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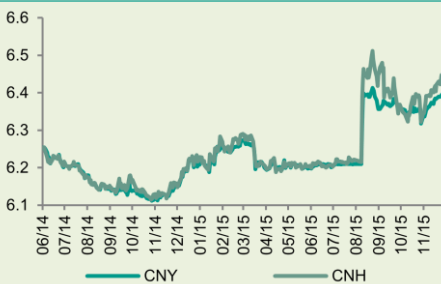
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Exhibit 1: SDR allocation effective Oct 1, 2016

Currency	SDR allocation (%)	
	New	Previous
RMB	10.92	0
USD	41.73	41.90
EURO	30.93	37.40
JPY	8.33	9.40
GBP	8.09	11.30

Source(s): IMF, ABCI Securities

Exhibit 2: CNY and CNH



Source(s): Bloomberg, ABCI Securities

RMB to be the fifth currency in SDR

After evaluating China's importance as an external trade participant and determining RMB to be a 'free usable' currency, the International Monetary Fund (IMF) admitted RMB into its Special Drawing Right (SDR) benchmark currency basket, effective Oct 1, 2016. RMB's inclusion in the SDR as a major reserve currency represents a critical step in RMB internationalization, indicating that the currency status is rising along with the country's increasing involvement in global finance and trade. International recognition of RMB demonstrates effectiveness of China's currency reforms over the last few years. Going forward, RMB, as a reserve currency, will be capable of responding to market changes in a more flexible manner. This will pave the way for further opening of the capital account and a fully convertible RMB.

A milestone of RMB internationalization. The RMB will be included in the SDR basket as the fifth currency, along with the USD, EUR, JPY and GBP. The respective weights of USD, EUR, RMB JPY and GBP will be 41.73 % (41.9 % previously), 30.93 % (37.4 % previously), 10.92 %, 8.33 % (9.4 % previously), and 8.09 % (11.3 % previously). These weights will be used to determine the amount of each of the five currencies to be included in the new SDR valuation basket that will take effect on Oct 1, 2016. The weights of the four major currencies will be reduced, indicating the increased use of RMB in global trade and finance. The inclusion of RMB into SDR is expected to accelerate financial liberalization. Targeted reforms to further increase RMB convertibility will be introduced, which include the establishment of more offshore RMB clearing centers, increasing foreign access into onshore markets (QFII and RQFII), the expansion of offshore investors by including residents (QDII enhancements), and the widening of the currency trading band.

Central banks and sovereign funds seek to increase RMB assets. More central banks and sovereign funds would need to diversify its reserves into Chinese currency assets, and possibly benchmark their reserve holdings based on RMB's weight in the SDR. Increasing demand for RMB assets over time will likely prompt significant growth in the size, diversification, and liquidity of capital markets in China. This will promote greater demand, liquidity, and turnover of RMB and benefit corporates and investors using the market for their hedging and investing activities.

Increased use of RMB in sight. Increased use of the RMB by businesses and the continuing relaxation of capital control will give regional treasury centers unprecedented flexibility for their uses of RMB in the global cash pools and improved flexibility in hedging exposures associated with RMB. This will bring significant impact on the value of RMB, facilitate the use of RMB in international trade and investment, and deepen the integration of RMB into the global financial system.



China Economic Indicators

	2014					2015										
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov*
Real GDP (YoY%)	---	7.3	---	---	7.3	---	---	7.0	---	---	7.0	---	---	6.9	---	---
Export Growth (YoY%)	9.4	15.3	11.6	4.7	9.7	(3.2)	48.3	(15.0)	(6.4)	(2.5)	2.8	(8.3)	(5.5)	(3.7)	(6.9)	(4.5)
Import Growth (YoY%)	(2.4)	7.0	4.6	(6.7)	(2.4)	(19.7)	(20.5)	(12.7)	(16.2)	(17.6)	(6.1)	(8.1)	(13.8)	(20.4)	(18.8)	(13.0)
Trade Balance (USD/bn)	49.8	30.9	45.4	54.5	49.6	60.0	60.6	3.1	34.1	59.49	46.6	43.0	60.2	60.3	61.6	65.4
Retail Sales Growth (YoY%)	11.9	11.6	11.5	11.7	11.9	10.7	10.2	10.0	10.1	10.6	10.5	10.8	10.9	11.0	11.0	11.2
Industrial Production (YoY%)	6.9	8.0	7.7	7.2	7.9	6.8	5.6	5.9	6.1	6.8	6.0	6.1	5.7	5.6	5.4	
PMI - Manufacturing (%)	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	49.7	49.8	49.8	49.6
PMI - Non-manufacturing (%)	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	53.4	53.4	53.1	53.6
FAI(YTD) (YoY%)	16.5	16.1	15.9	15.8	15.7	13.9	13.5	12.0	11.4	11.4	11.2	10.9	10.3	10.2	10.1	
CPI (YoY%)	2.0	1.6	1.6	1.4	1.5	0.8	1.4	1.4	1.5	1.2	1.4	1.6	2.0	1.6	1.3	1.3
PPI (YoY%)	(1.2)	(1.8)	(2.2)	(2.7)	(3.3)	(4.3)	(4.8)	(4.6)	(4.6)	(4.6)	(4.8)	(5.4)	(5.9)	(5.9)	(5.9)	(5.7)
M2(YoY%)	12.8	12.9	12.6	12.3	12.2	10.8	12.5	11.6	10.1	10.8	11.8	13.3	13.3	13.1	13.5	13.2
New Lending (RMB/bn)	702.5	857.2	548.3	852.7	697.3	1,470	1,020	1,180	707.9	900.8	1,280.6	1,480	809.6	1,050	513.6	800
Aggregate Financing (RMB bn)	957.7	1,135.5	662.7	1,146.3	1,690	2,047	1,356	1,241	1,056	1,236	1,833	742	1,082	1,300	476.7	974

* Forecasts (excluding PMI - Manufacturing and PMI - Non-Manufacturing)

World Economic/Financial Indicators

Equity Indices				Global Commodities				Bond Yields & Key Rates		
	Closing price	Chg. WTD (%)	P/E	Unit	Price	Chg. WTD (%)	Volume (5-day avg.)		Yield (%)	Chg. WTD (Bps)
U.S.				Energy				US Fed Fund Rate	0.25	0.00
DJIA	17,719.92	(0.44)	15.83	NYMEX WTI	USD/bbl	41.80	403,127	US Prime Rate	3.25	0.00
S&P 500	2,080.41	(0.46)	18.59	ICE Brent Oil	USD/bbl	44.68	199,923	US Discount Window	0.75	0.00
NASDAQ	5,108.67	(0.37)	31.26	NYMEX Natural Gas	USD/MMBtu	2.24	62,670	US Treasury (1 Yr)	0.0966	(1.52)
MSCI US	1,986.56	(0.47)	19.31	Australia Newcastle Steam Coal Spot fob ²	USD/Metric Tonne	61.80	N/A	US Treasury (5Yr)	1.6675	2.29
Europe				Basic Metals				US Treasury (10 Yr)	2.2306	1.05
FTSE 100	6,390.52	0.24	29.06	LME Aluminum Cash	USD/MT	1,437.25	14,302	Japan 10-Yr Gov. Bond	0.2990	(0.90)
DAX	11,360.06	0.59	24.29	LME Aluminum 3 -mth. Rolling Fwd.	USD/MT	1,446.00	44,455	China 10-Yr Gov. Bond	3.1800	0.00
CAC40	4,951.56	0.43	22.70	CMX Copper Active	USD/lb.	4,602.25	13,035	ECB Rate (Refinancing)	0.05	0.00
IBEX 35	10,429.70	1.15	20.46	LME Copper 3- mth Rolling Fwd.	USD/MT	4,586.00	55,366	1-Month LIBOR	0.2438	3.23
FTSE MIB	22,765.69	0.84	N/A	Precious Metals				3 Month LIBOR	0.4142	3.21
Stoxx 600	386.30	0.69	28.19	CMX Gold	USD/T. oz	1,069.40	108,257	O/N SHIBOR	1.7880	0.20
MSCI UK	1,854.41	(0.27)	29.76	CMX Silver	USD/T. oz	14.15	36,403	1-mth SHIBOR	2.7000	0.00
MSCI France	139.69	0.55	23.11	NYMEX Platinum	USD/T. oz	839.80	10,523	3-mth HIBOR	0.3734	(0.07)
Asia				Agricultural Products				Corporate Bonds (Moody's)		
NIKKEI 225	20,012.40	0.65	20.82	CBOT Corn	USD/bu	374.50	182,997	Aaa	4.00	(4.00)
S&P/ASX 200	5,266.14	1.22	19.61	CBOT Wheat	USD/bu	477.25	75,543	Baa	5.44	(2.00)
HSI	22,381.35	1.42	9.84	NYB-ICE Sugar	USD/lb.	14.84	57,590	Note:		
HSCEI	9,947.94	0.94	7.32	CBOT Soybeans	USD/bu.	884.25	101,511	1. Data sources: Bloomberg, National Bureau of Statistics of China, ABCIS (updated on date of report)		
CSI300	3,591.70	0.98	14.85					2. Australia Newcastle Steam Coal Spot fob is the Australia Newcastle 6700 kc GAD fob Steam Coal Spot price published by McCloskey		
SSE Composite	3,456.31	0.58	18.13							
SZSE Composite	2,198.28	0.65	51.07							
MSCI China	60.28	(0.26)	9.51							
MSCI Hong Kong	11,991.73	(0.35)	9.92							
MSCI Japan	959.62	(1.01)	16.62							

* As of 12:00 AM closing

Currency

	Euro/USD	GBP/USD	AUD/USD	USD/JPY	USD/CHF	USD/CNY	USD/HKD	USD/CNY NDF 12-mth Spot pr.
Spot Rate	1.0602	1.5119	0.7288	122.94	1.0281	6.3988	7.7516	6.6476
Chg. WTD (%)	0.09	0.55	1.32	(0.11)	0.20	(0.07)	(0.01)	0.05



Disclosures

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Definition of equity rating

Rating	Definition
Buy	Stock return \geq Market return rate
Hold	Market return - 6% \leq Stock return < Market return rate
Sell	Stock return < Market return - 6%

Stock return is defined as the expected % change of share price plus gross dividend yield over the next 12 months

Market return: 5-year average market return rate from 2009-2013

Time horizon of share price target: 12-month

Definition of share price risk

Rating	Definition
Very high	2.6 \leq 180 day volatility/180 day benchmark index volatility
High	1.5 \leq 180 day volatility/180 day benchmark index volatility < 2.6
Medium	1.0 \leq 180 day volatility/180 day benchmark index volatility < 1.5
Low	180 day volatility/180 day benchmark index volatility < 1.0

We measure share price risk by its volatility relative to volatility of benchmark index. Benchmark index: Hang Seng Index.

Volatility is calculated from the standard deviation of day to day logarithmic historic price change. The 180-day price volatility equals the annualized standard deviation of the relative price change for the 180 most recent trading days closing price.

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