

#### NEWS SUMMARY 31 October 2018

### China factory growth weakest in over 2 years, slump in export orders deepens

With both weak domestic and external demand, China's official PMI fell to 50.2 in October, the lowest since July 2016 and down from 50.8 in September. Index for new export orders fell to 46.9 from 48.0 in September.

### China Oct official services PMI falls to 53.9

China's official services PMI fell to 53.9 from 54.9 in September. The composite PMI, which covers both manufacturing and services activity, slipped to 53.1 in October, from September's 54.1.

### Japan October industrial output falls as trade friction weighs

Japan's industrial output declined 1.1%, more than expected in September as a series of typhoons and earthquakes disrupted production and a trade war between the United States and China weighed on exports

# South Korean factory output falls at fastest pace in 19 months, November rate hike in doubt

South Korea's factory output shrank the most in 19 months and the industrial output index fell by a seasonally adjusted 2.5% in September from a month before.

### Brexit worries drag on UK consumer sentiment - GfK

The consumer confidence index from market research firm GfK fell to -10 in October. The survey showed that Britons' worries about how the economy will fare over the next 12 months had risen to the highest since December.

#### Britain plans expansion of diplomatic network after Brexit

Foreign Secretary Jeremy Hunt will announce that Britain is to hire nearly 1,000 more diplomatic staff as it looks to expand its links with countries around the world after Brexit.

### <u>S&P warns 'no-deal' Brexit likely to tip UK into long recession</u>

Standard & Poor's said a no-deal Brexit would be likely to tip Britain into a recession as long as the downturn that followed the global financial crisis.

### Trump says he expects "great deal" with China, but more tariffs if not

U.S. President Donald Trump said Washington was preparing to announce tariffs on all remaining Chinese imports by early December if talks next month between Trump and his counterpart Xi Jinping fail to ease the trade war.

### Yellen says rising deficit is unsustainable: 'If I had a magic wand, I would raise taxes'

Former Federal Reserve Chair Janet Yellen said rising deficit is unsustainable. "If I had a magic wand, I would raise taxes and cut retirement spending," Yellen told. The U.S. fiscal deficit rose to \$779 billion in fiscal 2018, up 17% from the previous fiscal year.

### U.S. Secretary of State Pompeo calls for end to fighting in Yemen

U.S. Secretary of State Mike Pompeo said missile and drone strikes by Iran-allied Houthi rebels against Saudi Arabia and the United Arab Emirates should stop, and the Saudi-led coalition must cease air strikes in all populated areas of Yemen.

#### Trump visits Pittsburgh to console but stirs anger among protesters

U.S. President Donald Trump on Tuesday visited the Pittsburgh synagogue attacked by an anti-Semitic gunman and lit candles for each of the 11 slain worshippers, while thousands protested his presence in the city and victims' families began burying their dead.

#### DOJ: 10 Chinese intelligence officers and hackers indicted for stealing aviation trade secrets

The US Justice Department has charged a group of 10 Chinese agents with trying to steal aviation technology from US companies. The department said the agents had hacked into commercial jet fan firms based in Suzhou, China.

### Australia Inflation Adds 0.4% On Quarter In Q3

Australian consumer price index rose 0.4% quarter-on-quarter in the September quarter, in-line with forecasts, and unchanged from the last quarter. Consumer prices advanced 1.9% on a yearly basis.

# UPDATE 2-Flatlining economy bruises Italy's government bonds

Italy's economy came to a standstill in the third quarter of the year, registering no growth at all as both domestic demand and trade flows failed to spur any growth Italian government bonds were hit on Tuesday.

### Oil prices rise for first time in three days, but trade war fears drag

Oil prices climbed for the first time in three days on Wednesday but rising supply and fears over the outlook for demand. The International Energy Agency (IEA) said high oil prices were hurting consumers and could dent fuel demand at a time of slowing global economic activity.

### Malaysia prepares austerity budget amid strains on fiscal deficit

Malaysia's new government is set to deliver an austerity flavored first budget on Friday, having unearthed more debt left behind by the previous administration, and needing extra revenue after ditching an unpopular consumption tax.

### Facebook expects rising costs to combat scandals to moderate after 2019

Facebook Inc warned that growing user interest in private messaging, video and safer content would cause costs to rise faster than revenue for "some time."

# Taiwan seeks more advanced weapons from US at defence industry conference

Taiwan is seeking to buy more advanced weapons from the United States and to integrate its companies in the US defence industry supply chain, in a new push that will again provoke Beijing.

### There's no Hong Kong housing market 'bubble', insists CK's Victor Li

Victor Li Tzar-kuoi, the elder son of Hong Kong's richest man Li Ka-shing, says Hong Kong's housing market is not in a bubble waiting to burst despite continued skyrocketing prices, and dismisses suggestions he is about to change the development path of the group his iconic father founded.

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