued as fully paid-up capital in USD, according to statement to Hong Kong stock exchange. [Bloomberg]
- **Tencent fends off Spotify, Apple in China's battle for the bands.** One of China's most-anticipated initial public offerings next year may be music to the ears of Tencent Holdings Ltd. investors because of its potential to drown out any noise Spotify and Apple Music want to make in the biggest market. [Bloomberg]
- **Debt-laden HNA met with Chinese banks for financing talks.** Debt-laden Chinese conglomerate HNA Group Co. met with Chinese lenders for talks on financing next year, after borrowing costs surged in recent weeks and prompted some units to scrap bond offerings. [Bloomberg]
- **China Life, CCB plan debt-equity swap with ship maker.** China Life Insurance Group, China Construction Bank signed debt-to-equity swap agreement with China State Shipbuilding Corp. to cut leverage ratio of the shipbuilder, Securities Times reports on website. [Bloomberg]
- **China's CGN unwavering as impossible reactor deadline nears.** China General Nuclear Power Corp. is standing by a year-end target for commercial operations at its Taishan No. 1 reactor, a deadline that's likely all but impossible to meet. [Bloomberg]
- **Cathay Pacific's Hong Kong-Washington flight the latest shot in battle for ultra-long-haul supremacy.** Cathay Pacific Airways' announcement of new non-stop flights to Washington has thrown it into a wider race to sate the global appetite for ultra-long-haul flying, brought on by newer, more fuel-efficient aeroplanes. [SCMP]
- **Centurion's Hong Kong debut draws major interest from retail investors.** Centurion Corp made a successful trading debut in Hong Kong this week, bolstered by strong interest from retail investors who've taken note of the company's stunning 60 per cent surge for its Singapore-listed shares this year. [SCMP]
- **Indian mobile app start-ups to track China's growth path.** Shunwei Capital, the venture capital firm cofounded by Xiaomi founder Lei Jun, expects the development of the Indian mobile internet sector to closely mirror that of China, making the subcontinent's mobile app start-ups highly attractive for early-stage investments. [SCMP]
- **JD and COLI team up for unmanned convenience stores.** China's second-largest e-commerce player JD has linked up with leading Chinese real estate developer China Overseas Land & Investment Ltd, with a goal of opening hundreds of unmanned convenience stores, leveraging the latter's real estate resources across the country. [China Daily]
- **SF Express to build Asia's first professional cargo airport.** Chinese logistics firm SF Holding Ltd announced on Thursday an investment of RMB2.3bn to build Asia's first professional cargo airport in the heart of the country. The project has already been reported to the NDRC and construction is expected to start soon in Ezhou, a city near Wuhan. [China Daily]
- **Foxconn's Wisconsin plant to get \$140mn electricity project.** Foxconn's display screen plant in Wisconsin would get a \$140mn project to meet its huge electric demand, local transmission utility American Transmission Co has said. The govt of the US state of Wisconsin and Foxconn inked the final contract for the plant worth \$10bn in Nov. [China Daily]
- **JD.com, China Overseas collaborate in exploring unmanned supermarkets.** JD.com announced that it entered into a strategic cooperation agreement with China Overseas for establishment of several hundreds of unmanned supermarkets in major cities of China, leveraging advantages of both parties. [China Daily]
- **Tencent substantial shareholder mulls spin-off listing for some biz to narrow value gap.** Naspers, the largest single shareholder of Tencent, considered that the market value of its stake in Tencent continued to see widened gap with the market value of the group itself, Bloomberg reported. [AASocks]

V. Overnight Market Recap

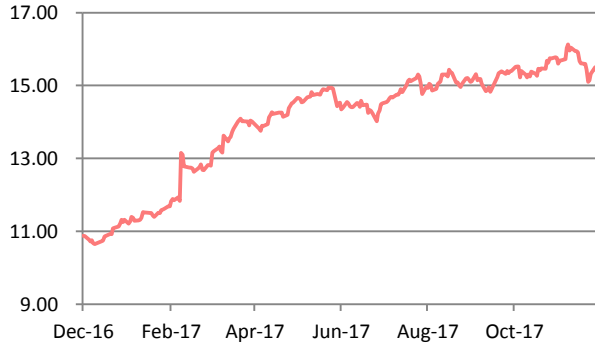
	Close	Net Chg	Chg (%)	Performance (%)						
				1W	1M	3M	6M	1Y	YTD	
US Equity	S&P 500	2,652	(10.8)	(0.4)	0.6	3.4	6.1	9.0	17.2	18.5
	Dow Jones	24,509	(76.8)	(0.3)	1.2	5.3	10.1	14.7	23.5	24.0
	Nasdaq Composite	6,857	(19.3)	(0.3)	0.6	2.2	6.3	11.2	25.6	27.4
	Russell 2000	1,507	(17.5)	(1.1)	(0.9)	2.9	5.3	6.9	10.3	11.0
	VIX Index	10.49	0.3	3.0	3.2	(20.1)	3.1	(3.8)	(18.0)	(25.3)
Europe Equity	Euro Stoxx 50	3,556	(25.5)	(0.7)	(0.5)	0.3	1.2	0.9	9.4	8.1
	DAX	13,068	(57.6)	(0.4)	0.2	0.7	4.4	3.0	15.0	13.8
	CAC	5,357	(42.3)	(0.8)	(0.5)	1.1	2.7	2.7	11.2	10.2
	FTSE 100	7,448	(48.4)	(0.6)	1.7	1.0	3.2	0.4	6.4	4.3
APAC Equity	HSI	29,166	(55.7)	(0.2)	3.0	1.1	4.9	14.1	32.2	32.6
	HSCEI	11,532	11.9	0.1	3.4	1.0	4.2	11.5	21.7	22.7
	HSI VIX	14.46	(0.6)	(3.8)	(18.7)	(5.0)	(4.2)	13.1	(13.7)	(14.4)
	CSI 300	4,026	(23.9)	(0.6)	1.4	(1.2)	5.1	14.1	20.5	21.6
	SH Composite	3,292	(10.6)	(0.3)	0.6	(3.2)	(1.8)	5.1	5.6	6.1
	SZ Composite	1,915	(0.8)	(0.0)	2.5	(4.5)	(3.7)	2.4	(2.9)	(2.7)
	Nikkei 225	22,694	(63.6)	(0.3)	0.9	3.0	14.0	14.4	17.7	18.7
Commodities (USD)	KOSPI	2,469	(11.1)	(0.5)	0.3	(1.9)	3.5	4.6	21.3	21.9
	Brent (Future)	63.31	0.9	1.4	1.8	1.8	14.1	34.7	17.5	11.4
	WTI (Future)	57.04	0.4	0.8	0.6	3.2	14.5	28.5	12.2	6.3
	Gold	1,253	(2.5)	(0.2)	0.5	(1.9)	(5.1)	(0.0)	11.1	9.2
	Copper (Future)	6,729	66.0	1.0	2.7	(2.4)	2.7	17.7	18.3	21.6
FX	Baltic Dry Index	1,730.00	(13.0)	(0.7)	3.0	23.1	27.1	100.0	72.5	80.0
	Dollar Index	93.49	0.1	0.1	(0.3)	(0.4)	1.5	(3.6)	(8.1)	(8.5)
	EUR	1.18	(0.0)	(0.4)	0.0	(0.1)	(1.4)	5.6	13.1	12.0
	JPY	112.39	(0.2)	(0.1)	(0.6)	0.4	(1.4)	(1.3)	5.2	4.1
	CNY	6.61	(0.0)	0.2	0.2	0.4	(0.8)	2.8	4.5	5.1
CDS	CNH	6.61	(0.0)	(0.1)	(0.3)	0.4	(0.9)	3.0	4.9	5.6
	ChinaGov CDS	53.41	(0.2)	(0.4)	(5.3)	(14.7)	(3.6)	(18.7)	(53.0)	(54.4)
	CDX Emerging Market	98.79	(0.1)	(0.1)	2.5	3.2	1.9	3.2	5.9	5.5

	Close	Net Chg	Chg (%)	Value						
				1W	1M	3M	6M	1Y	YTD	
US rates	3-Month Treasury Yield	1.30	0.0	0.4	1.3	1.2	1.0	1.0	0.5	0.5
	2-Year Treasury Yield	1.81	0.0	2.1	1.8	1.7	1.4	1.3	1.3	1.2
	5-Year Treasury Yield	2.14	0.0	1.6	2.1	2.0	1.8	1.7	2.1	1.9
	10-Year Treasury Yield	2.35	0.0	0.3	2.4	2.3	2.2	2.2	2.6	2.4
	2-10 Spread	53.42	(3.0)	(5.2)	57.7	63.5	81.8	83.4	132.1	125.0
China rates	O/N China Repo Rate	2.81	0.0	0.4	2.6	2.8	2.8	2.9	2.6	2.2
	1-Week China Repo Rate	3.30	0.3	10.0	3.1	3.1	3.4	2.8	3.2	2.6
	O/N SHIBOR	2.80	0.0	0.5	2.6	2.8	2.7	2.9	2.3	2.2
	1-Week SHIBOR	2.87	0.0	0.6	2.8	2.9	2.8	2.9	2.5	2.5

Source: Bloomberg

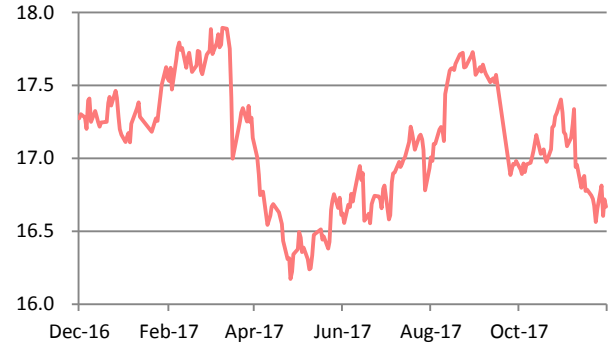
VI. Key Indicators

Hang Seng Index PE Ratio



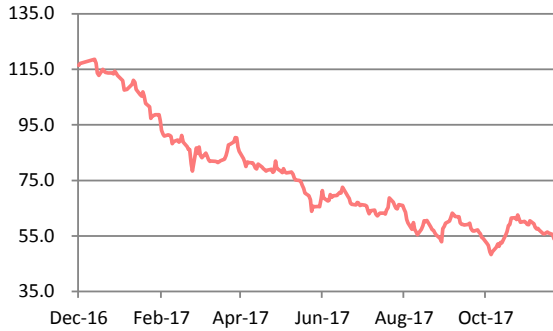
Source: Bloomberg

Shanghai Composite Index PE Ratio



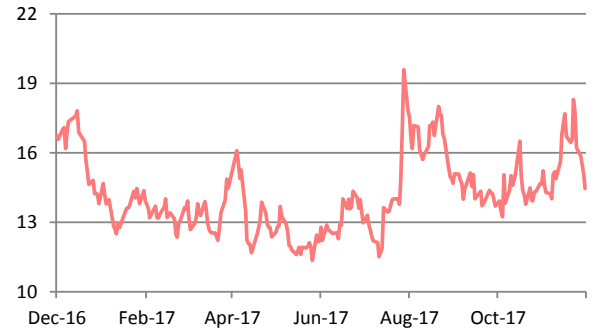
Source: Bloomberg

China 5Y CDS Index_USD



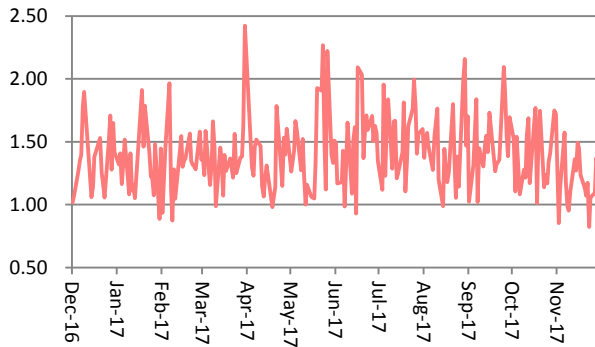
Source: Bloomberg

Hang Seng Index VIX



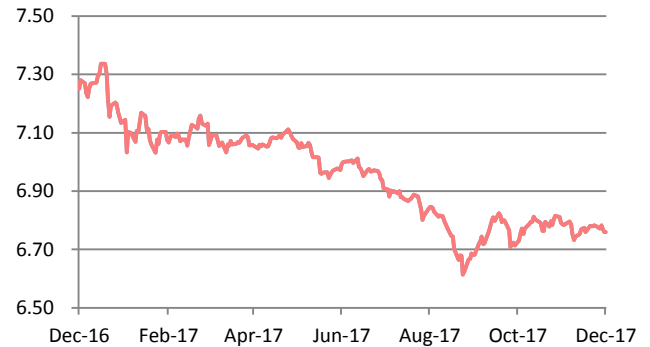
Source: Bloomberg

Hang Seng Index Put Call Volume Ratio



Source: Bloomberg

USDCNH 1Y Forward



Source: Bloomberg

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